Testimony of John Katsorhis, MOCS Deputy City Chief Procurement Officer
Before the New York City Council Committee on Contracts
MOCS Oversight – Transparency and Accountability in the City's Use of Master Agreements
June 17, 2026

Good afternoon Speaker Menin, Chair Restler, and members of the Contracts Committee. My name is John Katsorhis, and I serve as Deputy City Chief Procurement Officer at the Mayor's Office of Contract Services. I am joined by Roman Gofman, Deputy Commissioner for the Office of Citywide Procurement at the Department of Citywide Administrative Services (DCAS), Gail Tang, Deputy Commissioner of Financial Management and Procurement at the Office of Technology and Innovation (OTI), and Chantal Senatus, Deputy Commissioner for Legal Matters. Thank you for the opportunity to testify today regarding the City's use of master agreements.

MOCS serves as the City's central procurement oversight and policy office. In that role, we support agencies in navigating the City's procurement framework, promote consistency in procurement practices, and work to improve transparency, accountability, and efficiency across the City's contracting processes.

Procurement is one of the ways City government delivers for New Yorkers. Agencies need goods and services to keep buildings operating, maintain technology systems, support programs, and respond to changing needs. At the same time, public purchasing must be accountable, competitive, and understandable.

Master agreements are one tool the City uses to meet those responsibilities. They allow the City to establish contract vehicles in advance for goods or services agencies may need, even when the exact quantity or scope is not known at the time the agreement is established. By combining similar needs across agencies, master agreements also allow the City to use its purchasing power to seek better pricing and value than an individual agency may be able to obtain on its own. This helps agencies avoid starting a new procurement each time a common or recurring need arises, while preserving the procurement controls that apply to City contracting.

MOCS acknowledges the Comptroller's review and looks forward to continued conversations around improving transparency into agency utilization of master agreements. Today's hearing is an opportunity to explain how these agreements work, why agencies use them, and how the City can continue improving public understanding of agency usage over time.

City Usage of Master Agreements

For goods, master agreements allow agencies to purchase from agreements that have already gone through a competitive process to establish fair and reasonable pricing. This is particularly valuable where the City can leverage the competitive market using the collective needs of the entire City to encourage competition and secure better pricing than individual agencies may be able to achieve on their own. These agreements can support recurring needs such as equipment, supplies, and other goods used across multiple agencies.

For services, master agreements generally establish the overall scope, eligible vendor or vendor pool, and pre-negotiated terms, conditions, and pricing. When an agency needs a specific service, the agency issues a task order that defines the particular scope of work, pricing, payment terms, and other details needed for that agency's use of the agreement. The task order allows the agency to tailor the assignment to its actual need while using a contract structure that has already been established through the procurement process.

Depending on the structure of the agreement, assignment of work may occur through non-discretionary rotation, additional competition such as a mini-bid or mini-RFP process, or another process established in the terms of the agreement. Master agreements may also include different pricing and payment models, including maximum rates, fixed-fee deliverables, milestone-based payments, or payment after successful delivery.

Taken together, this structure allows the City to move more efficiently without requiring agencies to start from the beginning each time a similar need arises. It reduces duplicative procurement work, creates a more consistent structure for agencies to use, and allows the City to leverage its purchasing power where multiple agencies have similar needs. The goal is not to avoid oversight. The goal is to establish an appropriate procurement vehicle in advance so agencies can access goods and services efficiently when the need arises.

Procurement Review, Registration, and Oversight

The process does not end when a master agreement is established. Master agreements remain subject to Agency Chief Contracting Officer review, MOCS review where applicable, contract registration, Comptroller audit authority, and agency contract management responsibilities.

Before implementation, master agreements are reviewed and registered consistent with the City's contract registration requirements. For master services agreements, related task orders provide additional detail about the specific assignment and are also registered. For other master agreement structures, agency usage may be reflected through purchase orders, FMS information, agency records, and related procurement documentation.

Those steps are important. They help confirm that the agreement has gone through the applicable procurement process, that the City has the authority and funding to proceed, and that agency use remains within the scope and terms of the underlying agreement.

At the agency level, the use of a master agreement still requires agencies to define their needs, document the goods or services being purchased, confirm funding availability, and follow the applicable purchase order or task order process. In other words, the existence of a master agreement does not eliminate agency responsibility for appropriate use, contract administration, or fiscal controls.

Distinction Between MA1 and MMA1 Agreements

One area where terminology can create confusion is the distinction between MA1 and MMA1 agreements. At a high level, MA1 agreements are master agreements that allow agencies to issue purchase orders, also known as direct orders or DO1s, against a pre-established contract. These agreements are often used for goods or other purchases where the contract establishes available line items, pricing, or other terms in advance, while agency-specific quantities are determined as needs arise. One example is a contract for window air conditioners.

