

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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

B E F O R E: JUSTIN L. BRANNAN
Chairperson

COUNCIL MEMBERS: Inez D. Barron
Bill Perkins
Helen K. Rosenthal
Kalman Yeger

A P P E A R A N C E S (CONTINUED)

Dan Simon, Acting Director, Mayor's Office of Contract Services, MOCS & NYC's Chief Procurement Officer

Ryan Murray, First Deputy Director, Mayor's Office of Contract Services, MOCS

Jenny Russo-Rennick (sp?), Deputy Director for Business Optimization, Mayor's Office of Contract Services, MOCS

2 [sound check] [pause] [gavel]

3 CHAIRPERSON BRANNAN: That works. Good
4 afternoon everyone, and welcome to the Contracts
5 Committee of the New York City Council. My name is
6 Justin Brannan and I have the privilege of chairing
7 this committee. We're joined today so far by
8 Councilman Bill Perkins. I want to thank the members
9 of the committee for coming together today to hold a
10 hearing [coughs]. I'd also like to thank the
11 Administration for doing their part in engaging with
12 the Council and city contractors in development of
13 the Procurement and Sourcing Solutions Portal known-
14 also know as PASSPort, which will be the subject of
15 our discussion today. This hearing will provide the
16 committee with an opportunity to hear directly from
17 the Mayor's Office of Contract Services regarding the
18 development and progress of PASSPort so far as well
19 as what we can expect to see in the near future that
20 will expedite and improve the procurement experience
21 for city vendors. PASSPort was conceived as an
22 online procurement portal that would enable city
23 agencies and contractors to more easily engage with
24 other-with each other through a web interface. This
25 interface would allow vendors to track the progress

2 of their particular contracts, offer agencies insight
3 into the capabilities of specific vendors and allow
4 those agencies to expedite the process of determining
5 vendor responsibility, which is a critical component
6 for contractors working with the city. The first
7 phase of PASSPort was launched back in the summer of
8 2017, and it gave vendors and the Council a taste of
9 what we could expect from this new online procurement
10 portal. PASSPort's Phase 1 permits vendors to file
11 their vendor questionnaires electronically, identify
12 their areas of expertise and allows vendors to review
13 their performance evaluations of prior contracts in
14 order to improve their performance when dealing with
15 the city in the future. While Phase 1 has been a
16 welcomed change from the antiquated paper Vendex
17 system, we on the committee expect much more from the
18 Phase 2 and Phase 3 iterations of PASSPort. City
19 contractors continue to complain about late payments
20 from city agencies. In fact, the average time to
21 complete a procurement increased by almost 5% from
22 FY17 to FY18 to a whopping 179 days. It still takes
23 agencies on average half a year to pay their vendors.
24 This is simply unacceptable. Vendors cannot
25 reasonably be expected to take our loans, lay off

2 critical staff or stop operations all because the
3 City's procurement system is broken. Instead, we
4 must strive to do better. PASSPort's Phase 2 is
5 expected to be released very soon, and should offer
6 vendors the ability to efficiently catalog their
7 management systems while offering agencies clear
8 insight into the past performance of contractors who
9 have already done business with the city. Phase 2
10 should also streamline the purchase order process and
11 standardize electronic invoicing across all agencies.
12 This should increase the speed of responsibility
13 determinations, contract registration, and ultimately
14 the processing of payments to vendors. So, the
15 committee looks forward to hearing details about the
16 forthcoming Phase 2 at today's hearing.
17 Additionally, we're already looking to the future,
18 and towards some of the features of Phase 3 including
19 a searchable database for vendors detailing
20 businesses—detailing business opportunities with the
21 city, and the ability of a vendor to track the
22 progress of their contracts online. We expect that
23 MOCS is working to develop these capabilities as
24 well, and again we hope to hear some information
25 regarding these functions at our hearing today.

2 Lastly, we note Comptroller Stringer has offered
3 several suggestions to improve city contracting and
4 the vendor experience beyond PASSPort, and we look
5 forward to discussing some of those suggestions as
6 well. So, before we begin, I want to thank my
7 committee staff, Committee Counsel Alex Paulenoff;
8 Policy Analyst Casey Addison; Financial Analyst,
9 Andrew Wilbur; Finance Unit Head John Russell; as
10 well as my Senior Advisor John Yedden (sic) for all
11 their hard work in putting this hearing together.
12 With that said, I will turn the floor over to Dan
13 Simon, the Director of the Mayor's Office of Contract
14 Services to get us started. If you can please raise
15 your right hand so the Counsel can swear you in.

16 LEGAL COUNSEL: Do you swear or affirm to
17 tell the truth, the whole truth, and nothing but the
18 truth today's hearing, and to respond honestly to
19 Council Member questions?

