

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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April 24, 2017

Start: 1:17 p.m.

Recess: 1:53 p.m.

HELD AT: 250 Broadway - Hearing Rm.
16th Fl.

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)

2 [sound check, pause]

3 CHAIRPERSON ROSENTHAL: [gavel] Good
4 afternoon, and welcome to the Contracts Committee of
5 the New York City Council. My name is Helen
6 Rosenthal. I have the privilege of chairing this
7 committee and I'm joined today by—okay Will. So,
8 today's hearing provides this committee with an
9 opportunity to vote in favor of three critical pieces
10 of legislation that each streamline the way
11 information about city vendors is either submitted or
12 made available to the public. New York City's
13 Taxpayers rely on city agencies to make sure that
14 public goods and services are procured from the
15 lowest responsible bidders. The Vendor Information
16 Exchange Systems, also known as VENDEX, ensures that
17 city contracts go to trustworthy vendors who are
18 capable of providing the goods and services required
19 by these contracts. These vendors offer city
20 agencies a combination of reliability and low price.
21 VENDEX allows city agencies to dig deeper on these
22 potential vendors in order to establish the vendors'
23 reliability as a contracting provider. However, the
24 VENDEX system is not perfect. VENDEX was established
25 in the 1990s and some of its requirements are showing

2 signs of age. Several vendors have complained that
3 portions of VENDEX are either unnecessarily intrusive
4 or burdensome, especially for relatively small
5 contracts. Other vendors lament the need for
6 providing paper responses to the VENDEX questionnaire
7 when electronic submission would work just as well.
8 In the same vein, public access to vendor information
9 is currently only available at terminals located at
10 the Manhattan Offices of the Mayor's Office of
11 Contract Services or via a special hotline. This
12 information should be available to the public online
13 instead of through these relatively cumbersome means.
14 All three bill before the committee were introduced
15 in order to improve and streamline the VENDEX
16 process, and to improve access for both vendors and
17 the public. The two bills I've sponsored, Proposed
18 Introduction 1224-A and Proposed Introduction 1271-A
19 take steps towards easing the VENDEX process for
20 vendors and improving efficiency for the city's
21 intake of vendor information. Proposed Intro 1224-A
22 would increase the threshold requiring a vendor to
23 submit a VENDEX questionnaire from \$100,000 in
24 contract awards to \$250,000 in contract awards. This
25 change would primarily benefit small contractors,

2 small businesses, non-profits, and specifically
3 Minority and Women Owned Businesses, who are often
4 hindered by the current VENDEX rules. Proposed
5 Introduction 1271-A would require contractors and
6 subcontractors to submit their VENDEX questionnaires
7 electronically. This bill would modernize city
8 processes and move us away from outdated rules
9 requiring vendors to submit paper questionnaires,
10 something I think that we can all agree is a common
11 sense reform that will allow contractors to submit or
12 update their vendor profiles in a timely manner. The
13 Committee will also be voting on Proposed
14 Introduction 1324-A, sponsored by Council Member Brad
15 Lander, and I'm going to let him talk about his bill,
16 and I want to express my deep appreciation for
17 Council Member Lander's interest in the contracting
18 process, and his—adding his input in making sure that
19 the process is—is transparent and as easy as
20 possible. I think the entire packing moves us a bit
21 closer in the right direction. For these reasons,
22 I'm voting in five—in favor of all three bills before
23 the committee today. I urge my fellow committee
24 members to do the same, and before we be—before we
25 begin, I'd like to thank my committee staff,

2 Committee Counsel Alex Paul-Paulenoff; Policy Analyst
3 Casey Addison; Financial An-anal-Analyst Brandon
4 West; and Finance Unit Heat John Russell. I'd also
5 like to thank Legislative Director Sean Fitzpatrick,
6 and my Chief of Staff Marisa Mock, and with that
7 said, I'll now turn the floor over Council Member
8 Lander to say a few words about his bill. Council
9 Member. Thank you.

10 COUNCIL MEMBER LANDER: Thank you very
11 much Chair Rosenthal and for your leadership of the
12 committee. We were-were joking about it earlier. On
13 the other hand, an enormous amount of what the city
14 accomplishes that are constituents care about, are
15 done through contracts from the childcare contracts
16 that the Mayor is talking about expanding today to
17 get childcare to three-year-olds as well as four-
18 year-olds. Half the Pre-K slots are done through
19 contracts. All of the childcare slots for below Pre-
20 K are done through-you know. So anyway, it is-

21 CHAIRPERSON ROSENTHAL: [interposing][off
22 mic] Very big. (sic)

23 COUNCIL MEMBER LANDER: Right, an
24 enormous amount, billions and billions of dollars
25 and, you know, the fact that that system has been

2 kind of stuck in paper and—and that has real
3 consequences, too. You're the—kind of champion on
4 trying to make sure that the—the contractors, the
5 non-profit ones in particular aren't waiting for
6 millions of dollars that they're owed and, of course,
7 part of that is because like people are still moving
8 pieces of paper around when obviously the business
9 world has moved into a much electronic space. So
10 we're moving that forward piece by piece and it's a
11 credit to your leadership and I'm glad today VENDEX
12 is—is—is getting moved forward. We has a very good
13 hearing on it. At that hearing the Mayor's Office of
14 Contracts was also in sync and recognized these
15 things were important. Your bills in the package
16 would help streamline that process some by not
17 requiring for small contracts and putting—making them
18 electronic. 1324-A just sort of builds on the back
19 of that and makes sure that the ease of access is
20 made possible by things being available
21 electronically is, as we all use available on the
22 Internet as opposed to if you want to get some
23 information that you have to go to one office in
24 Manhattan where even though it's being kept
25 electronically, it might as well be in some like old—

2 entombed. So, it's a, you know, I don't how—I can't
3 say that it's million of New Yorkers that will use
4 the online VENDEX database, but obviously critical
5 research, journalism, folks who are paying attention.
6 You know, there are things here like CityTime, right?
7 When something goes in a very bad direction, we count
8 on people to like the members of the public,
9 journalists, Council Members, public advocates to be
10 able to do research and begin, and this will make
11 that a little bit easier. So thank you very much for
12 being a champion of these causes, and supporting this
13 bill.

14 CHAIRPERSON ROSENTHAL: Thank you,
15 Council Member Lander and actually I just want to go
16 one step further, and I agree with you 1000%. You
17 know, it will affect millions of—it will affect all
18 New Yorkers because the information that those who
19 are looking find end up often saving taxpayers
20 millions of dollars, and it wouldn't have happened
21 without your idea on this, and so thank you for
22 bringing it forward as a piece of legislation. I'm
23 really excited we'll be passing it today. Thank you.

24 COUNCIL MEMBER LANDER: Thank you.

25 [pause] [background comments, pause]

2 CHAIRPERSON ROSENTHAL: I'd like to thank
3 Council Members Koo and Deutsch and Miller for
4 joining me today, and now I'd like to ask the
5 Committee Clerk, Billy Martin, to call the—call the
6 roll.

7 CLERK: Chair Rosenthal.

8 CHAIRPERSON ROSENTHAL: I vote aye on
9 all. Thank you.

10 CLERK: Koo.

11 COUNCIL MEMBER KOO: Aye on all.

12 CLERK: Deutsch.

13 COUNCIL MEMBER DEUTSCH: Aye on all.

14 CLERK: Miller.

15 COUNCIL MEMBER MILLER: I vote aye.

16 CLERK: By a vote of 4 in the
17 affirmative, 0 in the negative and no abstentions,
18 all items on today's Committee on Contracts' agenda
19 have been adopted. [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 30, 2017