



**NEW YORK CITY COUNCIL  
FINANCE DIVISION**

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**Report on the Fiscal 2023  
Preliminary Plan**

**Mayor's Office of  
Contract Services**

March 3, 2022

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## The Mayor's Office of Contract Services (MOCS)

MOCS is responsible for overseeing, supporting and promoting the City's procurement system by discharging the Mayor's contracting responsibilities under the City Charter, Procurement Policy Board (PPB) rules and applicable local laws. MOCS establishes policies, procedures and guidelines for the implementation of PPB rules and local laws. MOCS is authorized to perform pre- and post-audit reviews and to provide all necessary determinations, approvals and certifications related to agency procurement actions. MOCS is also responsible for maintaining the City's central contract registry.

### Financial Summary

MOCS' Fiscal 2023 Budget Totals \$37.9 million, including \$18 million in Personal Services (PS) funding to support 194 full-time positions. The majority of its Other Than Personal Services (OTPS) budget goes to contractual information technology services most notably PASSPort (Procurement and Sourcing Solutions Portal) system. Since MOCS is not a City agency, its budget exists within the Mayor's budget for Mayoralty.

<b>MOCS Financial Summary</b>						
<i>Dollars in Thousands</i>						
	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>FY22</b>	<b>FY23</b>	<b>FY22-FY23</b>
<b>Spending</b>						
Personal Services	\$16,539	\$15,634	\$17,330	\$16,879	\$17,983	\$654
Other Than Personal Services	\$20,166	\$12,424	\$9,191	\$22,577	\$19,874	\$10,683
<b>TOTAL</b>	<b>\$36,705</b>	<b>\$28,058</b>	<b>\$26,521</b>	<b>\$39,456</b>	<b>\$37,857</b>	<b>\$11,336</b>
<b>Funding</b>						
City Funds			\$18,760	\$22,456	\$30,135	\$11,375
Federal - Other			\$39	\$9,278	\$0	(\$39)
Intra City			\$5,199	\$5,199	\$5,199	\$0
Capital-IFA			\$2,524	\$2,524	\$2,524	\$0
<b>TOTAL</b>	<b>\$36,705</b>	<b>\$28,058</b>	<b>\$26,521</b>	<b>\$39,456</b>	<b>\$37,857</b>	<b>\$11,336</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	<b>184</b>	<b>161</b>	<b>213</b>	<b>197</b>	<b>194</b>	<b>(19)</b>

*\*The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Preliminary Budget.*

### Spending

For Fiscal 2023, MOCS' spending for OTPS accounts for 53 percent of its budget, while PS accounts for 47 percent. Since the Adoption of the Fiscal 2022 Budget, MOCS' budget has increased by more than \$11 million in both Fiscal 2022 and Fiscal 2023. This increase is primarily driven by additional funding for the PASSPort system included in the November 2020 Plan.

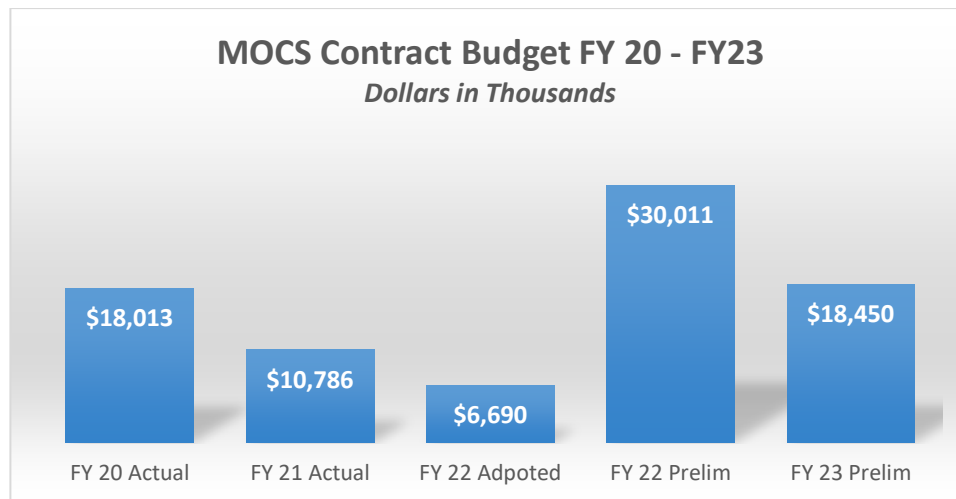
### Funding

MOCS' Fiscal 2023 Preliminary Budget is funded by three sources, including 79 percent City funds, 14 percent from Intra-City transfers, and nine percent from Capital Inter-fund agreements (IFA). Intra-City funding comes from other City agencies for services provided by MOCS. Capital IFA funding supports staff positions that work solely on capital projects and can therefore be paid for through the capital budget. For Fiscal 2022, the Preliminary Plan reflects \$8.5 million in federal funding for COVID recovery and relief.

