

**Office of Payroll Administration**  
**Joel Bondy, Executive Director**  
**Office of Payroll Administration**  
**Testimony before the Committee on Contracts**  
**in relation to Examining the**  
**New York City Office of Payroll Administration's CityTime Contract**  
**December 18, 2009**

Good morning, Chair James and members of the Committee on Contracts. My name is Joel Bondy and I am the Executive Director of the Office of Payroll Administration ("OPA").

OPA is overseen by a two member, unsalaried Board of Directors appointed by the Mayor, one representing the Mayor and one recommended by and representing the Comptroller. OPA distributes the City's payroll and assures the integrity, accuracy and operational effectiveness of City payroll systems for both employees and retirees. In addition, OPA files the City's payroll taxes in compliance with all rules and regulations of taxing authorities.

My last appearance before this Committee was on May 8<sup>th</sup>, 2008 in a joint meeting with the Council's Committee on Civil Service and Labor at which I presented testimony and answered questions regarding the CityTime timekeeping system that my agency is in the process of implementing.

**What is CityTime?**

CityTime is a custom-built computer system designed to improve the efficiency, accuracy, integrity and compliance of the City's timekeeping process. CityTime automates the collection of data about time worked by City employees, classifying leave taken and overtime worked into payroll transactions, approving these transactions and transmitting them to the City's Payroll Management System (PMS). CityTime will perform these functions for over 160,000 City employees according to terms negotiated, or litigated, with 240 collective bargaining units, the personnel policies of the City and the business needs of approximately 80 agencies.

*Efficiency:* To pay staff accurately and account for their leave, timekeepers use PMS' 1,200 leave and 1,100 pay codes, derived from employees' paper time records. Large agencies typically have one full-time timekeeper for every 100 to 250 employees, with many more part-time timekeepers for smaller departments and agencies. Per City records retention policy, paper timekeeping records must be retained for 55 years. There are literally thousands of City employees involved in this predominantly manual, inherently complex, paper-based effort. With CityTime, data about time worked is collected directly from employees using time clocks and online electronic timesheets. The rules for validating all of this data are part of CityTime. Errors are highlighted at the time of entry for immediate correction by the employee thereby eliminating the possibility of

paychecks on hold or the interruption of direct deposit due to error. Leave requests, requests for overtime payment and approvals of timesheets and requests are similarly handled paperlessly and automatically routed electronically for approval. Approvals are tracked and expedited to assure timely payment. Timekeeping records will be retained electronically, paperlessly. When fully implemented, CityTime is expected save over \$60 million annually.

*Accuracy:* The rules that are applied in CityTime are the City's rules. Flexible schedules, compressed schedules, grace periods, minimum leave usage policies, required approvals, etc. are all built into CityTime. The system is extremely flexible. As part of the implementation process, the CityTime software is configured to match the existing timekeeping policies of each agency. It has been stated that with CityTime, an employee cannot work additional time to make up for lateness, that it requires "lock step" adherence to a fixed schedule. As long as the rules for one's job permit it, and this is established by each agency, employees are allowed to make up time for lateness. This "Flex Time" permits penalty-free arrival any time within a specified "flex band", typically an hour and a half long. It's not a "free for all"; it's till possible to be late, but the system is not inflexible.

CityTime automatically assigns the proper pay and leave codes to pay City employees more accurately. For example, when an employee has worked hours for which a night shift differential should be paid, CityTime will do so automatically; the employee will no longer be required to request it. Through CityTime, employees have access to up-to-date leave balances. Knowing how much Compensatory Time or Annual Leave they have accumulated will allow them to better manage their use of earned leave.

*Integrity:* All timekeeping activity conducted within CityTime is logged, keeping a full audit trail. If any changes are made an employee's time record, the system can identify who made the change and, often, why.

*Compliance:* In addition to automatically enforcing compliance with the pay provisions of the agreements negotiated and litigated with the collective bargaining units that represent the City's workforce, CityTime also assures compliance with the City's policies, administrative code and the federal Fair Labor Standards Act (FLSA).

### **Project Progress Since the Last Meeting**

In our last meeting, I told you that CityTime was in production at 28 agencies and used daily by more than 15,000 City employees. At that time, it was already the largest citywide system in operation, processing more than 42,000 transactions daily. Today, more than 46,000 users at 56 agencies use CityTime, last week generating over 860,000 transactions.