20 DAN SIMON: [off mic] I do.

21 LEGAL COUNSEL: Thank you. You may
22 begin.

23 DAN SIMON: Good afternoon Chair Brannan,
24 Council Members and Committee staff. My name is Dan
25 Simon. I'm the Acting Director of the Mayor's Office

2 of Contract Services and the city's Chief Procurement
3 Officer. Thank you for inviting me to continue our
4 discussions about the Procurement Sourcing Solutions
5 Portal, PASSPort and the role it plays in supporting
6 procurement transformation. As we have previously
7 shared, we are working to make it easier to do
8 business with the city of New York and to responsibly
9 maintain integrity and fairness in our processes. In
10 today's operating environment the expectation is also
11 that agencies can quickly acquire goods or implement
12 services in response to policy goals and emerging
13 needs. Technology plays a critical role in realizing
14 this vision. Thousands of agency and vendor
15 personnel interact to establish and manage contracts,
16 monitor quality and ensure accurate payment. The
17 demand for reducing administrative burden and
18 increasing transparency, clarity and simplification
19 can all be achieved with a common platform for
20 collaboration. Agencies can easily share information
21 submitted by vendors. Oversight agencies can review
22 procedural and technical requirements, and vendors
23 can keep profiles current, track statuses and execute
24 open tasks. Our successful experience with HHS
25 Accelerator reinforces these expectations.

2 Accelerator allows vendors to update background
3 information and keep documents current, submit
4 proposals in response to requests for proposals, and
5 manage contract budgets and invoices all in one
6 platform. The scope of Accelerator has been
7 available for five years and has significantly
8 reduced cycle times for phases of the procurement
9 process it enables. For example, invoice review in
10 Accelerator takes a median of six days. The time is
11 reduced because invoices are submitted against
12 already approved budget lines, reducing inaccuracies
13 and eliminating the need for basic checks.

14 Documentation may also be submitted in the same
15 screens or via Secure Vault, and the sometimes
16 necessary back and forth and updates can be tracked
17 in the system. These features, robust centralized
18 support, the company by targeted just-in-time
19 outreach and training had led to the many successes
20 at scale, but Accelerator only captured some phases
21 of the procurement process, and was tailored for
22 human services providers. PASSPort was launched to
23 account for all critical steps in industries. Our
24 first major release of PASSPort in August 2017,
25 replaced the decades old process, which required

2 vendor submissions of voluminous paper documentation
3 for entry into a centralized database. Nearly 11,000
4 vendors have now experienced the updated disclosure
5 process without the need for couriers, notaries or
6 physical signatures. What was once a month long
7 process at least is now completed without—within
8 hours for most vendors. City agencies use this filed
9 information along with other source data including
10 other oversight entities to vet vendors and complete
11 documentation required for contract registration. In
12 Fiscal Year 18 nearly 10,000 responsibility
13 determinations were completed in the system, and this
14 information can now be easily leveraged for
15 subsequent contract actions including by procurement
16 personnel employed by a different agencies. With
17 PASSPort, this vetting process had been shortened
18 from 45 days to a median of 21 days in Fiscal Year
19 18. Release 1 allowed us—allowed us to bring
20 efficiency to vetting, helped us adjust our service
21 model as an organization, and opened up the platform
22 for vendors to become familiar with the new system,
23 ready in our vendor community to participate—to
24 participate fully in future releases. In March, we
25 will launch the next major release of PASSPort,

2 Release 2, which has been primarily developed and
3 will be implemented in partnership with the
4 Department of Citywide Administrative Services. This
5 release enables agencies to order and pay for goods
6 they need to operate and allows the city to sunset
7 various Legacy systems and manual processes. With
8 more than 600 vendors and over 1,000 contracts to be
9 deployed, approximately 3,000 agency staff will now
10 be able to more easily find items, track and confirm
11 receipt of orders, and efficiently match receipts to
12 invoices. This release bring needed modernization
13 and additional efficient-efficiency to 1.2-to \$1.2
14 billion in annual spend accounting for over 10,000
15 orders by agencies. We are in the midst of multiple
16 rounds of system tests and are on track for launch.
17 We will phase in use of Release 2 through the summer
18 and will also work with the Department of Information
19 Technology and Telecommunications, DOITT, to
20 incorporate technology services contracts. Release 2
21 helps us enable citywide electronic invoicing for
22 these requirements contracts and this capability will
23 be extended to all contract types in the final major
24 release of PASSPort. Special thanks must be extended
25 to the Financial Information Services Agency for