MMA1 agreements, or master services agreements, generally involve a structure where the master agreement is registered and agencies later issue task orders for specific assignments. Task orders define the particular scope of work, pricing, payment terms, and other details needed for the agency's use of the agreement. These agreements are often used for services where agencies may need similar types of support, such as technical assistance, professional services, or quality assurance, but where the specific scope of each assignment depends on the agency's need.

Based on a preliminary internal review, the City has approximately 652 active MA1 contracts whose aggregate registered value is approximately $7.6 billion, and approximately 552 active MMA1 contracts whose aggregate registered value is approximately $12.9 billion. These agreements represent a significant procurement universe and are used across agencies to support goods, services, technology, construction, and other recurring or Citywide needs. The aggregate registered values reflect the potential spending by the City through these master agreements based on anticipated agency needs and historical utilization patterns. Realized spending may be significantly lower and depends on future agency purchasing decisions and operational requirements.

Transparency and Visibility

As master agreements are used across agencies, the central transparency question is not only what the underlying contract allows, but how agency activity under that contract is reflected over time. The Comptroller's report focuses attention on that issue: how agency-level usage of master agreements is captured, presented, and understood. That distinction is important to public trust in procurement, and it is also important to ensure that oversight discussions are grounded in how these agreements actually function.

At the same time, it is important to distinguish between contract-level information and agency-level usage information. For many competitively procured contracts, including

DCAS-administered commodity contracts, the underlying bid includes line items that describe the goods available through the contract. In those cases, the contract record provides information about what may be purchased through the agreement.

A separate question is how agency usage is reflected after the master agreement has been established. Once agencies begin purchasing against an agreement, oversight entities and the public may want to understand which agencies are using it, what quantities are being purchased, which purchase orders or task orders are being issued, and how spending changes over time.

Some of that information is captured across different City systems. However, those systems do not always present information in a single, unified way. As a result, a complete picture of agency-level usage may require looking across multiple data sources, depending on the type of master agreement and the way agency activity is documented.

That is the core visibility challenge. It should not be confused with a lack of procurement authority or contract structure. Rather, it reflects a system and data limitation in how downstream usage is captured and displayed across different agreement types and City systems.

MOCS supports continued conversation about how to make this information easier to understand. Any discussion of transparency should therefore distinguish between the master agreement itself, which establishes the contract vehicle, and the agency-level purchasing activity that occurs under that vehicle over time.

Consistency Across Agencies and Best Value

Master agreements can support consistency across agencies, but consistency does not mean every agency will use an agreement in the same way or at the same level. Agencies may have different operational needs, service environments, volumes, locations, and timing, and those differences can affect what is purchased or how services are scoped.

The value of a master agreement is that those different needs are addressed through a common procurement structure, rather than through separate, uncoordinated procurements by each agency. This structure can support competition, consistent terms, established pricing, and better use of the City's collective purchasing power.

For that reason, differences in agency usage or cost do not necessarily mean inconsistency or a lack of value. What matters is whether agencies are using the agreement within its scope, under the terms established by the procurement, and through the applicable purchase order or task order process.

That is the balance master agreements are intended to support: flexibility for agencies to meet specific needs, and a common procurement structure that promotes consistency, competition, oversight, and value.

Conclusion

In closing, master agreements are an important part of the City's procurement toolkit. They help agencies meet common and recurring needs efficiently, while remaining in line with applicable rules, registration requirements, oversight review and audit authority that govern City contracting.

This hearing also reflects the importance of clear public visibility into how master agreements are used over time. That discussion benefits from both a Citywide procurement perspective and the operational experience of agencies that administer specific contract vehicles, including DCAS and OTI.

MOCS looks forward to continued work with the Committee, the Comptroller, OMB, and agency partners to strengthen procurement transparency while preserving tools that help agencies deliver services effectively.

Thank you for the opportunity to testify. We are happy to answer any questions.

Committee on Contracts – Transparency and Accountability in the City's Use of Master Agreements

Chair Restler, members of the Committee on Contracts, thank you for the opportunity to testify today about a critical but often overlooked area of City procurement: the use and oversight of Master Agreements, or MA1s. These contracts play a pivotal role in enabling agencies to quickly acquire goods and services essential to serving New Yorkers, yet—as our recent analysis shows— the opaque and outdated systems governing these contracts sharply limit our ability to effectively manage them.

While the flexibility of MA1s can be very beneficial, the City isn't doing enough to keep track of what the agencies are buying, at what cost, and from whom.

Today, I will outline why the City must act urgently to modernize its procurement systems, and highlight concrete steps we can take to ensure our spending is strategic, efficient, and fully accountable to the public.

Master Agreements – a Brief Overview

MA1s streamline the typically lengthy process for making purchases by establishing an "on-call" relationship with vendors under pre-arranged contractual terms. They are typically used in situations where there is a projected future need, but agencies don't know exactly how much or how often they'll need to buy it.

They allow City agencies to procure commonly needed goods or services more quickly than if they had to go through a whole procurement cycle for each such purchase.