Development of the CityTime software program has been substantially completed. Last October, we promoted into production version 6.0 of CityTime which included the finishing touches of the roll-call functionality we have developed for the uniformed

agencies and pay rules for many of the remaining civil service titles. As a result, we have begun the planned reduction of contracted development staff from a peak of over 140 to a current level of less than half of that. As we move into the maintenance phase, this will be reduced even further, but more about that later.

We have pilot programs successfully in production at all four uniformed agencies. Plans are being developed to complete the roll-out to these agencies in the coming year. The population remaining to be deployed is comprised mainly of follow-on groups in agencies already using CityTime and some smaller agencies of elected officials, who often have unique practices.

To assist OPA to manage the development of the CityTime software, we had entered into a contract with Spherion to provide an independent quality assurance ("QA") team. Independent QA is required by OMB for large system projects. This team has been invaluable in monitoring our project's processes and helping us to implement an ongoing program of continuous improvement. The timing of this service was tied to that of the development, or programming, of the CityTime software. Upon completion of the period of peak development, and at the recommendation of OMB, we concluded the engagement with Spherion to provide this independent team.

#### **Contract Status**

Since May of 2008, we have executed two annual funding amendments to our contract with SAIC, amendments 9 and 10. Both of these amendments were within the capital budget and plan agreed upon with OMB in 2006. Amendment 9 covered the fiscal year that began July 1, 2008 and ended June 30, 2009 and increased the contract to \$489,238,434. Amendment 10 covered the period that began July 1, 2009 and will end September 30, 2010 and increased the contract to \$628,461,443. We are still within the capital budget agreed upon with OMB in 2005. This last amendment was for fifteen (15) months instead of the usual twelve (12) to cover the entire remaining term of the implementation phase of the contract. After that point in time, we will enter the maintenance phase of the program.

Also in that time span, we executed an amendment to our contract with Spherion, the QA contractor. The period of performance of Spherion's contract was set to end on January 15, 2009, well before the end of the period of peak development of the CityTime software. The amendment to Spherion's contract extended, at no additional cost, the period of performance by one year to January 15, 2010.

In addition to providing the QA team, Spherion also provides what we refer to as Subject Matter Experts, or "SMEs". SMEs fall into three categories. Some SMEs perform quality assurance functions that fall outside of the on-going assessment of deliverables and processes performed by the QA team. These functions include support of our Acceptance Testing, Performance Testing and Development Oversight units. Some are knowledgeable in the practices of specific agencies, such as the NYPD, and therefore help us to better develop software and implementation plans for those agencies. The third

group are management consultants who help OPA to manage the project and oversee the work of the prime contractor, SAIC. While the need for the QA team may have ended with the end of peak development, the contributions of a small number of SMEs will be required through the completion of implementation and the transition from a primarily contracted mode of operation to one manned by City staff. To that end, pursuant to PPB rules, OPA has executed a contract by negotiated acquisition for the continuance of these services.

The Spherion contract, which totals approximately \$51 million, is expiring this coming January. This contract will have covered the provision of independent QA services and the team of SMEs for a period nine (9) years. The SME team, at its peak, was close to 35 members. A generally accepted guideline for the cost of quality assurance for major IT projects is around 10% of the total project cost. With Spherion, our cost of QA and management assistance has been maintained at less than ten (10) percent. The negotiated acquisition I mentioned is to cover the continuation of a core set of thirteen SMEs. As the CityTime team is undergoing a significant reduction, so is the Spherion team. The remaining individuals are the key consultants, the ones with the most responsibility, who help us to manage this large project. These senior managers have the most experience and we are billed commensurately by Spherion. These corporate rates have been confirmed to be in line with industry standards as well as the rates negotiated in the NYS OGS contracts for similar services.

As we reduce the size of the teams to the minimum necessary to continue operations, the work done by these management consultants is even more important. At the end of the project, they, too, will be replaced by City staff, but until then, they are a necessary part of the City's management team.

### **Going Forward Plans**

Our major focus at this time is the completion of the implementation of CityTime at the four uniformed agencies and the remaining civilian agencies. In this regard, we project what we refer to as the "period of peak implementation" to end September 2010. We do not expect to be 100% implemented at that time, but will be so far along in every agency that we will be able to begin to reduce significantly the implementation team. The first phase in an agency always requires the bigger "push". The remainder happens much more smoothly.