2 their partnership as PASSPort interfaces with the
3 city's Financial Management System or FMS. In
4 parallel with the bill of Release 2 we began the
5 design phase for the final major release of PASSPort
6 Release 3. This release will capture all end-to-end
7 procurement activities from solicitation and approval
8 of awards to contract development and payment of
9 invoices, and we will fill today's functional system
10 gaps and improve the user experience to speed
11 activities related to agency and oversight approval,
12 registration packages compilation, extensions,
13 amendments and change orders. We are also tackling
14 the structure, workflow and content of solicitations
15 identifying possibilities for parallel-parallel
16 reviews, new and adjusted oversight delegations,
17 streamlined standard contract development and the use
18 of prequalified lists and task orders. With these
19 and other topics we hope to keep three central design
20 principles in mind: Standardization of process and
21 tools to ensure a predictable experience for vendors;
22 radical transparency to improve communication and
23 collaboration; and robust analytics to support real
24 time decision making and continuous improvement. New
25 technology certainly isn't a cure-all and we aren't

2 just waiting for implementation. We continue to
3 advance policy reforms favorable to vendors and where
4 appropriate also adopt tougher management approaches
5 to reduce cycle times, but without technology, this
6 isn't sustainable and bold changes will be limited.
7 The scope of Release 3 is broad since significant
8 changes are needed. Our aggressive timelines are in
9 response to the long held desire for process overhaul
10 by agencies, oversights and vendors. The time for
11 change has now arrived. We are glad that this
12 administration has invested in PASSPort and will
13 launch Release 3 in early 2020. Our staff will work
14 long days and nights until then, and we will roll out
15 PASSPort in a manner that ensures ample time for
16 readiness and optimal adoption. We look forward to
17 partnering with this committed and the broader
18 Council on this effort. Thank you for the invitation
19 to provide this update on PASSPort. I am joined by
20 Ryan Murray, First Deputy Director and Jenny Russo-
21 Rennick (sp?), Deputy Director for Business
22 Optimization. We are happy to take any questions you
23 may have.

24 CHAIRPERSON BRANNAN: Thank you. I'm all
25 about radical transparency. That's my middle name.

2 So, do we think that PASSPort—are we trading PASSPort
3 as—I guess is our treatment of PASSPort as the
4 panacea of justified?

5 DAN SIMON: The—I—I—I would love to get
6 away from the panacea meaning here, but it's—it's
7 what's required in order for everyone to do their
8 work appropriately. The—the struggle, like I said,
9 vendors, agencies, oversights like MOCS, OMB or Law,
10 they don't have their hands around the work in a—in
11 a—the management sense because there's no—t here's
12 nothing tracking every single task in the procurement
13 process all the way through that's transparent on all
14 sides, and so it's the tool we need to get the done.
15 The I, you know, because in any—with any technology,
16 it's only as good as who uses it, how it's used, and
17 what we're trying to do over the course of the next
18 several months is figure out ways in which you can't
19 back away from good use of the tool. We're trying to
20 make it so that, you know, every required step is
21 required in the system so that, you know, we limit
22 the amount of risk into, you know, this not being
23 successful because any one particular person doesn't
24 use it appropriately. Does that make sense?

25 CHAIRPERSON BRANNAN: Yeah, yeah.

2 DAN SIMON: I'm trying to dummy proof it
3 in a sense so that every required step is require,
4 and if it is truly optional, then it can be optional
5 under these circumstances, this is all hypothetical
6 stuff, but, you know, in each area of the system, you
7 want to make—you want to make sure that it's tracking
8 everything that's absolutely required, and streamline
9 wherever we can.

10 CHAIRPERSON BRANNAN: I imaginer there
11 wouldn't be much that's optional really.

12 DAN SIMON: Yeah I mean there are some
13 options in the way. Youi know, basic contracts are
14 structured so you have all different types of
15 contracts. They can be line item. They can be
16 milestone and deliverable based. They can be rate
17 based, and so there are options in how you manage
18 contract by contract, but—so you need to make some
19 choices, but in terms of, you know, compliance with
20 laws and things like that, no there's no wiggle room
21 at all, and we have to ensure the system accounts for
22 that.

23 CHAIRPERSON BRANNAN: Have the complaints
24 from advocates regarding late payments been

2 integrated into the portal for Phase 2 or is that
3 going to be in Phase 3?

4 DAN SIMON: So, late payments just to-to
5 draw the distinction, if we're talking about human
6 services providers, you know, late payment if-if this
7 is semantics, but it's really about late
8 registration. The problem we have is in late
9 registration and not necessarily late payment
10 although the two is-are connected, of course.