They also seek to achieve economies of scale by leveraging the City's substantial buying power to get the best possible price for a good or service. Although just a few City agencies can establish MA1 contracts, many of them can be used by other agencies to make purchases. Importantly, the actual purchases under these contracts are made via Delivery Orders (DO1s), which, unlike their parent MA1 contracts, are not subject to Comptroller review (per PPB 2-12(b)(1)).

Finally, the stated value of an MA1 is an estimate of future demand, not a firm spending cap. The City may never end up purchasing anything under a registered MA1, or it could spend many times on the listed value of the contract.

Key Findings

Our review found that these contracts are quite popular. Between FY22 and FY25, mayoral agencies placed more than $8.8 billion in orders using MA1s—averaging over 28 thousand delivery orders each year. Yet the public, and even oversight bodies, have far less visibility into these purchases than into other types of contracting. Delivery Orders often contain little if any information on what was purchased, in what quantity, or from which manufacturer. This shrouds billions of dollars of spending in a black box and weakens the City's ability to control costs.

The data also show that the City frequently misestimates its needs. Since 2015, one out of every three completed MA1s was underspent by more than half, while another third was overspent. Despite the similar share of contracts in these two buckets, agencies ultimately overspent the cumulative estimated value of all MA1s by more than $1.6 billion. That is a lot of unrealized buying power that we could be using to negotiate better prices.

It's hard to manage what's not being measured. One of the starkest examples of this lies with our Citywide IT contracts procured under the Office of Technology and Innovation, which were overspent by nearly $4 billion relative to their estimated values. Because of the lack of information being captured by the delivery orders issued under these contracts, neither the public nor oversight agencies can determine what technology products or services drove these costs. It's simply not acceptable for the City to be without a full accounting of what it has purchased.

These issues are even more prevalent for a subset of Master Agreements procured under the Accelerated Procurement Method. This method enable agencies to fast track the bidding process for commodity purchases such as fuel that must be obtained quickly due to shortages or rapid price fluctuations. Unlike other MA1s, Accelerated Procurements are exempted from my office's registration reviews, but they still constitute big business.

Our reporting found that they account for nearly 40% of all MA1s registered since FY22 and that agencies spent more than $625 million under them during this period. While it's important that the City can secure the best prices for vital commodities, insufficient oversight of Accelerated Procurements can increase opportunities for the misuse of public dollars.

Recommendations

There are concrete, achievable steps we can take right now to strengthen our procurement system and restore confidence in how taxpayer dollars are spent.

<u>First, the City must expand use of the centralized tools that already exist to capture critical data on MA1 purchases.</u> Less than 10% of active master agreements are covered by PunchOut and the PASSPort Catalogue. These tools function like an online shopping portal where desired items and quantities can be ordered by permissioned agency users. Wider adoption would reduce staff burdens associated with the manual creation of individual delivery orders and allow the City to more easily capture detailed purchase information under these orders.

<u>Second, the City should make far more MA1 purchase data publicly available.</u> PASSPort and FMS should be enhanced to capture <u>key</u> DO1 transaction data <u>including</u> product manufacturer, product or service descriptions, units of measure, quantities, and unit prices. This data should also be made visible to the public.

<u>Third, agencies must improve their methodologies for estimating demand.</u> Agencies currently rely on inexact inputs, like optional agency surveys, to assess demand for goods and services that it will procure via MA1 contracts. The City's struggles to accurately estimate demand can make it harder for agencies to negotiate the best price on behalf of taxpayers. These agencies would be in a fundamentally stronger negotiating position if they had easier access to detailed purchasing information.

And fourth, the City must proactively seek savings by examining areas where MA1s regularly exceed their estimated value. Information technology should be an early priority because of the scale of spending and the potential opportunities for enterprise-wide purchasing and license consolidation.

In closing, we fully believe that MA1s are an essential tool for helping agencies purchase goods and services quickly and at scale. But flexibility without reliable data limits accountability and prevents the City from using its full purchasing power.

The City should know what it is buying, in what quantity, at what price, and from which manufacturer. It should use that information to forecast demand, compare prices across agencies, negotiate better terms, and identify opportunities for savings. Right now, its systems too often make those basic tasks difficult or impossible.

Modernizing these systems would not only improve transparency. It would help agencies work more efficiently, strengthen oversight, and ensure that the City gets the greatest possible value from every public dollar.

Thank you for the opportunity to testify today. I welcome your questions.

CITIZENS COMMITTEE FOR NEW YORK CITY

Testimony Before the New York City Council Committee on Contracts

Mike, Chief of Strategy and Operations, CitizensNYC

I'm Michael Hickey, Chief of Strategy and Operations for CitizensNYC. For 51 years, we have been finding, funding, and growing the capacity of NYC's community-based and hyperlocal leaders. In 2026, we will issue 500 grant awards totaling more than $2 million to small nonprofits, volunteer-led organizations, and small businesses. They will use these funds to advance programs in education, climate resilience, arts and culture, public health and safety.