## Headcount

MOCS' Fiscal 2023 Preliminary Budget provides for 194 full-time budgeted positions. The decrease in MOCS' headcount when compared to its current headcount is driven by the Vacancy Reduction plan, which would permanently eliminate 25 vacant positions. MOCS has historically operated well below its budgeted headcount. In Fiscal 2021, the City implemented a citywide partial hiring freeze which lead to an exceptionally high vacancy rate of 25 percent at MOCS in Fiscal 2021, up from 15 percent in Fiscal 2020.

## Contract Budget



MOCS' contract budget totals \$18.5 million in Fiscal 2023 and represents 49 percent of the Office's total budget. Additional contract funding for PASSPort of \$20 million in Fiscal 2022 and \$12 million in Fiscal 2023 was included in the November 2020 Financial Plan. Fluctuations in MOCS' contract budget reflect varying annual costs as the implementation of phases 3 and 4 of the systems are rolled out.

## Budget Changes in the November and Preliminary Plans

Since the Adoption of the Fiscal 2022 Budget, the November and Preliminary financial plan have introduced budget adjustments for MOCS that increase its budget by \$12.9 million in the current fiscal year and \$11.8 million in Fiscal 2023. This is the net result of New Needs funding of \$13.1 million in Fiscal 2022 and \$12.5 million in Fiscal 2023, which is slightly offset by MOCS PEG which decreases its budget by \$959,000 in Fiscal 2022 and \$932,000 in Fiscal 2023.

Significant Budget actions included in the November and Preliminary Financial Plans include the following:

### New Needs

- **Additional Funding for PASSPort.** The November 2022 Financial Plan included additional funding of \$10.9 million in Fiscal 2022 and \$11.8 million in Fiscal 2023 for Phase 3 and the release of Phase 4 of the city's automated procurement intake system.
- **Funding for Key2NYC.** The November Plan include additional funding of \$1.7 million in the current fiscal year for Key2NYC the City's program which requires proof of vaccine for certain indoor spaces. The Key2NYC program which is directly managed by City Hall in relation to the

citywide emergency response to COVID. MOCS serves only as the contract agency and funds for this program are provided by OMB directly for this program.

- **Mayor's Office of Economic Opportunity New Positions.** The November Plan provided baseline funding of \$690,000 for seven full-time positions for the Mayor's Office of Economic Opportunity. Of the total, six positions are assigned to police reform contracts and one position related to the City's Mental Health for All initiative.

### Program to Eliminate the Gap (PEG)

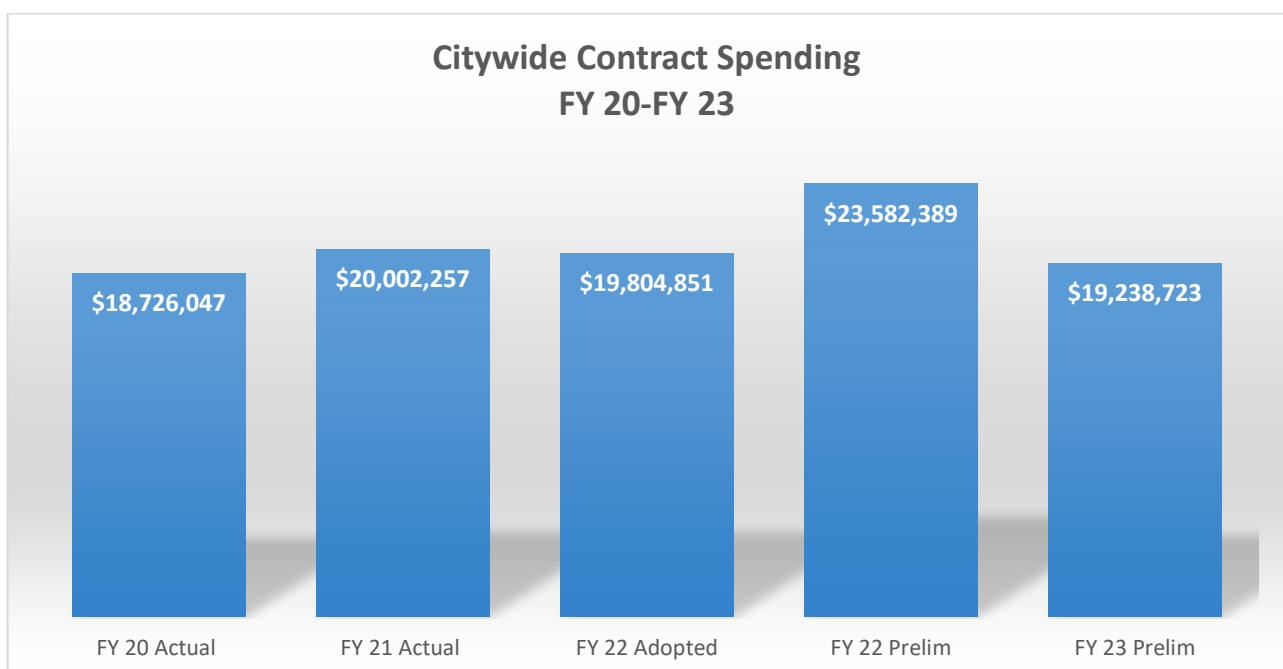
- **Vacancy Reduction.** The Preliminary Plan includes a PEG proposal that would reduce MOCS budget by \$959,000, in Fiscal 2022 and \$932,000 in Fiscal 2023 through the reduction of 25 full-time vacant positions. MOCS collaborated with OMB and agency partners to meet the Administration's PEG target. This action would represent a 12 percent reduction from its current headcount. MOCS has been operating with a vacancy rate of above 15 percent over the last several years.