11 CHAIRPERSON BRANNAN: Right.

12 DAN SIMON: And so someone saying I got
13 paid late is right, but it's because their contract
14 was registered late not that the payment functions--

15 CHAIRPERSON BRANNAN: [interposing]
16 Right, semantics.

17 DAN SIMON: --aren't working with
18 everything. Yea, total semantics. Absolutely. So,
19 that's accounted for in Release 3. In Release 2 it
20 covers essentially requirements, contracts, and so
21 it's-it's focused on DCAS and a little bit of
22 contracts from DOITT that are sort of basic catalog
23 purchases so that Amazon type shopping experience
24 we've talked about before where the-we have a
25 contract for mostly goods, but we can get some

2 services in there if they can be catalogued, but
3 it's—it's managing those contracts, but what it's
4 really doing for us is in terms of Release 3, which
5 is the major release that will provide a lot of the
6 functionality we're going to talk about, it's
7 essentially a dry run with this functionality to get
8 all the way from a requisition through to payment.
9 And so, it's us building that pipeline of catch flow
10 from a requisition all the way to invoice and payment
11 in a—in-in these requirements contracts. It will—it
12 will be a proof of concept for us in Release to have,
13 and so it's—it's a set-up release as Release 1 was,
14 and we continually build on PASSPort to make it
15 enhanced, more improved, but, you know, in—with
16 Release 2, it's sort of—it's a proof of concept
17 around the whole cycle except for pieces that's not
18 covered, but it's really test driving that—that
19 payment, invoicing payment process for us.

20 CHAIRPERSON BRANNAN: Hall all city
21 agencies come on board to PASSPort? I know you
22 mentioned a little bit of that is DOE, EDC, NYCHA.

23 DAN SIMON: So, it—it covers—so MOCS—MOCS
24 governance model is only over mayoral agencies. DOE
25 would be the one exception. So, they've opted in and

2 so think of the 40 mayoral agencies plus DOE is sort
3 of our cohort, but that would not include NYCHA.

4 CHAIRPERSON BRANNAN: Okay.

5 DAN SIMON: And EDC by way of SBS yes.
6 So it's sort of a yes and no.

7 CHAIRPERSON BRANNAN: But all other-all
8 other Mayoral agencies are using PASSPort at this
9 point?

10 DAN SIMON: Yeah, for responsibility
11 determinations, using the-the Release 1 portions,
12 yes.

13 CHAIRPERSON BRANNAN: In the-in your
14 opening statement you mentioned the sunset of various
15 Legacy systems like which?

16 DAN SIMON: So, at DCAS they have various
17 systems that manage these requirements contracts now.
18 The name Eclipse is one of them. What I could-and-and
19 director order system. S o, some of these are
20 mainframe systems. They're not on the web or
21 anything. Eclipse I believe is on one computer
22 terminal at DCAS. That's how old it is, and on the
23 home screen is C in all little Cs.

24 CHAIRPERSON BRANNAN: Right.

25 DAN SIMON: So, and, you know, that all--

2 CHAIRPERSON BRANNAN: Tied exactly.

3 DAN SIMON: Yeah. Uh-hm, and—and there
4 are literal, you know, just paper catalogs that folks
5 are going through to make orders.

6 CHAIRPERSON BRANNAN: Wow.

7 DAN SIMON: Yeah. So, it's—it's pulling
8 all of that together into a new modern system.

9 CHAIRPERSON BRANNAN: Phase 2 was saying
10 what? Spring '19?

11 DAN SIMON: We're comfortable right now
12 saying March. So, you know, I need a little bit of
13 wiggle room there but, you know, we're—the closer
14 you get the more concrete you can be about a goal a
15 live date, and so right now we're targeting mid to
16 late March.

17 CHAIRPERSON BRANNAN: Okay. So one of the
18 things I Touched on in FY18 the median time it took
19 agencies to complete procurement for competitively
20 sealed bids was 179 days, which is nearly 5% longer
21 than FY17. Do you feel that's—that number is
22 accurate? If not, why?

23 DAN SIMON: I have no reason to refute
24 it. I mean I can look at the data behind it an—and
25 come back to you, but--

2 CHAIRPERSON BRANNAN: Just because it
3 seems to me like the delays in payments in renters
4 are just, they're increasing and not decreasing.

5 DAN SIMON: Well, I mean again semantics.
6 Bids, right? You know, if we're talking about human
7 services we're not doing bids for human services.
8 It's really about RFPs and the numbers aren't great
9 either in terms of the cycle time for a procurement.
10 But we're not really focused on getting the day down.
11 We're trying to get things done on time. If-if I
12 have a-a Human Services contract, if I have a
13 homeless shelter where it would be anticipated, the
14 contact start date is July 1st. If I start 2 years
15 in advance, that doesn't make the procurement
16 inefficient for it taking 2 years if I nail it on
17 July 1 and it's registered on time, and I can pay
18 vendors as of the day 1 of the contract, right. I
19 can also do that RFP in nine months, but months and
20 two years as long as I hit the July 1 date, that's
21 what's important. And so, that's what we're focused
22 on. Yes, in the broad, you know, scope of things, we
23 want to reduce all these cycle times, but it's more
24 about being timely than it is reducing time, right.
25 There are a lot of things involved in the procurement