But what I'm really here to talk about is the fact that this year we will also issue payments to another 750 community-based organizations totaling some $12 million for efforts ranging from participatory budgeting, to workforce development, to childcare access, to open streets programming, to supporting LGBTQ+ communities. The difference is that these funds will be city tax levy dollars issued from eight city agencies using our Master Contract: a $75 million procurement vehicle that allows these agencies to partner with CitizensNYC as their streamlined payment pathway.

The groups we are funding typically go from applying to an RFP to being paid in about 45 days. They do this with a greatly reduced administrative burden, and much deeper working partnerships with city agency program staff.

City agency partners can enact their programs with flexibility, speed, and simplicity -- all while retaining full oversight and authority over the implementation and funding. As someone who formerly ran a major city office working with highly vulnerable families and students, I'm frankly a little jealous that I didn't have this funding vehicle available to me. It would have greatly improved my ability to respond to both immediate and longer-term needs on the ground, empower my team to innovate, and deepen trust with NYC residents who are otherwise the first to experience hardship when the bureaucracy can't live up to its intentions.

The CitizensNYC Master Contract is an exception process, an outlier, and cannot itself serve as a model for overall procurement transformation. But it can serve as an example of what happens when a city agency commits to creating an innovative procurement pathway that's purpose-built for engaging hyperlocal leaders, restoring trust within communities by partnering with those who already have it, deepening understanding of neighborhood needs and applying those learnings to agency planning and operations, and building the capacity of the nonprofit sector using that most fundamental and powerful of tools: on time payment in full.

We recommend that the PPB be better empowered to set the rules, and that MOCS be better empowered to enforce them. We recommend that the City raises the small purchase threshold and indexes it to inflation so that groups who would have been included before can be included once again. We recommend that all contracting agencies disclose timeline data by contract type and processing stage to make timing visible and accountable. Finally, we recommend that contract administration be scaled to the size and scope of the funding, so that community-based and hyperlocal partners are no longer excluded from competing because the administrative cost is too damn high.

The CitizensNYC master contract makes all of these possible now as exceptions. Please help us make this the exception that proves the rule.

New York City Council
Committee on Contracts
Hearing on June 17, 2026

Testimony regarding Master Agreements, AI and Technology Procurement

submitted via portal on June 20, 2026

Testimony of Cynthia Conti-Cook, Director of Research and Policy

Collaborative Research Center for Resilience

The Collaborative Research Center for Resilience (CRCR)(and its Surveillance Resistance Lab) is focused on ensuring that government use of technology to access public goods, such as municipal identity or education—do not undermine democracy. We investigate and conduct community-centered action research to support key stakeholders who are often left in the dark (e.g., workers, community members, elected officials) and to elevate meaningful and inclusive participation in governance across areas with profound impact on our daily lives.

We were encouraged to hear the Council's interest in investigating Master Agreements that circumvent general procurement and (in the context of technology procurement, privacy) laws and rules, obscure public and agency oversight, and risk overspending. Based on our experience and analysis of how technology has been adopted and procured by prior administrations, we offer the following testimony regarding how our communities and democratic power is impacted by city contracting of technology and why, with AI sales pitches and industry expo's attracting a lot of government staff attention, we urgently ask the Committee on Contracts to push the administration to ensure that procurement of technology citywide evaluates vendors and holds them accountable for protecting New Yorkers' constitutional and privacy rights, as well as ensures the quality of public services.

Due to the urgent need for clarification and assurance that technology procurement is not taking advantage of the lack of oversight, as the recent Comptroller report and NYFocus investigation on Master Agreements revealed, and as we have been flagging for years, Master Agreements used in the context of technology procurement from City Time to MyCity deserves its own specific joint hearing by the Technology and Contracts committee.[1]

We previously submitted testimony in January 2026 regarding how any use of a procurement pathway that reduces public transparency, access to justice, fair competition, democratic engagement and accountability mechanisms leaves our agencies open to corruption and burdens residents with the cost of navigating low quality public services. Over the last four years, the outgoing administration spent millions of dollars through opaque and noncompetitive procurement processes and contracts for projects like MyCity, Teenspace, and Big Apple Connects. We urge this committee to examine not only the status of contracts of these projects, but also the procurement processes used. We offer recommendations below regarding not only specific contracts worth investigating but also Procurement Policy Board rules and processes like Master Agreement direct orders, purchases and demonstration or pilot projects worth evaluating with a focus on how well the public interest is being represented.