### Other Adjustments

- **Federal funding Swap.** The Preliminary Plan includes a budget action that would replace \$8.5 million in City-funds with federal COVID recovery funding. The funding is allocated for PASSPort Phase 3.

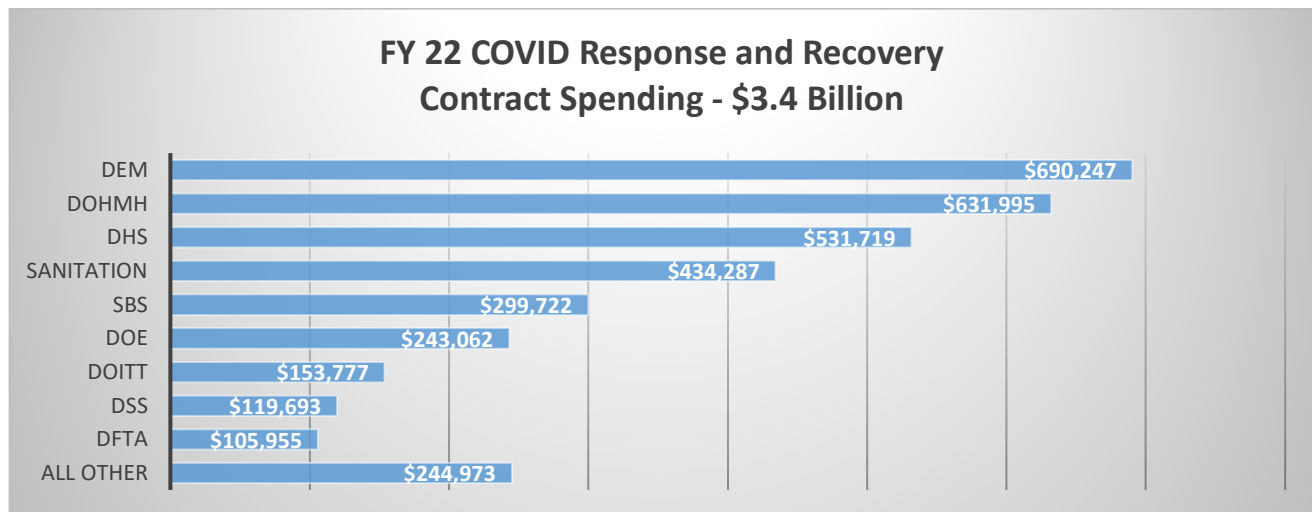
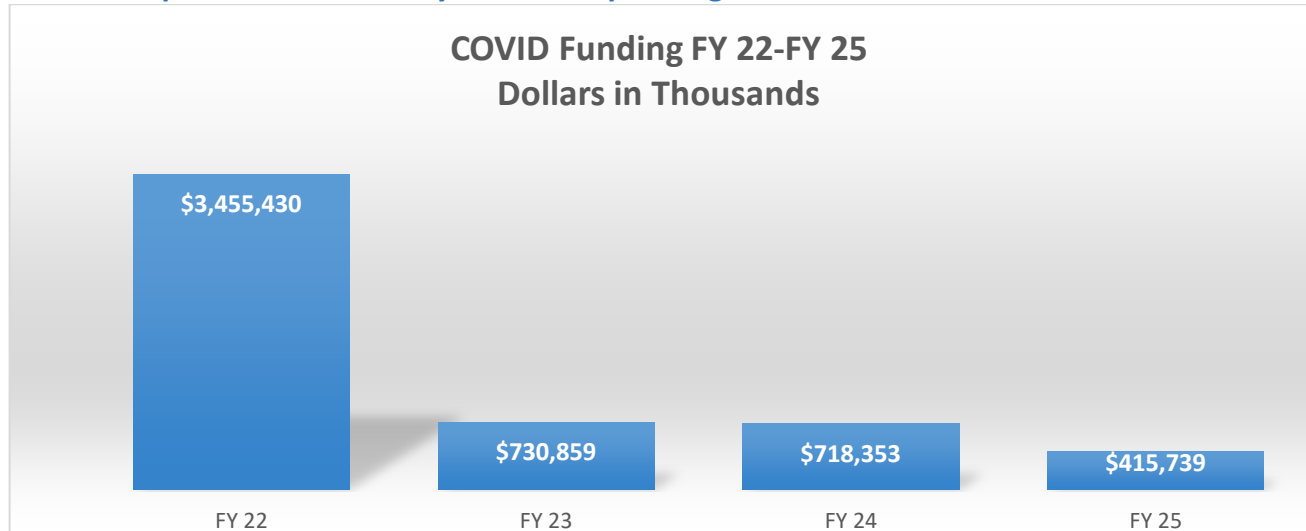
## Citywide Contract Budget