2 process that must be done, and so there's only so
3 much we can reduce it down by, but, you know, for us
4 it's more about—particularly if with human services
5 where they're ongoing. It's not like you, I know, I
6 want a homeless shelter for six months, right. These
7 are—these are ongoing services. So, it's very
8 important for them to be on time, and so starting
9 soon enough, you know, we—so we have the—I don't know
10 how much we talked about this, but the Non-Profit
11 Resiliency Committee that is chaired by Deputy Mayor
12 Palazzo, we do a lot of work with the non-profits out
13 of that—out of that committee one which is managing a
14 new policy that we just issued in the past two weeks
15 around renewals and extensions, and so it's using—
16 it's—we worked with agencies and providers alike to
17 come up with a work plan for renewals and extensions.
18 I have a contract with you. I know I'm going to
19 renew the contract for July 1. What date do I start
20 the 10, 15, 20 tasks? Whatever it is that has to be
21 done between now and then, what's the first date?
22 And so giving them milestones to track and work from
23 is what we've done. Now that's all done in paper.
24 So, it's very difficult to manage that type of stuff,

2 but in a technology that—that can manage those—that—
3 that set of work, you know, it gets much easier.

4 CHAIRPERSON BRANNAN: So, what are—I mean
5 what are some of the tangible ways then or help me
6 understand how PASSPort 2, 3, 4, 5 whatever is going
7 to address the delays. Why is it going to be easier
8 now? Why am I—why should I expect vendors are not
9 going to be coming to me and saying, you know, we
10 haven't gotten paid. We haven't gotten our contract
11 registered?

12 DAN SIMON: So the idea around radical
13 transparency is that it's transparent on all sides of
14 what's required, what's next and when—and what they
15 can expect, you know, in the future? Right? So, if
16 there are—if I've done an RFP, I now have an award.
17 I'm giving an award to ABC non-profit, right. There
18 are screens and checklists and tasks that are
19 associated with what the vendor must do, and what the
20 city must do, and whether that list is 100 long or 20
21 long, it should be obvious which ones are done, which
22 ones need to be done on a particular time interval,
23 and which ones haven't been started.

24 CHAIRPERSON BRANNAN: Sure.

2 DAN SIMON: And so a vendor shouldn't be
3 coming to you and saying I don't know where this is,
4 and I don't know what is going on, right. What's-
5 what's going on, the workflow of that particular
6 contract should be very obvious to everyone on all
7 sides.

8 CHAIRPERSON BRANNAN: I guess my concern
9 is that the people that I hear this from are folks
10 that have been doing this stuff since like before I
11 was born.

12 DAN SIMON: Yep.

13 CHAIRPERSON BRANNAN: So, they know, they
14 know--so this is what it's about (sic). They know how
15 to-- You know, they know how to put in a bid. They
16 know how to throw out a contract or an RFP. They
17 know how that works.

18 DAN SIMON: Yes.

19 CHAIRPERSON BRANNAN: So, it's not like
20 this is the first time they're doing it. Why? These
21 guys are just renewing this stuff.

22 DAN SIMON: Yeah. So, what I would say
23 to that is, you know, having been an agency chief
24 contracting officer before, sometimes every time you
25 do an RFP it feels like the first time you're doing

2 it, right, because there are all--there are different
3 requirements per RFP. There are different Local Laws
4 that have come along the way since you were born.
5 There have been different policies put in place
6 because of, you know, bad city vendors, bad city
7 staff, bad City Council Members, right. Like doing--
8 we're doing what they're not supposed to be doing.
9 Every, you know, every time one of those things have
10 happened over the past 3, 4, 5 decades, that has
11 resulted in another arm of the workflow in the
12 procurement process, and so it's-- And it's not very
13 predictable because while we're governed by the same
14 set of rules, you have 40 agencies doing slightly
15 different things to achieve the same thing. Right,
16 and what the technology will do is provide one way of
17 doing an RFP, one way of doing a BID, one way of
18 doing, you know, whatever the procurement method is,
19 there's a standard way of doing it. So that it
20 becomes more predictable. An Executive Director at a--
21 for a non-profit, you know, shouldn't be expected to
22 know every single document that they need to submit
23 to an agency in order to get the contract registered.
24 That should be something their staff can manage and
25 is--it's juts a trackable set of tasks that both the

2 agency and the city—that the agencies and the vendors
3 are aware of simultaneously.

4 CHAIRPERSON BRANNAN: Are there going to
5 be any consequences to some of the worst offending
6 agencies if they continue to delay payments?