Our March 2024 report MyCity, INC[2], as well as our fall 2024 testimony[3] at a City Council Technology Committee hearing warned New Yorkers of exposure to privacy violations through data sharing agreements and the layered costs of privatizing public technology projects. NY Focus followed this thread, exposing over $100 million in vendor costs in its March 2025 investigative report.[4] The MyCity chatbot, which was procured through an amendment to a

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[1] New York City Comptroller Mark Levine, "The Monty Hall Contracts: Unchecked Spending Across the City's Master Agreements" May 6, 2026, https://comptroller.nyc.gov/reports/the-monty-hall-contracts-unchecked-spending-across-the-citys-master-agreements/; also see Nick Garber and Zachary Groz, "New York City's Multibillion-Dollar Black Box Contracts Face Scrutiny"

[2] Cynthia Conti-Cook and Ed Vogel, "MyCity, Inc", *TheCRCR.org, Mar. 2024, https://thecrcr.org/library/mycity-inc-a-case-against-compstat-urbanism/*

[3] Cynthia Conti-Cook, New York City Council Technology Committee testimony, September 30, 2024, https://thecrcr.org/wp-content/uploads/Lab-MyCity-Testimony-Sept-30-2024.pdf

[4] Zachary Groz, "How Eric Adams's MyCity Portal Became a $100 Million Question Mark", *NYFocus*, Mar.

Master Service Agreement, revealed dysfunction in its answers and in the dynamic between the vendor and the Office of Technology and Innovation that supervised its services.[5] In a hearing with the City Council Tech Committee in October 2024, the agency described how the vendor was calling the shots on multiple levels.[6] It was the vendor, not the agency, that decided when the chatbot was ready to be publicly released (at the risk of misinforming New Yorkers). It was the vendor, not the agency, who decided not to report what training data the vendor relied on to build the misinformed chatbot.[7] This committee should investigate how the Office of Technology and Innovation may have better represented the public's interest in accurate communication technology and accountability for the vendor throughout the procurement process and contract.

We encourage the Committee on Contracts to jointly hold a hearing with the Technology Committee to investigate New York City Master Service Agreements and their costs. Our MyCity, INC report highlighted this concern pointing to spending on Master Service Agreements skyrocketing even as the number of contracts remained steady. An audit on technology licensing pursuant to Master Service Agreements in Toronto found millions of dollars being wasted on unused Microsoft licenses, for example.[8] Our recent report, co-authored with Taraaz, "Key Considerations When Procuring AI in the Public Sector,"[9] highlights how master service agreements grant technology corporations asymmetrical power over governance by designing and defining the terms to the deprivation of our communities' democratic power.

The Committee on Contracts should also examine how the Procurement Policy Board (PPB) changed its rules under the prior administration regarding demonstration or pilot project procurement. We testified to oppose the expansion of the demonstration project rules to an empty room with a recording device. While noting our opposition during the vote, members of the PPB never engaged, asked questions, or followed up with the concerns we raised in our testimony, including that the new rules opened opportunities for corporations to groom public agencies for sole source contracts that lock the city into long-term dependencies. When the PPB scheduled the vote on short-notice, only 3 out of 5 members voted for the expanded rule—the Comptroller representative and the former Chief Procurement Officer both opposed.[10]

Demonstration project procurement, like emergency contracts and Master Agreements, also circumvents the more transparent and deliberative processes that might consider, for example,

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19, 2025, https://nysfocus.com/2025/03/19/mycity-eric-adams-child-care

[5] Colin Lecher, "NYC's AI Chatbot Tells Businesses to Break the Law", *The Markup*, Mar. 29, 2024, https://themarkup.org/artificial-intelligence/2024/03/29/nycs-ai-chatbot-tells-businesses-to-break-the-law

[6] New York City Council Technology Committee hearing on AI/ADS Systems, October 28, 2024, https://citymeetings.nyc/meetings/new-york-city-council/2024-10-28-0100-pm-committee-on-technology/chapter/council-member-bottcher-questions-oti-about-citys-small-business-chatbot-accuracy-and-effectiveness/

[7] NYC Algorithmic Tools Report 2024 (55), https://www.nyc.gov/assets/oti/downloads/pdf/reports/2024-algorithmic-tools-report.pdf

[8] Nick Westsal, "Toronto audit finds City staff spent $11M for unused, underutilized software licences", *Toronto City News*, Dec. 3, 2024, https://toronto.citynews.ca/2024/12/03/toronto-audit-finds-city-staff-spent-11m-for-unused-underutilized-software-licences/

[9] Roya Pakzad and Cynthia Conti-Cook, "Key Considerations for Responsible AI Procurement in the Public Sector", *Taraaz,* Aug. 5, 2025, https://taraazresearch.org/ai-procurement

[10] Ben Feuerherd, "Policy change allows NYC to fund pilot programs with little oversight, per lawsuit", *Gothamist,* Apr. 6, 2025, https://gothamist.com/news/policy-change-allows-nyc-to-fund-pilot-programs-with-little-oversight-per-lawsuit

whether a project makes New Yorkers' privacy more vulnerable. Whether a demonstration project for online therapy for teenagers that cost $26 million dollars was sufficiently vetted for its impact on teenager's privacy should be reviewed. This committee might even consider what accountability might be due, for example, after the vendor was accused of selling city teenagers' sensitive mental health data for profit.[11]