The City's Contract Budget includes all projected expenditures for contracts that are personal service, technical or consulting in nature, as defined in Section 104 of the City Charter. Purchase orders and open market orders, as well as small purchases that do not require registration by the Comptroller's Office, are included in the Contract Budget. Contracts for the purchase of supplies, materials and equipment are not included. The Contract Budget is a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget.



The Fiscal 2023 Preliminary Contract Budget totals \$19.2 billion and represents 19.5 percent of the City's \$98.5 billion Budget. For Fiscal 2022, the contract budget has increased by \$3.5 billion since Adoption. This growth is primarily driven by the recognition of federal funding for the City's response and recovery from the COVID pandemic. Funding for these efforts decreases by \$2.7 billion in Fiscal 2023.

### COVID Response and Recovery Contract Spending



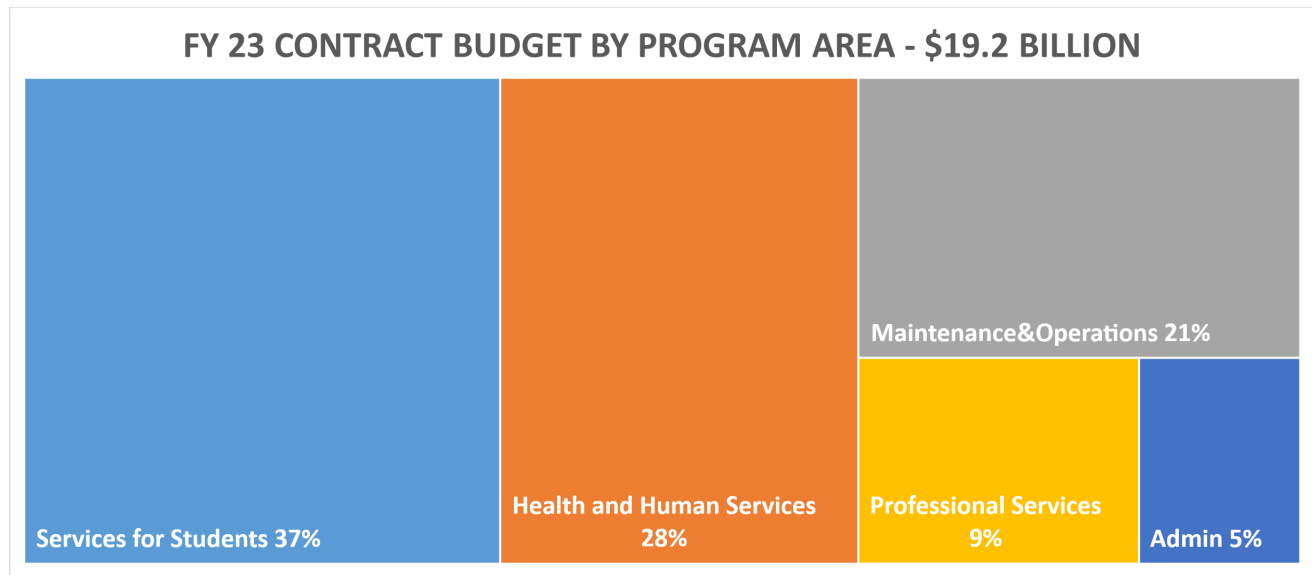
Highlight from the Agencies with the largest allocations COVID related contract funding include the following.

