

Testimony of Daniel Symon,

Acting Director of the Mayor's Office of Contract Services and City Chief Procurement Officer

Before the New York City Council Committee on Contracts

Roll Out of the Procurement and Sourcing Solutions Portal (PASSPort)

January 29, 2019

Good afternoon Chair Brannan, Council members and committee staff.

My name is Dan Symon and I am the Acting Director of the Mayor's Office of Contract Services (MOCS) and the City's Chief Procurement Officer. Thank you for inviting me to continue our discussions about the Procurement and Sourcing Solutions Portal (PASSPort) and the role it plays in supporting procurement transformation.

As we have previously shared, we are working to make it easier to do business with the City of New York, and to responsibly maintain integrity and fairness in our processes. In today's operating environment, the expectation is also that agencies can quickly acquire goods or implement services in response to policy goals and emerging needs.

Technology plays a critical role in realizing this vision. Thousands of agency and vendor personnel interact to establish and manage contracts, monitor quality, and ensure accurate payment. The demand for reducing administrative burden and increasing transparency, clarity, and simplification, can all be achieved with a common platform for collaboration. Agencies can easily share information submitted by vendors, oversight agencies can review procedural or technical requirements, and vendors can keep profiles current, track statuses

and execute open tasks. Our successful experience with HHS Accelerator reinforces these expectations.

Accelerator allows vendors to update background information and keep documents current, submit proposals in response to Requests for Proposals (RFPs), and manage contract budgets and invoices all in one platform.

The scope of Accelerator has been available for 5 years and has significantly reduced cycles times for phases of the procurement processes it enables. For example, invoice review in Accelerator takes a median of 6 days. The time is reduced because invoices are submitted against already-approved budget lines, reducing inaccuracies and eliminating the need for basic checks. Documentation may also be submitted in the same screens or via a secure vault, and the sometimes-necessary back-and-forth and updates can be tracked in system. These features, robust centralized support, accompanied by targeted, just-in-time outreach and training, have led to many successes at scale. But Accelerator only captured some phases of the procurement process and was tailored for human services providers.

PASSPort was launched to account for all critical steps and industries. Our first major release of PASSPort in August 2017 replaced a decades-old process which required vendor submission of voluminous paper documentation for entry into a centralized database. Nearly 11,000 vendors have now experienced the updated disclosure process without the need for couriers, notaries, or physical signatures. What was once a month-long process, at least, is now completed within hours for most vendors. City agencies use this filed information, along

with other source data, including from oversight entities, to vet vendors and complete documentation required for contract registration. In FY18, nearly 10,000 Responsibility

Determinations were completed in-system, and this information can now be easily leveraged for subsequent contract actions, including by procurement personnel employed by different agencies. With PASSPort, this vetting process has been shortened from 45 days to a median of 21 days in FY18. Release 1 allowed us to bring efficiency to vetting, helped us adjust our service model as an organization, and opened up the platform for vendors to become familiar with the new system, readying our vendor community to participate fully in future releases.

In March, we will launch the next major release of PASSPort (release 2) which has been primarily developed, and will be implemented in partnership with the Department of Citywide Administrative Services (DCAS). This release enables agencies to order and pay for goods they need to operate and allows the city to sunset various legacy systems and manual processes. With more than 600 vendors and over 1,000 contracts to be deployed, approximately 3,000 agency staff will now be able to more easily find items; track and confirm receipt of orders; and efficiently match receipts to invoices. This release brings needed modernization and additional efficiency to \$1.2B in annual spend, accounting for over 10,000 orders by agencies. We are in the midst of multiple rounds of system tests and are on track for launch. We will phase in use of release 2 through the summer and will also work with the Department of Information Technology and Telecommunications (DOITT) to

incorporate technology services contracts. Release 2 helps us enable citywide electronic invoicing for these requirements contracts and this capability will be extended to all contract types in the final major release of PASSPort. Special thanks must be extended to the Financial Information Services Agency (FISA) for their partnership as PASSPort interfaces with the City's Financial Management System (FMS).

In parallel with the build of Release 2, we began the design phase for the final major release of PASSPort (release 3). This release will capture all end-to-end procurement activities – from solicitation and approval of awards to contract development and payment of invoices. And we will fill today's functional system gaps and improve the user experience to speed activities related to agency and oversight approval, registration package compilation, extensions, amendments, and change orders. We're also tackling the structure, workflow and content of solicitations, identifying possibilities for parallel reviews, new or adjusted oversight delegations, streamlined standard contract development, and the use of prequalified lists and task orders.

With these and other topics, we hope to keep three central design principles in mind: standardization of process and tools to ensure a predictable experience for vendors; radical transparency to improve communication and collaboration; and robust analytics to support real time decision-making and continuous improvement. New technology certainly isn't a cure-all and we aren't just waiting for implementation. We continue to advance policy reforms favorable to vendors, and where appropriate also adopt tougher management

approaches to reduce cycle times. But without technology, this isn't sustainable and bold changes will be limited.

The scope of release 3 is broad since significant changes are needed. Our aggressive timelines are in response to the long-held desire for process overhaul by agencies, oversights and vendors. The time for change has now arrived. We are glad that this administration has invested in PASSPort and will launch release 3 in early 2020. Our staff will work long days and nights until then, and we will roll out PASSPort in a manner than ensures ample time for readiness and optimal adoption. We look forward to partnering with this committee and the broader council on this effort.

Thank you for the invitation to provide this update on PASSPort. I am joined by Ryan Murray, First Deputy Director, and Jenne Russo Rennie, Deputy Director for Business Optimization. We are happy to take any questions you may have.

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