Another initiative, one that has already begun, is the transfer of support functions from consultants to City staff. We have already begun to hire employees to replace consultants in key positions. Once City operations managers have been hired, they will build their teams of City staff to facilitate a transition of responsibility for ongoing operations, administration and agency support to City staff.

By this time next year, we see CityTime settling into an operational and maintenance mode that is normal for an active, mature system. This has already begun with the development operation.

## **Follow-up on Prior Testimony**

At the last hearing, there were a few points of discussion on which I wanted to follow up. Also, I remained in the hearing room to listen to the testimony offered by panels that followed me. There were questions regarding the benefits and costs of CityTime, as well as some employee reactions that I want to address.

### **“Why does CityTime cost so much?”**

In my last appearance before this committee, I reviewed the amendment history of the SAIC contract, SAIC being the prime contractor for the development and implementation of CityTime. During the first, multi-year analysis phase of the program, the City realized that it needed much more from CityTime than was in the original agreement. This realization did not come all at once. At the City's direction, the scope was changed to adapt to new technologies and to build a technology platform that has the ability to do what the City needs in a way it can support.

First, it is complicated. The City pays approximately 345,000 employees in over 5,000 civil service titles according to rules negotiated and litigated with roughly 240 collective bargaining units working in about 80 agencies. CityTime is not just a computerized time clock. It is a sophisticated program that determines what payments are due to each employee according to an extremely complex set of rules that takes all of these variables into account. There are no commercially available software products that come even close to doing what CityTime does. We confirm this continually.

For example, let's say you are scheduled to work Monday thru Friday. Next year, the Christmas and New Year's Day holidays are on Saturday, so the official City day of observance is the preceding Friday. So when you take the Friday off, you are receiving your Holiday Pay. If you are called in to work on Saturday, are you entitled to the Holiday Pay premium pay again for the time worked on the actual holiday? What if you are called in to work at 11:00 p.m. for three hours, is the entire three-hour shift entitled to Holiday Pay, or just the one hour that falls within the 24-hour holiday? What if you are a carpenter? And you work at the Dept. of Homeless Services? There might be a different answer for your title or agency. These rules are complex. There were over 30 pages of scenarios that had to be analyzed to address the Daylight Savings Time transitions alone. And all of these rules are effective dated, so that when a union agreement is renegotiated retroactively and the rules are changed, our employees' pay is adjusted automatically. When a user sees a CityTime timesheet, it looks deceptively simple. All of these rules I've described process in the background.

So over eleven (11) years, it has cost the City approximately \$290 million to develop this software, an investment in the accuracy of our payroll and managing the productivity of our employees that has already been made.

Second, it is a huge computer system. The computer systems that the City uses to manage citywide processes are among the largest in the world. And at 46,000 users, CityTime is currently the largest citywide system. Furthermore, the equipment in the data center has to be "industrial strength", able to sustain a high level of availability, that is, minimal downtime, for a user base larger than any other City system. To date, our investment in data center equipment has been \$47 million.

This leads me to the final point: it takes a large team. The size of the operational team is commensurate with the size of the system. In addition to the analysis and programming teams, the cost to operate the data center currently amounts to \$7 million annually. But, as I mentioned, the system will soon be operated by City employees. To implement this system, the team has to work with each agency to configure all of the options in the system to match the policies of that agency. We help them set up the organization tree so that the system knows who is the right approver for each employee. They train each and every user to assure that the payroll is accurate and timely the first time "out of the gate". Our tolerance for error, when it comes to paying our employees is zero. Our implementation teams work very closely with every agency as it is implemented to assure us all goes smoothly. Agency support teams go into the field to assist timekeepers in their use of the new system until they are able to stand on their own. We have a help desk to field calls from agency staff. We have a user forum that meets monthly at which agencies share with us, and each other, their experiences and recommendations for improvements. These all represent components of a large team working to make this happen. To date, implementation services have totaled \$109 million. And, yes, their time is captured by CityTime. We use it to manage consultants' time as well as employees' time.

**"Should we continue to invest in this expensive program in such hard economic times?"**

I believe there is only one answer to this question, and that is an emphatic, "Yes." CityTime puts tools into the hands of our managers to help them to manage our workforce. I propose that the time when these tools are needed the most is when funding is tight.