In addition to revising rules on Master Service Agreements, demonstration projects, and emergency contracts, this Committee should also consider how the Procurement Policy Board rules might prioritize and expand opportunities for community and worker participation, transparency, accountability, and access to justice to be more carefully considered in all procurement processes and vendor contracts but especially for automation of government functions. The PPB should look to global standards such as the IEEE's AI Procurement Standard 3119 which recommends including more input from community members, stakeholders, and workers early on in procurement process to save agencies time, money, liability and public trust later on when foreseeable harms arise.[12]

The NYC public school system is another key area where procurement policy has increasingly taken on the role of governance. A lack of transparency in public education spending is transforming this vital public service in ways we need time to assess. Education technology, with offerings often based on broad, national frameworks, is procured and used without the input or consent of local teachers, parents, and students, and undermines educators' efforts to stimulate critical thinking or provide a culturally responsive education. Non-competitive bidding and conflicts of interest at DOE have long been the subject of legal scrutiny. In 2023, for example, DOE contracting with the Utah-based ed-tech vendor 21st Century Education triggered a federal investigation that led to the resignation of NYC Schools Chancellor David Banks. Large contracts for private equity-backed solutions with questionable student privacy protections threaten to erode the autonomy of local teaching professionals, the rights of parents, and students' learning experience in the classroom.[13]

This Committee should consider a process to evaluate the efficacy of education technologies and adaptive assessment programs in public schools, and create an inventory of the AI-based software that is planned for or currently being used in classrooms. Such an audit is essential to determine both the risk of violations to New York's student privacy law, Ed Law 2D, and to ensure DOE spending is not wasted on unused, inefficient, or superfluous technology in Pre-K

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[11] Todd Feathers "Teen Mental Health App Sent Kids' Data Straight to TikTok," *Gizmodo,* Feb. 4, 2025,, https://gizmodo.com/teen-mental-health-app-sent-kids-data-straight-to-tiktok-2000557615

[12] "IEEE Standard for the Procurement of Artificial Intelligence and Automated Decision Systems" https://standards.ieee.org/ieee/3119/10729/

[13] With ex-Mayor Adams and former Chancellor David Banks' NYC Reads initiative, which mandates the adoption of curricular products either owned or heavily financed by such entities as Veritas Capital, Weld North LLC, or A-Street Ventures, private equity has already aggressively embedded itself in K12 public schools. The imminent rush toward AI adoption in schools is an avenue for private equity-owned companies to consolidate their dominance over curriculum development and assessment systems in the country's largest public school system.

programs or K-12 public schools.[14] Denver is a strong example of a district that has recently consolidated ed-tech spending and identified widespread misuse of taxpayer funds.[15] Also see Utah's approach.[16]

Our research has found that key decisions to procure transformational technological solutions—such as chatbots, educational software or digitized public benefits—are often led by corporations, prioritize policing strategies, and further embed administrative dependence on third-parties vendors while leaving communities and even elected officials in the dark. To expand democracy in this area of governance, the City must commit to meaningful transparency and accountability by creating protocols within the procurement process that foster public engagement and protect the public interest (and purse) from corporate capture and corruption.

Thank you for the opportunity to submit this brief analysis. We look forward to engaging in more depth towards our shared goal of fortifying affordable, sustainable and healthy futures for the working communities of New York City.

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[14] https://www.nysenate.gov/legislation/laws/EDN/2-D

[15] Lauraine Langreo, "How This District Cut Hundreds of Ed-Tech Tools and Saved $1M", *Education Week,* July 2, 2025, https://www.edweek.org/technology/how-this-district-cut-hundreds-of-ed-tech-tools-and-saved-1m/2025/07

[16] Steven Yoder, "School edtech money mostly gets wasted. One state has a solution," *The Hechinger Report,* Oct. 16, 2023, https://hechingerreport.org/school-ed-tech-money-mostly-gets-wasted-one-state-has-a-solution/

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Testimony of University Settlement
before the New York City Council

Executive Budget Hearing

Committee on Contracts,
Chair Lincoln Restler

Submitted by Kyungsoo Kang,
Grants Contract Administrator
University Settlement

June 17, 2026

Chair Restler and members of the City Council Committee on Contracts, thank you for the opportunity to testify on behalf of University Settlement Society of New York. My name is Kyungsoo Kang, and I am the Grants Contract Administrator from University Settlement Society of New York.

University Settlement is one of New York City's most dynamic social justice institutions, with an impressive legacy as the first settlement house in the nation. For 140 years, University Settlement has been an anchor in the immigrant communities with low income where we work, offering pioneering programs in early childhood care and education, youth development, eviction prevention, literacy, theater and visual arts, older adult services, and mental health. Each year, we engage over 40,000 New Yorkers through our network of 30+ sites in Manhattan and Brooklyn. Our mission is to empower residents by building on their strengths and knowledge through comprehensive, quality services that meet the current needs of the community, innovation that anticipates future needs, and advocacy on behalf of the community and its residents.

As the City considers the FY27 budget, we urge the Council to not only sustain programs, but to strengthen the systems that make service delivery possible. While recent investments have helped stabilize the sector, providers continue to operate under funding structures that do not reflect the real cost of delivering services in today’s environment.