7 DAN SIMON: You have to define what you
8 mean by consequences. I mean I--

9 CHAIRPERSON BRANNAN: Right now there are
10 none.

11 DAN SIMON: Well look, what we're focused
12 on is solving this problem at a global level, and
13 we're focused on the technology. We're also focused
14 on intermediate like I talked about in the renewals
15 and extensions trying to drive down the—the late
16 registration, and trying to be more timely with
17 contract registrations. So, we have short-term
18 solutions in terms of what policies and management
19 practices we can put out there for agencies, but, you
20 know, our—our major focus is on solving this problem
21 at the global level, which is PASSPort.

22 CHAIRPERSON BRANNAN: So, according to—I
23 want to just say we've been joined by Councilwoman
24 Helen Rosenthal. According to Comptroller Stringer,
25 over 90% of Human Service contracts arrive at his

2 desk for a registration retroactive meaning that
3 they've already—they've already been done. The
4 contract has already been done prior to registration.
5 Who is responsible for these delays? We're saying
6 it's because the—you know, the person applying for
7 the RFP hasn't properly filled it out, but the city
8 still wants the cheese sandwiches on time. I mean
9 who's responsible?

10 DAN SIMON: So, I'd say two things. One
11 is that, and I've said this before and—and not to
12 belabor this point, but the Comptroller—but the date
13 has never been shared with us, but as far as we can
14 tell, the data that the Comptroller used included
15 City Council discretionary contracts. That is not a
16 knock on City Council discretionary contracts, but
17 they are by definition late because you don't know
18 about them until adoption.

19 CHAIRPERSON BRANNAN: Right.

20 DAN SIMON: And so as far as we could
21 tell again back of the envelope trying to recreate
22 what the Comptroller did, it looks like 45 to 50% of
23 the contracts included in his metrics are City
24 Council discretionary contracts. So, I'm not saying
25 that we don't have a problem, but let's just be fair

2 about where we're targeting our criticism to
3 agencies.

4 CHAIRPERSON BRANNAN: Yeah, I mean--

5 DAN SIMON: [interposing] That--that said,
6 you know, there's also, you know, there's--there's the
7 responsibility. Again, there's accountability on
8 both sides. Again, having been an agency chief
9 contractor officer, I know that working mostly with
10 non-profits--I was at DYCD, right, you could get a lot
11 of contracts done very quickly with the vendors that
12 were on point with what you needed from them, right
13 and then there stragglers, and then there were folks
14 that were unresponsive. And so, some--some of that
15 has to play into it. It's--this is not vendor's fault.
16 It's not the city agency's fault necessarily. Can
17 these things get done quicker, better? Of course,
18 but again our focus is on making sure that there is--
19 that we shine a light on the entire process that
20 everyone can see. Right now, vendors are submitting
21 contracts and contract documents mostly in paper to
22 city agencies, and they have--from a vendor's
23 perspective they don't know where it is. There's
24 nothing telling them that they've submitted it, what
25 status it's in next. Who's holding it? Where it

2 goes. You know, what steps it has to take. That
3 doesn't exist. All-the only system that the city has
4 is internal facing only, and so we have-that's what
5 we have to change.

6 CHAIRPERSON BRANNAN: Councilwoman
7 Rosenthal has a question.

8 COUNCIL MEMBER ROSENTHAL: I just want to
9 tag team, and so very quickly.

10 DAN SIMON: Uh-hm.

11 COUNCIL MEMBER ROSENTHAL: Moving to dig-
12 digitalizing this information should get rid of the
13 paperwork.

14 DAN SIMON: For sure.

15 COUNCIL MEMBER ROSENTHAL: What's the
16 time table on that?

17 DAN SIMON: So, we expect--so I mean it
18 started with Release 1, right and so in August 2017,
19 we replaced what was know as the Vendex process. So,
20 that was a huge amount of paper gone, right. I-I
21 just-I know I'm giving the long--

22 COUNCIL MEMBER ROSENTHAL: [interposing]
23 One minute ago you just said it's all about paper
24 that is only in--

25 DAN SIMON: [interposing] Sure, sure.

2 COUNCIL MEMBER ROSENTHAL: So, I'm just
3 following up on that like is it still awful?

4 DAN SIMON: So, with--so without the full
5 solution yet deployed, then there are pieces of it
6 that are still painful and manual and paper driven--

7 COUNCIL MEMBER ROSENTHAL: Okay.

8 DAN SIMON: --and that will be resolved
9 in Release 3, which would be in early 2020.

10 COUNCIL MEMBER ROSENTHAL: And then the
11 second quick follow-up question to the Council
12 Members' questions is the--do you still report on the
13 number of staff, agency staff screened on how to use
14 PASSPort or Accelerator, and do we know which
15 agencies--just where the staff is not up to date in
16 the training because I remember a lot of times we
17 would hear from the Human Services Council that the
18 non-profits were trained and knew how to apply, but
19 that it was the agency itself, DYCD aging that didn't
20 know really how to use it, and that's my last follow-
21 up question.