Overtime management and equalization functionality in CityTime will do more than just enable more efficient management of costs. For example, the legislation recently passed in Albany authorizing a Tier 5 pension plan also contains a provision that limits the amount of overtime that can be included in the calculation of the pension benefit. The agencies affected by this provision will need a tool to manage the amount of overtime worked in the last years of an employee's active career. CityTime is that tool.

In discussions with managers in various agencies at the time of implementation, I have heard feedback that CityTime makes them pay attention to their subordinates' time in a more detailed way than they had done previously. Not that it takes more time to do so, but that they are now required to. As a manager, that is one of my primary responsibilities - to make sure my employees are on the job, to manage their time, to review their

timesheets before approving them. While I hear this complaint, I hear it with the recognition that what they are complaining about is really a good thing.

The timeliness policies that the system enforces are not new. They are without exception the policies that the agencies have always followed. What is new is the attention to performance that the system enables. At our last hearing, I heard a City employee complain that because of the new timekeeping system, they are feeling a new found stress to get to work on time. Not only as a City manager, but as a City resident and taxpayer, I could not but help think, "That, too, is a good thing."

At the last hearing, I heard testimony that our employees are professionals and should be paid based on what they do, not on time. This misses the point. I respect our employees and the work they do, but they are not paid based on what they produce. OPA staff are not paid based on the number of paychecks produced or tax forms filed. They are paid to work a 35 hour week, and for overtime when they work it. Their productivity is a management issue, not a pay parameter. That is true for all City workers regardless of their title or in which agency they work. And it is management's obligation to measure their time accurately and to pay our employees timely. In today's world, and with our volume and complexity, it takes a computer system to do that.

This is not optional. The Federal Fair Labor Standards Act ("FLSA") obligates management to track time worked by covered employees in a manner that is both accurate and timely. Our current paper-based processes do not measure up to that standard and are increasingly being found lacking. That is why FLSA-covered employees are required to punch.

A cost/benefit analysis that was done as a part of the original justification for the project documented that CityTime would save the City \$66 million annually. These savings were comprised primarily of reductions in paper, error correction and records storage and improvements in timekeeper productivity. In 2001, the Gartner Group, an information technology consultancy used by many City agencies to assess technologies, strategies and systems, was engaged to assess the CityTime project. The scope of this analysis included a confirmation of the costs and benefits of the program. This assessment reduced some of the more optimistic projections and predicted a \$60 million annual savings. What was not included in these projections were any benefits to be realized from a more effective personnel management process that the system will enable. We are talking about a payroll that is in excess of \$30 billion. An improvement, such as reduced lateness or early departure, of only one tenth of one percent, amounts to \$30 million annually. Even small changes yield big savings. Additionally, a system that demonstrates that our timekeeping practices are compliant with the requirements of the FLSA reduces our exposure to claims and corresponding settlements, which have been known to amount to tens of millions annually. While the costs may have increased the length of time it will take, with savings such as these, CityTime will pay for itself.

The City has already made the investment in the development of the system and its implementation has already taken place in most City agencies. Granted, we still have the

largest agencies ahead of us, the uniformed services, but we have started the process of getting them on board as well. Now is not the time to falter.

### **In Summary**

CityTime benefits both our employees and agencies by improving efficiency, accuracy, accountability, integrity and compliance with our policies and laws. CityTime does not change the timekeeping policies of our agencies. It simply replaces existing processes with ones that are much more accurate, efficient and paperless. We are committed to tracking the time worked by our employees and paying them accurately on that basis. Indeed, we are obligated to do so by federal law. We are required to capture time in a manner that is both accurate and indisputable. We are also obligated to conduct operations in as efficient a manner as possible. These are the goals of CityTime, and these goals are being realized.



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## City Council to probe CityTime; timekeeping and payroll system costing city \$700M

Juan Gonzalez - News

Friday, December 18th 2009, 4:00 AM

Why has CityTime, a high-tech timekeeping and payroll system for city workers, ballooned in cost from \$63 million to \$700 million and fallen years behind schedule?

A City Council hearing today will try to dig up some answers.

Among the things Council members want to explore, says Letitia James, chairwoman of the Contracts Committee, is the cozy relationship that has evolved between city officials and private consultants on the problem-plagued project.