Across the City, contract registration and payment delays remain a persistent barrier to effective service delivery. This is especially acute at the moment for COMPASS afterschool contracts through DYCD, where programs are expected to begin in August, yet providers often enter the program year without fully executed agreements or confirmed reimbursement timelines. Despite this, we are expected to recruit staff, secure sites, and prepare

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programming in advance of funding certainty, requiring nonprofits to assume significant financial and operational risk.

These delays are further compounded by inconsistent and fragmented communication across City agencies. Providers often receive conflicting guidance on contracting requirements, budget modifications, compliance submissions, and corrective actions depending on the office, division, or staff member involved. In some cases, guidance from contracting agencies and MOCS is not aligned; in others, contradictory instructions are issued within the same agency.

For example, our Family Youth Peer Support Program contract with DOHMH has been subject to different compliance protocols depending on the division overseeing the contract. As city agency staff turnover occurs, previously submitted documentation is not always transferred or readily accessible, requiring providers to repeatedly resubmit materials and revisit issues that had already been addressed. As a result, we were left navigating shifting expectations while trying to remain compliant, and it almost took a year to finally resolve the long lingering compliance issues.

The consequences extend far beyond administrative inconvenience. When providers receive inconsistent guidance, contracting issues that could be resolved quickly often remain outstanding for months as providers seek clarification from multiple offices. Budget modifications are delayed, contract actions stall, and reimbursements are pushed further out as nonprofits repeatedly seek clarification and respond to changing instructions. A more effective approach would establish a centralized contracting support function or helpdesk, distinct from the PASSPort technical helpdesk managed by MOCS, focused specifically on policy and procedural guidance. This function should serve as a single intake point for provider inquiries, internally coordinate across relevant agencies, and return one unified response that reflects a resolved, cross-agency determination. This would shift the burden of coordination from providers to the City and ensure that guidance is consistent, authoritative, and traceable across the system. Nonprofits should not have to navigate conflicting guidance to access funding for services the City has already approved. The City must establish clear, consistent, and standardized protocols across agencies to reduce delays, improve accountability, and ensure providers can focus their resources on serving New Yorkers rather than navigating bureaucracy.

Timely contract execution alone is not sufficient; providers need a system where communication is clear, consistent, and coordinated across agencies. Strengthened alignment between contracting agencies and MOCS is essential to reducing delays and ensuring issues are resolved efficiently, without requiring providers to navigate conflicting instructions.
Advance payments are equally critical to program stability. Providers rely on working capital to hire staff, secure space, and prepare programming while contracts are still in registration.

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We appreciate the City administration's commitment to complying with the law and providing advance payments. However, compliance alone is not enough; providers also need timely information about the amount and distribution schedule of those advances in order to plan effectively. As DYCD prepares to register the new COMPASS contracts, we urge the agency to implement the previously discussed 50 percent advance payment in a timely manner and provide a clear timeline for distribution. Given the scale of these contracts and the significant upfront costs required to operate them, timely advances are essential to ensure programs launch on schedule, maintain staffing, and serve participants without interruption. Without predictable upfront funding, providers are forced to assume financial risks they are neither designed nor funded to absorb.

In addition, we thank the Council for its continued commitment to the human services workforce through the multi-year COLA investment, including the final year in the Executive Budget effective July 1, 2027. This investment has provided meaningful relief to a workforce that has long been underpaid while delivering essential services across every community in the City. However, structural wage challenges remain unresolved. COLAs help address inflation but do not close longstanding gaps in compensation compared to public-sector roles. As a result, providers continue to experience high turnover and loss of experienced staff, which directly impacts service continuity and quality. We therefore encourage the City to plan for continued workforce investment beyond the current cycle, including a renewed COLA and a sustained multi-year commitment to stabilize the sector.

We also strongly urge the City to increase investment in MOCS in the FY27 Executive Budget. MOCS is central to the procurement system and reform efforts, yet persistent backlogs in contract registration continue to delay payments across the nonprofit sector. Providers are frequently required to deliver services for extended periods without fully executed contracts, creating avoidable financial strain and undermining the effectiveness of procurement reforms. Without sufficient staffing and infrastructure, these delays will remain systemic. These delays have direct operational consequences. Providers must front program costs while awaiting reimbursement, often relying on reserves or credit to sustain operations. Strengthening MOCS capacity is essential to improving processing timelines and ensuring predictable, timely payments.

We recognize the Mayor’s Office of Nonprofit Services (MONS) for elevating contracting challenges through the Chief Nonprofit Officer initiative and improving coordination across agencies. That said, MONS can play an even stronger role by providing earlier, centralized, and consistent guidance to providers. Too often, critical updates on discretionary contracting, advance payments, and procedural changes are shared only after providers have already been impacted. This is especially important as discretionary contracting reforms continue to evolve in the upcoming fiscal year, and many providers still lack clarity on timelines and requirements.