22 DAN SIMON: Yeah, so, I--I--what I would
23 say is we have a different--a few different modes of
24 training. With vendors, frankly there are--
25 particularly with Accelerator and again with PASSPort

2 the training was offered and most vendors picked it
3 up, and are using this without any training.

4 COUNCIL MEMBER ROSENTHAL: I'm talking
5 about aging.

6 DAN SIMON: Yeah, I know. Yeah, I'm—I'm
7 just saying with, you know, we have vendor training.
8 We—you could—vendors are they trained? Sure, but
9 relative to the number of vendors that we have in
10 this city, very few actually had to take us up on
11 coming in for a classroom training. It's not that
12 complicated. It's fairly intuitive. We do a bit
13 more hand-holding with agencies. Just to be direct
14 about your question, can we develop a report that
15 tells us who—which agency staff members have been
16 trained? Yes, we—we can certainly pull that
17 together. We—we just don't have a public report that
18 says who' trained and who's not.

19 COUNCIL MEMBER ROSENTHAL: Right, I'm
20 listening. I don't--

21 DAN SIMON: [interposing] Sorry

22 COUNCIL MEMBER ROSENTHAL: I just mean
23 you know. I don't care if the public knows or—or
24 maybe some days it's meant no less, but I'm asking
25 you today, you I know, know which agencies haven't or

2 they're just--staff is just not quick on the uptake of
3 how to do Accelerator of PASSPort. I mean we talked
4 about this three years ago, and we got numbers from
5 you on the different agencies and which ones were
6 lacking in training. So, I'm not asking--you don't
7 even have to reveal it. You--you can just say yes,
8 there are three agencies where we really have to keep
9 training them. Do--does that--I may not be explaining
10 it well. Am I--am I not--is this--does this make sense
11 this question?

12 DAN SIMON: So, I would say that and
13 Ryan, you jump in, but I think, you know, we--I
14 wouldn't say that it's even a culture at any
15 particular agency. It's--it's person by person,
16 right. We know who our procurement--

17 COUNCIL MEMBER ROSENTHAL: [interposing]
18 Yes..

19 DAN SIMON: --staff are at each agency--

20 COUNCIL MEMBER ROSENTHAL: Yes.

21 DAN SIMON: --and we know who we have
22 issues with at an individual level, and we try to
23 work with them to as much as we can, and what we've
24 encouraged non-profits to do every time we speak to
25 them at the Non-Profit Resiliency Committee is you

2 have to highlight for us when you see, you know, the-
3 an staff member not using Accelerator or PASSPort the
4 way it ought to. Right. You need to highlight some
5 of that for us because what we can't—we can track
6 what's in the system, of course, but we can't—what we
7 can't track is a staff member saying -emailing a non-
8 profit and saying just send this to me in email.
9 Right. Don't—don't upload it into Accelerator right.
10 We need someone to highlight that for us, and we—we
11 drive that home to agencies whenever we hear of those
12 instances, and non-profits will at times email me
13 when they—when they--

14 COUNCIL MEMBER ROSENTHAL: [interposing]
15 Yeah.

16 DAN SIMON: --when they see these issues
17 and then we address them.

18 COUNCIL MEMBER ROSENTHAL: Right. You
19 know, I don't want to go down the rabbit hole, just
20 and I apologize, but I don't want to go down a rabbit
21 hole on this. We had a hearing on this. The
22 committee Counsel was here. I forget the number.
23 Some percentage of—you—you guys are tracking who is
24 trained on a staff level, and some percentage at that
25 time has already been trained. Some percentage

2 needed retraining. What I would ask is you get back
3 to the new Chair with that information, and if you
4 need a tickler from us, we can pull up the transcript
5 from the last hearing on this. I know you know the
6 answer. If you could keep the current chair up to
7 date on how that piece is coming along.

8 RYAN MURRAY: Sure. So, Council Member
9 Rosenthal, the last time you asked this as Chair, we
10 told you that there were some, over nearly 2,000
11 staff who were trained at the time in terms of
12 sitting in a chair. The explanation I gave at that
13 time was also that that is not indicative that that
14 means everything is going to be solved in an agency.
15 As you know, and I think we've reported to this Chair
16 and this committee previously, we have a range of
17 learning tools available to agencies. So, their
18 material is online. We have at-at this time I think
19 over 20,000 downloads of various pieces—either videos
20 or—or resource materials on the agency side. We also
21 have teams deployed into agencies supporting them
22 where they need more help. In Fiscal I think 2017
23 there was about tens of thousands of support
24 exchanges. We call those tickets between agencies or
25 vendors and MOCS, and the range of those things were