This column reported on Dec. 4 that Mitchell Goldstein, a consultant with Spherion Corp., is being paid \$490,000 as head of a quality control team overseeing CityTime. Goldstein is just one of a dozen Spherion consultants receiving an average

of more than \$300,000 annually until at least 2012 to oversee the main contractor on the project, defense giant SAIC.

Spherion also happens to be the firm where Joel Bondy, the city's current payroll director, worked before Mayor Bloomberg tapped him to run the agency in 2004.

Bondy has never listed his former involvement with Spherion in his official biography on the city's Web site. He only confirmed it for the first time during testimony he gave in 2007 as part of an arbitration hearing with a city workers' union.

The union hearing, which received virtually no press attention, was over a grievance that city architects had filed against being required to use CityTime's biometric hand scanners to punch in and out of work every day.

Union lawyer Rachel Minter asked Bondy if there was a conflict of interest between his moving from Spherion to a job with the city, where he was supervising his former co-workers. He reluctantly responded only after the arbitrator ordered him to do so:

"I did write to the Conflict of Interest Board,

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described exactly what I was doing and asked for their confidential opinion," Bondy said "[and] I was advised it was not [a conflict]."

One of the first things Bondy did when he took over the payroll agency was to get Spherion to bring Goldstein onto the CityTime project, according to several sources on the project. Goldstein had been a business partner with Bondy during the 1980s in another consulting firm called the Productivity Center.

"He [Bondy] fully divested his ownership in [Productivity Center] in 1989 and has had no relationship with the firm since that time," a spokesperson for the Office of Payroll Administration said.

When officials launched CityTime in 1998, it was supposed to cost only \$63 million. They promised it would end the age-old practice by some employees of forging time sheets for their friends.

But according to several former CityTime consultants, some of the biggest abusers of time sheets were the people devising the new payroll system.

"I made over \$120,000 in eight months on

CityTime and probably did real work for only two weeks," one former Spherion consultant who quit in disgust told me. "Most of the time we browsed the Internet and hung out. The unwritten rule was to keep billing for the hours you showed up, not the work you did."

No wonder the system's price has soared tenfold and only about 45,000 of a proposed 140,000 workers are even using CityTime.

In the midst of an economic crisis, with hundreds of school aides being thrown out of work and the budget of every agency being slashed, you would think City Hall would be too embarrassed to keep this obscene gravy train going for private consultants.

Yet Bloomberg quietly added another \$140 million to the CityTime contract in September.

At least the City Council is demanding some explanation.

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January 22, 2007

## **Testimony at New York City Council**

### **Re: Installation of palm scanners at various City agencies**

My name is Salvatore Galletta, PE. I represent the American Engineering Alliance, an organization founded in 1995 and dedicated to promoting and protecting the interests and welfare of all Engineers and the standing of the Engineering Profession for the purpose of better serving the Public. We strongly support the efforts of our colleagues in Local 375 in their fight against the installation of palm scanners.

The members of Local 375 are highly skilled technical professionals who keep this City running. The ranks of the Local consist of Engineers, Architects, Scientists and other technical professionals. They deserve to be treated with respect and recognition for the critical work they do on behalf of all New Yorkers. These palm scanners that the City intends to install in all City agencies is a slap in the face on these dedicated professional public servants. More importantly, such a measure is counter-productive to the efficiency of the workforce.

The goal of management is to create a congenial and supportive work environment that is conducive to the efficient operation of the work unit. Palm scanners create a hostile environment not conducive to creative and productive work; they also dedicate a great deal of resources and time to a counter-productive endeavor that will harm the efficiency of work.

Besides being intrusive, palm scanners and other biometric readers have the potential for abuse. There is always the tendency to use the new technology in ways not originally intended. Scanners have the capability to track an individual's movement thru the use of trackable ID cards. Such monitoring of an individual represents an erosion of personal freedom.

Traditionally professionals were never required to punch a time clock. The palm scanner is an updated, high tech version of the time clock. The use of palm scanners and other biometric readers are demeaning to everyone, especially the skilled professionals of Local 375, and their introduction will lead to the deterioration of the professional environment which is so essential to maintaining a highly motivated professional workforce.

The implementation of these biometric reading devices will surely lead to a Big Brother environment and the inevitable hostilities between employees and management; and this surely is not good for either the employees or management. Productivity as well as creativity, the hallmark of a professional, will suffer.