- Department of Emergency Management (DEM) - vaccine test sites,
- Department of Health and Mental Hygiene (DoHMH) - test and tracing programs, vaccine education and outreach,
- Department of Homeless Services (DHS) - hotel rooms for the homeless to mitigate the spread,
- Department of Information Technology and Telecommunications (DoITT) - Vaccine website and other technology systems tracking the virus.

### Contract Budget by Type

The Contract Budget is organized into 51 object codes, which represent general contract categories. All object codes in the 600 object code series make up the Contract Budget. *(See Appendix B for historical spending by object code).*

The graph below summarizes the Fiscal 2022 Contract Budget when grouping the object codes into broad program areas.



### Contract Program Areas

**Services for Students.** Includes expenses related to student transportation, charter schools, services for handicapped students. Totals \$6.7 billion in Fiscal 2022.

**Health and Social Services.** Includes expenses related to home care, child welfare, employment services, public assistance, day care, family services, homeless programs, aids, senior citizen programs, health, mental hygiene & prison health, youth services etc. Totals \$6.4 billion in Fiscal 2022.

**Maintenance and Operations.** Includes custodial, security services, secretarial, transportation, municipal waste exporting, data processing, office equipment, telecommunications and motorized equipment, economic development, etc. totals \$5.2 billion in Fiscal 2022.

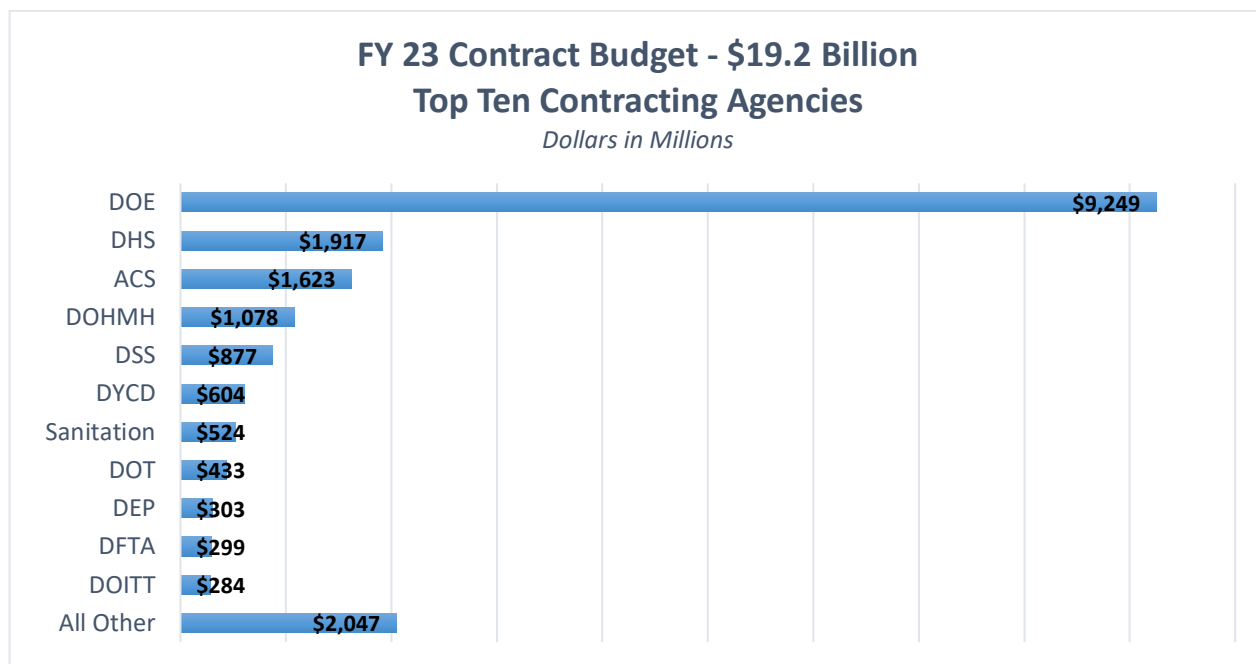
**Professional Services.** Includes expenses related to accounting, auditing, actuarial, education, investment analysis, legal, engineering & architectural, system development and management analysis, etc. Totals \$2.5 billion in Fiscal 2022.

**Administration.** Includes payments for federal programs (Medicare, HeadStart, etc.), financing and investment, cultural related, etc. Totals \$1.3 billion in Fiscal 2022.