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Advance notice would allow providers to plan effectively and avoid unnecessary disruption. Consistent and up-to-date guidance on advance payments is also essential. Outdated or conflicting information directly affects budgeting and cash flow planning for organizations with limited liquidity and heavy reliance on City funding. A more proactive approach, grounded in provider feedback shared through MONS's quarterly sentiment surveys, and supported by regular kickoff sessions on contracting processes, would significantly improve clarity and help providers navigate the system more effectively.

Strengthening MOCS capacity alongside a more proactive MONS communication function would significantly improve the City's contracting system. With better infrastructure and clearer communication, the City can reduce delays, improve payment reliability, and allow providers to focus on delivering services without interruption.

As the Council finalizes the FY27 budget, we urge a comprehensive approach to strengthening the City's human services infrastructure. Workforce investment, contracting capacity, agency staffing, and indirect cost recovery are deeply connected. When one fails, the system slows down, providers carry financial risk, and services become less stable. The nonprofit sector is a core part of the City's service delivery system, but it cannot function under chronic delays and structural underfunding. With targeted investment and stronger operational capacity, the City can move toward a system that is predictable, accountable, and able to support both providers and the communities they serve.

We appreciate the Council's leadership and look forward to continued partnership in strengthening a contracting system that is timely, transparent, and sustainable. Thank you for the opportunity to testify. For further inquiries, please contact us at **contracts@universitysettlement.org.**

Hello,

I would like to testify before the city to request raises for ESD staff at NYC HHC. I was brought on as a contractor seven years ago for a one year contract with a roll to permanent employment at the end of that year. The city extended it without asking or renegotiating out to three years leading me on to think I was in the process of getting hired. In order to get hired I had to give up Shabbat so I could work the overnight shift and my manager Vish had to really push to even get the staff his needed to run the department overnight. They had been asking me for three years to take the role and the reason I didn't want it is because I want to go do Shabbat. I'd happily roll to the Sunday shift to get Saturday mornings from midnight to eight off instead but it is a no go. Frankly the department and city does need me where I am so I am not complaining I am giving context.

Atop that this is the only job that I have had where I had to supply my own computer, phone, etc. I also make a third of what the market rate is and we're one of if not the lowest paid position in the city despite the job being considered skilled labor along with being on the national shortage list here as well as in several other countries. I get the position is remote and I'd walk if it wasn't because of all this but I also know getting someone who knows what they are doing is tough, especially on overnight when there is no escalation path for tricky issues. Either we solve it or it becomes a real problem. Thankfully the majority of my tickets are first touch resolutions meaning that when I get a call I do fix it myself.

I don't want to go back to working in the private sector. I worked on lab equipment in the genetics industry and there are some really dark corners of that industry. Like, heck, New York still has the Eugenics Records Office operating in the Bronx and there are at least three eugenic birthing centers in my area. I don't condone the propaganda of the Inquisition, KKK, and Nazis so I don't want to work with those people by moving back to the private sector where I would make three times my pay. So, I am stuck with you which is an unhealthy position as inflation is going up and even in a rent stabilized apartment I find myself living from pay check to pay check. I've even gone out to learn to sail so I can buy a boat to live on anchor in to cut my living costs so I can keep my job and not be forced to work for the American Mengele in the private sector. And yes they do exist I have a study in peer-review now on how the eugenic stereotypes those clinics are publishing have impacted hate crime and led to misdiagnosis.

I am not going to ask for the Sunday shift or work to provide me with gear, even though I should, but I am going to ask for 12k a year raises across the board for the department. We'll still be under funded but at least then it is livable. Currently I am marginally over the line for assistance . That area where you still starve but get no food stamps. 12k raises for people who are essential to the city working in a skilled labor profession using their own equipment and who are unable to even get the time to pray to G-D for a raise isn't too much to ask.

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Name: John Katsorhis

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I represent: Mayor's Office of Contract services

Address:

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I represent: DCAS

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Name: GAIL TANG Deputy Commission of Financial management and procurement

Address: 15 MetroTech, Brooklyn 11201

I represent: OFFICE of INNOVATION & TECHNOLOGY

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Name: CHANTAL SENATUS DEPUTY COMMISSIONER FOR LEGAL MATTERS
Address: 2 METROTECH BROOKLYN NY 11201
I represent: OFFICE OF INNOVATION & TECHNOLOGY
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Name: Dan Roboff
Address: 1 Centre St
I represent: Comptroller Levine
Address: 1 Centre St.

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Name: Charlette Hamamgian
Address: One Centre St
I represent: NYC Comptroller
Address: One Centre St.

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Name: Charles Diamond

Address: [redacted] Horatio St., NY NY 10014

I represent: Personal Capacity

Address:

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Name: Mike Hickey

Address: [redacted] Bklyn 11218

I represent: CitizensNYC

Address: [redacted] 461 W. 126th St NY NY 10027

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☒ in favor ☐ in opposition

Date: 6/17/26

(PLEASE PRINT)

Name: Christopher Leon Johnson

Address: [redacted] Buffalo Ave [redacted]

I represent: Self

Address:

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