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Although we object to palm scanners being used for professional employees, out of principle, we also object to them being used for any City employee, professional or otherwise. We therefore urge you, our distinguished colleagues in the City Council, to rethink the introduction of palm scanners and other biometric readers in City agencies.

We do not oppose the introduction of new technologies. However, any new technology must respect the individual's right to privacy and his personal freedom. It must also be cost effective in that it leads to greater efficiencies in an environment that is conducive to higher creativity.

In closing, we urge this distinguished body of professionals to think of the negative impact these scanners will have on the work environment of those other highly skilled professionals of Local 375 and do the right thing by them.

Special Advisor  
Samuel I. Schwartz, P.E.

# What is "Geoslavery"?

**Dr. Jerome Dobson, the Scholar Who  
Coined the Term, Explains**

**S**CHOOL officials in Sutter, Calif., order students to wear RFID tags around their necks; parents object and the principal backs down. School officials in Osaka, Japan, track students with radio frequency identification (RFID) tags worn around their necks or tucked in their belongings. The government of Mexico tracks court officials with RFID tags implanted in their shoulders. Finland changes national laws to allow cellphone tracking of children. A woman in Kenosha, Wisc., discovers her estranged husband has hidden a Global Positioning System (GPS) tracker in her car. All are current news items.

Once viewed as a futuristic nightmare, human tracking is now affordable and available without restriction. For \$200 plus a monthly service fee of \$20, anyone can purchase an electronic device that puts George Orwell's 1984 surveillance technology to shame. They're marketed as "kid-tracking" devices, though some ads also mention pets and senior citizens. In vivid shades of doublespeak, one company offers service plans named "Liberty, Independence, and Freedom," but surveillance and control are their purpose.

At the very least, human-tracking devices will alter relationships between some parents and children, husbands and wives, employers and employees more dramatically than any other product emerging from the information revolution. Ultimately, they offer a new form of human slavery based on location control. They pose the greatest threat to personal freedom ever faced in human history.

Whatever legitimate uses there may be -- to safeguard a child or incapacitated adult, for example -- abuses will occur. Even full-blown geoslavery is inevitable: the uncertainty is how many people will suffer from it -- hundreds, thousands, or millions.

Consumers welcome GPS receivers for personal navigation, especially for travel and outdoor recreation. There's much good and certainly no harm as long as the coordinates go directly to the user and no one else. Current devices display maps produced by geographic information systems (GIS) containing detailed information about businesses, residences, and individuals. Human-tracking devices add radio communication that reports location data to a service center with its own powerful GIS. Subscribers pay for the privilege of peeking in at will to check on the individual being tracked.

After decades of fretting over Orwell's vision, hardly a whimper has been heard since the devices went on sale. Media attention has focused entirely on the advertised case: parents of good intention watching over their own children. Far from critical review, news and talk show coverage amounts to little more than blind acceptance of manufacturers' claims.

Will the practice really protect children? Or, will it introduce new risks? How will children react, emotionally and behaviorally, to constant surveillance and control? Will tracking be confined to children and incapacitated adults? Or, will it become a ubiquitous tool of control throughout society? Peter F. Fisher, professor of geographic information science, University of Leicester and editor of the *International Journal of Geographic Information Science*, and I have raised these and other crucial questions in scholarly journals and trade magazines, but questioning of any sort is strangely absent elsewhere.

It's time for an explicit national debate on human tracking that goes far beyond privacy, per se. Which applications are acceptable and which are not? Which will require informed consent, legal proceedings or medical hearings? Which existing laws must be amended to place electronic means on a par with traditional means of branding, stalking, incarceration and enslavement? Should human-tracking companies be licensed? Should their employees undergo background checks? What other safeguards are needed?

Initially, the front line will be in the workplace. How will union leaders value workers' rights with human tracking as a bargaining chip in contract negotiations?

None of this debate will happen until citizens become alarmed enough to educate themselves and demand answers, and it's not clear they will resist. At church one recent morning, a fellow member described to me how his friend, the owner of a construction firm, uses GPS-based cellphones to track "his 20 Mexicans." He envied his friend's constant control and hoped to adopt the technology himself though he has only "three Mexicans of his own."