### Contract Budget by Agency

In Fiscal 2022, the City is planning to issue over 18,000 individual Expense Budget contracts administered by over 140 agencies and other city entities with expenses totaling over \$22 billion. *(See Appendix A for contract spending history by Agency).*

The graph below lists the ten agencies with the largest contract budgets for Fiscal 2022.



The Department of Education is the largest contracting agency, accounting for 48 percent of the Fiscal 2022 Contract Budget. The DOE is a state-created entity and it is therefore not constrained by the same procurement rules as other city agencies. Large-scale contracts administered by the DOE include, student transportation, charter schools, and services for handicapped students. Social Services agencies combine to account for 33 percent of the total.

### Budget Issues and Concerns

**Council Support for Health and Human Service Providers.** Over the last several years the Committee on Contracts and the Council overall, have successfully advocated to provide fair and adequate funding for the City's non-profit health and human services providers. These efforts have included calls for wage increases and more funding for model budgeting and other operational costs. Last Year, the Council successfully negotiated the restoration of a cut in funding for indirect operating costs for these providers. After it was highlighted in the *Response to the Fiscal 2022 Preliminary Financial Plan* as one of the Council's top budget priorities, the Administration agreed to include \$60 million for these annual costs in the Financial Plan.

**Wage Equity.** Included in last year's *Response to the Fiscal 2022 Preliminary Budget*, the Council called on the Administration to re-evaluate public sector wages across the board and plan to correct disparities. In recent years, one of the committee's top priorities has been promoting wage equity across the public sector workforce.

**HHS Providers Cost of Living Adjustments (COLA).** In Fiscal 2018, the City Budget created a three-year COLA for human services workers. The COLA expired at the end of FY20 and was not renewed beyond Fiscal 2021. Through the Health and Human Services Council, these providers have requested the restoration of a COLA in the FY22 budget at a rate of 3%, which would require additional resources of approximately \$48 million annually.



**Contract Budget Transparency.** The Contractual General Services object code (600) includes over \$1 billion in funding, however details for the type of contracts included in this budget are limited. There are 53 different categories in the contract budget. Many of the contracts included in the Contractual General Services category better align with other existing categories and should be reassigned accordingly. New categories should also be considered in order to more accurately identify general services contracts. Additionally, the available budget documents do not include the sources of funds (City, State, and federal) that support the City's Contract Budget.

**Minority and Women-owned Business Enterprises (M/WBE)**

In Fiscal 2021, M/WBEs were awarded approximately \$927 million in prime contracts. This represented 21 percent of prime contract awards subject to the program. In Fiscal 2020, M/WBEs represented 20 percent of applicable prime contracts. The City recently raised the Noncompetitive Small Purchase Method threshold from \$150,000 to \$500,000, enabling a more streamlined contracting process for M/WBEs on contracts valued up to \$500,000. The Council has strongly supported efforts to increase the City's utilization of M/WBEs.

**Appendix A: FY 2021-2023 Contract Budget by Agency**

<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Preliminary	Preliminary
Agency	FY 20	FY 21	FY 22	FY 22	FY 23
Department of Education	\$8,210,520	\$8,615,671	\$9,199,488	\$9,586,827	\$9,249,493
Department of Homeless Services	\$2,151,418	\$2,833,693	\$1,942,756	\$2,547,596	\$1,917,495
Administration for Children's Services	\$1,552,095	\$1,472,481	\$1,556,582	\$1,613,982	\$1,622,934
Department of Health and Mental Hygiene	\$923,153	\$1,075,800	\$1,056,821	\$1,747,345	\$1,077,872
Department of Social Services	\$1,005,570	\$935,615	\$1,096,417	\$1,184,323	\$877,041
Miscellaneous	\$599,961	\$745,700	\$795,180	\$981,400	\$820,596
Depart. of Youth and Community Development	\$720,732	\$755,791	\$785,818	\$801,328	\$604,170
Department of Sanitation	\$526,863	\$538,186	\$540,044	\$535,279	\$523,854
Department of Transportation	\$284,488	\$313,228	\$401,202	\$427,356	\$433,060
Department of Environmental Protection	\$218,852	\$219,979	\$315,688	\$312,813	\$302,906
Department for the Aging	\$371,660	\$311,033	\$295,425	\$473,461	\$298,834
Department of Info. Tech. and Telecom.	\$322,272	\$494,935	\$306,186	\$516,910	\$284,269
Police Department	\$178,513	\$156,725	\$146,028	\$201,837	\$146,257
Department of Small Business Services	\$295,789	\$183,799	\$354,675	\$506,649	\$141,057
Housing Preservation and Development	\$121,857	\$98,318	\$123,817	\$184,311	\$105,521
Debt Service	\$53,810	\$48,407	\$85,007	\$85,007	\$103,983
Fire Department	\$115,347	\$124,232	\$95,273	\$129,974	\$99,844
Department of Finance	\$68,253	\$60,304	\$78,686	\$90,213	\$87,297
Department of Parks and Recreation	\$63,571	\$64,207	\$62,950	\$76,482	\$74,807
Department of Citywide Administrative Services	\$90,231	\$84,368	\$61,582	\$109,555	\$65,700
Department of Correction	\$60,269	\$60,933	\$50,883	\$102,277	\$63,378
Law Department	\$77,442	\$67,904	\$78,230	\$77,917	\$31,578
Financial Information Services Agency	\$28,691	\$31,681	\$31,284	\$35,974	\$31,334
Department of Cultural Affairs	\$81,407	\$70,065	\$84,120	\$81,894	\$29,856
Board of Elections	\$46,251	\$46,544	\$29,064	\$39,936	\$29,064
Office of the Comptroller	\$27,867	\$25,549	\$28,686	\$27,120	\$28,706
Department of Buildings	\$35,457	\$46,754	\$34,816	\$52,625	\$28,657
Department of Probation	\$20,375	\$27,354	\$33,432	\$35,242	\$28,031
City University of New York	\$24,662	\$21,136	\$26,046	\$31,830	\$26,046
Mayoralty	\$26,369	\$15,602	\$12,884	\$37,714	\$25,089
Department of Consumer Affairs	\$1,112	\$8,096	\$2,695	\$24,366	\$16,292
Department of Emergency Management	\$178,955	\$218,653	\$13,244	\$718,008	\$14,235
Department of Design and Construction	\$203,845	\$197,190	\$37,232	\$150,026	\$13,819
All Other Agencies	\$38,390	\$32,324	\$42,608	\$54,810	\$35,650
<b>Total</b>	<b>\$18,726,047</b>	<b>\$20,002,257</b>	<b>\$19,804,851</b>	<b>\$23,582,389</b>	<b>\$19,238,723</b>