That conversation occurred in the oldest church in Kansas, established by abolitionists who came to make Kansas a free state and thereby sparking the Civil War. The irony was overwhelming.

*Jerome E. Dobson is president of the American Geographical Society and a professor of geography at the University of Kansas in Lawrence, Kan.*

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**Testimony of Henry Garrido  
Assistant Associate Director of District Counsel 37,  
AFSCME, AFL-CIO  
Before the Contracts Committee  
December 18<sup>th</sup>, 2009**

Good Morning. I would like to this opportunity to thank the Chairperson of the Contract Committee Latisha James and all the committee members for holding this important hearing concerning the contracts on the CITYTIME system.

My name is Henry Garrido and I am the Assistant Associate Director of DC 37 representing 125,000 active employees and 50,000 retirees.

This morning I want to speak to you about yet another example of the continuing waste in contracting out <sup>by</sup> of this administration. As the largest union representing municipal employees we are extremely concern about the direction the city continues to expend its resources during the current deficit period.

The CITYTIME project started in 1998 it was suppose to cost \$63 million dollars. Now we learn that the entire cost of the project, entirely managed and maintained by private out of state contractors, now will cost over \$700 million with a new maintenance contract of \$140 million. Even more troubling is the appearance of a conflict of interest by having some of the contractors managed by former city managers. Personally I can think of better ways to save money and the first is by contracting in more work and let go of the contractors charging the City over \$300,000 per year for every consultant.

Our union has seen in the last eight years a parade of consultants feeding off the public trough that have constantly ran over budget and under performed. The CITYTIME system is just one prime example of how a consultant gets its hooks into the City and then starts leeching off the taxpayer. Only 40% of the

employees now use CITYTIME and the contract is already over 1000% over its original cost estimates.

It's our belief that the City has violated various Procurement Policy Board rules in implementing the CITYTIME project. First, when the decision was made to change the scope of services outlined in the original request for proposal (RFP) from a modified "off the shelf software" system to a web-based system; a new RFP should have been issued. This would have allowed the City to negotiate with a more experience vendor and substantially reduce the cost. Second, once it was clear that Paradigm 4 could deliver on their commitment under the contract, default proceedings should have been initiated rather than simply assign a new vendor to take over the project. Thirdly, an RFP should have been issued prior to "assigning" this contract to SAIC.

Based on the experiences with the CITYTIME and other computer modernization projects, it is clear to us that private computer consultants cannot police themselves. The existence of a <sup>Spherion</sup> ~~Spirion~~ as a quality assurance monitor and The Gartner Group as a risk assessment manager has not resulted in any savings for this project. Where is the accountability? Where are the negative evaluations for the contractors who fail to deliver on their contractual obligations? Where are the penalties assessed against the vendors? These questions must be answer before the insanity continues.

If the City just employed the same standards as New York State does for both its agencies and for their Public Authorities billions of dollars could be saved. Our union is not calling for reinventing the wheel, just apply the same common sense that has been apply in dozens of municipalities around the country. Just provide some transparency and proper costing to see if these contracts make sense.

Thank you for your time and I am willing to answer any questions on this issue.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 12/18/09

(PLEASE PRINT)

Name: VALERIE HIMELEWSKI

Address: \_\_\_\_\_

I represent: OFFICE OF PAYROLL ADMINISTRATION

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 12/18/09

(PLEASE PRINT)

Name: JON Forster

Address: 125 Barclay St.

I represent: Local 375 / DC 37

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: 12/18/09

(PLEASE PRINT)

Name: Henry Corrido

Address: 125 Barclay St NY NY 10007

I represent: Assistant Associate Director, DC37

Address: \_\_\_\_\_

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**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☒ in opposition

Date: 12, 17, 09

(PLEASE PRINT)

Name: BUNNELL HEDRICKS

Address: 2262 SEWARD AVE

I represent: NEW DAY SENIOR BAPTIST

Address: 365 JAY STREET BROOKLYN

**THE COUNCIL  
THE CITY OF NEW YORK**

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☐ in favor ☒ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: SAL GALLETTA, PE

Address: 277 BURNS ST, F.H. 11375

I represent: AEA

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: JOE BONDY

Address: 1 CENTRE ST RM 200 N

I represent: OFFICE OF PAYROLL ADMINISTRATION

Address: \_\_\_\_\_

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