**Appendix B: FY 2020-2023 Contract Budget by Object Code**

	<i>(Dollars in Thousands)</i>	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary</b>	<b>Preliminary</b>
<b>Object Code</b>	<b>Contract Type</b>	<b>FY20</b>	<b>FY21</b>	<b>FY 22</b>	<b>FY 22</b>	<b>FY 23</b>
600	CONTRACTUAL SERVICES GENERAL	\$1,168,021	\$1,237,264	\$1,335,581	\$2,775,637	\$1,152,716
602	TELECOMMUNICATIONS MAINT	\$41,511	\$42,763	\$70,013	\$49,489	\$70,233
607	MAINT & REP MOTOR VEH EQUIP	\$30,316	\$29,922	\$16,345	\$28,550	\$17,525
608	MAINT & REP GENERAL	\$180,465	\$170,626	\$207,202	\$234,571	\$204,730
612	OFFICE EQUIPMENT MAINTENANCE	\$6,956	\$7,197	\$11,571	\$11,672	\$11,624
613	DATA PROCESSING EQUIPMENT	\$360,276	\$438,415	\$376,631	\$467,500	\$367,232
615	PRINTING CONTRACTS	\$62,701	\$41,155	\$59,831	\$59,296	\$52,239
616	COMMUNITY CONSULTANT CONTRACTS	\$40,814	\$39,202	\$36,144	\$65,416	\$28,024
617	PAYMENTS TO COUNTERPARTIES	\$17,075	\$14,635	\$13,085	\$13,085	\$12,714
618	COSTS ASSOC WITH FINANCING	\$70,636	\$72,943	\$119,430	\$115,650	\$139,039
619	SECURITY SERVICES	\$206,286	\$205,856	\$131,093	\$182,926	\$136,662
620	MUNICIPAL WASTE EXPORT	\$430,003	\$452,206	\$447,944	\$450,714	\$469,787
622	TEMPORARY SERVICES	\$70,065	\$50,889	\$43,833	\$75,400	\$54,266
624	CLEANING SERVICES	\$74,982	\$92,727	\$45,180	\$88,306	\$42,517
626	INVESTMENT COSTS	\$16,140	\$13,640	\$13,729	\$13,729	\$13,729
629	IN REM MAINTENANCE COSTS	\$426	\$288	\$126	\$230	\$1,274
633	TRANSPORTATION EXPENDITURES	\$38,866	\$33,479	\$30,769	\$47,920	\$30,624
640	SOCIAL SERVICES GENERAL	\$5	\$1	\$0	\$1	\$0
641	PROTECTIVE SERVICES FOR ADULTS	\$23,873	\$24,071	\$30,143	\$30,143	\$30,143
642	CHILDRENS CHARITABLE INSTITUTN	\$477,435	\$460,991	\$503,655	\$514,437	\$520,276
643	CHILD WELFARE SERVICES	\$380,710	\$374,721	\$365,660	\$391,298	\$399,643
647	HOME CARE SERVICES	\$49,758	\$50,125	\$90,903	\$90,903	\$90,903
648	HOMEMAKING SERVICES	\$25,644	\$26,511	\$23,652	\$29,707	\$29,707
649	NON GRANT CHARGES	\$37,654	\$36,632	\$65,041	\$66,441	\$48,499
650	HOMELESS FAMILY SERVICES	\$1,323,489	\$1,225,428	\$1,385,643	\$1,266,899	\$1,276,434
651	AIDS SERVICES	\$282,586	\$279,713	\$322,113	\$303,644	\$267,994
652	DAY CARE OF CHILDREN	\$896,687	\$816,725	\$844,886	\$834,997	\$828,663
653	HEAD START	\$120,472	\$121,338	\$136,845	\$139,812	\$137,165
655	MENTAL HYGIENE SERVICES	\$639,580	\$620,452	\$731,250	\$764,920	\$720,738
657	HOSPITALS CONTRACTS	\$0	\$0	\$111	\$31	\$111
658	SPECIAL CLINICAL SERVICES	\$17,951	\$16,177	\$17,885	\$19,651	\$14,885
659	HOMELESS INDIVIDUAL SERVICES	\$966,535	\$1,749,491	\$798,481	\$1,492,987	\$847,201
660	ECONOMIC DEVELOPMENT	\$127,053	\$69,727	\$64,887	\$115,624	\$39,958
662	EMPLOYMENT SERVICES	\$153,834	\$147,185	\$177,365	\$187,960	\$146,430
665	LEGAL AID SOCIETY	\$156,204	\$186,404	\$134,172	\$202,949	\$186,524
667	PAY TO CULTURAL INSTITUTIONS	\$99,845	\$91,396	\$91,076	\$88,704	\$36,812
668	BUS TRANSP REIMBURSABLE PRGMS	\$0	\$0	\$40	\$40	\$40
669	TRANSPORTATION OF PUPILS	\$1,319,395	\$1,461,490	\$1,580,996	\$1,581,707	\$1,590,450
670	PMTS CONTRACT/CORPORAT SCHOOL	\$1,713,058	\$1,857,517	\$2,228,995	\$2,228,995	\$2,140,034
671	TRAINING PRGM CITY EMPLOYEES	\$28,906	\$19,035	\$35,069	\$45,238	\$30,675
672	CHARTER SCHOOLS	\$2,414,449	\$2,641,305	\$2,742,501	\$2,876,675	\$2,825,332
676	MAINT & OPER OF INFRASTRUCTURE	\$1,066,488	\$1,135,525	\$1,122,164	\$1,188,404	\$1,129,753
678	PAYMENTS TO DELEGATE AGENCIES	\$752,560	\$802,244	\$966,943	\$1,180,624	\$824,491
681	PROF SERV ACCTING & AUDITING	\$26,209	\$25,374	\$26,281	\$27,646	\$24,275
682	PROF SERV LEGAL SERVICES	\$226,938	\$238,425	\$164,799	\$222,964	\$194,743
683	PROF SERV ENGINEER & ARCHITECT	\$39,565	\$28,365	\$40,575	\$62,771	\$39,606
684	PROF SERV COMPUTER SERVICES	\$300,516	\$261,282	\$177,099	\$274,130	\$129,394
685	PROF SERV DIRECT EDUC SERV	\$882,313	\$826,565	\$864,472	\$966,734	\$869,910
686	PROF SERV OTHER	\$671,019	\$771,600	\$434,024	\$970,148	\$421,437
688	BANK CHARGES PUBLIC ASST ACCT	\$45	\$63	\$299	\$313	\$299
689	PROF SERV CURRIC & PROF DEVEL	\$121,151	\$85,955	\$104,510	\$122,025	\$111,512
695	EDUCATION & REC FOR YOUTH PRGM	\$568,583	\$607,215	\$573,812	\$612,777	\$479,752
	<b>Total</b>	<b>\$18,726,047</b>	<b>\$20,002,257</b>	<b>\$19,804,851</b>	<b>\$23,582,389</b>	<b>\$19,238,723</b>