2 on the vendor's side. It was often a helping hand.
3 I just need to talk to—somebody to listen to me when
4 I look at the reference material and get through. In
5 other cases on the agency side we realize obviously
6 that how we needed to go up to a manager level to
7 think about if an agency needed to change its own
8 process that had nothing to do with the systems that
9 we use. So, that's the answer I think that you're -
10 you're trying to get at. It's not just who is
11 sitting in a chair and doing hands-on training in our
12 office. We can, of course, get you those numbers,
13 but folks use materials in various ways, and I think
14 the real question is how are we supporting folks that
15 may need follow-up support? How are we getting at
16 agencies that need a little bit more help as
17 circumstances change whether it's a turnover in a
18 staff person, whether a manager changes. That's a
19 lot of our help desk support and then we deploy teams
20 to do follow-up training or technical assistance.
21 That's the real answer. It's not just about seat
22 time or who's logging into our videos or materials.

23 COUNCIL MEMBER ROSENTHAL: Thank you.

24 RYAN MURRAY: Okay.

25 CHAIRPERSON BRANNAN: Good.

2 COUNCIL MEMBER ROSENTHAL: I mean so, but
3 what I was hoping you could do, and it's a bigger
4 question. I would imagine the Mayor is asking you
5 these questions that you could show through the
6 Resiliency Committee or whatever over time—we started
7 training in 2017. We did this much. These many
8 people were trained. We did this much. In 2018, we
9 had to train less or the number of problems are going
10 down over time. We seek to get them to zero. I—I'm
11 just, you know, are you having the same number of
12 problems that you had in the first year? You know,
13 I—I—I am confident that MOCS is doing the best that
14 it can. That's not my concern. I—what I'm not
15 confident in is our commissioners as jazzed up about
16 this as you are or as I am sitting here, and what can
17 be done if the missing link is on the agency's side?
18 So, again--

19 RYAN MURRAY: Yeah, I—I think—

20 COUNCIL MEMBER ROSENTHAL: We're not
21 looking for platitudes--

22 RYAN MURRAY: Sure

23 COUNCIL MEMBER ROSENTHAL: --And I
24 appreciate and know that you've been working on this.
25 I would just hope that you could come back with

2 information on how the agencies are doing. Thank
3 you.

4 RYAN MURRAY: I can share just three
5 things with you and what the agencies are doing.
6 They are working very closely with us on the design
7 of—of Release 3, which I think is a critical step.
8 So, they're—they, of course, know their staff better
9 than we do. They understand that change is necessary
10 and that it's not a platitude. I think many
11 agencies, commissioners and they've designated first
12 deputy directors to work with our commissioners, to
13 work closely with us to think about when changes are
14 needed in operations in the agency so that you're not
15 just taking a paper process and making it digital.
16 You're actually making transformation. You're
17 actually changing how the organization functions.
18 So, that's one thing that agencies have concretely
19 done coming out of the work that we're doing with our
20 Executive Steering Committee, which includes
21 commissioners. The second thing agencies have
22 committed to and we've seen over time and we're happy
23 to get back to you on this, as you put it, the first
24 year, you know, obviously we spent a lot of time
25 because we're the adoption leads training folks and

2 rolling out with them. Within months we were able to
3 then send reports to the agencies or at least updates
4 to say hey I think there's something going on here.
5 Some of it isn't absolutely quantifiable, but I'm
6 sure advocates and non-profit leaders tell you as
7 they tell us when there are issues happening within a
8 particular agency with a particular person or during
9 a particular period or with a particular portfolio.
10 In those cases, we do have escalation points within
11 the agencies and folks are very responsive. I think
12 the other thing just to come back to the Non-Profit
13 Resiliency Committee, that is the place where I
14 think, you know, the rubber hits the road in a lot of
15 these cases where agencies, their leadership,
16 citywide entities like operations in MOCS are then
17 coming up with policy changes. So, for example Dan
18 talked about, you know, looking upcoming renewals.
19 We knew that it isn't good enough to just say hi.
20 It's renewal time, but some agencies needed a
21 standard set of milestones to follow. Others were
22 obviously ahead of the curve. So we learned—we
23 learned from each other, and I think this year is a
24 test of how that management approach, that
25 collaboration and escalation is going to work.

2 COUNCIL MEMBER ROSENTHAL: Thank you.
3 That's—that's all I have. You really perfectly
4 answered my question. I appreciate you.

5 CHAIRPERSON BRANNAN: We've been joined
6 by Councilwoman Inez Barron. How long do you think
7 the—how long do you think contract registration is
8 going to take once PASSPort 3 is in place?

9 DAN SIMON: So, coming back to what I
10 said before, for us it's not about a number of days.
11 It's about being on time. You know we have some
12 agencies and ACCOs, Agency Chief Contracting Officers
13 that are very good at their jobs, and their cycle
14 times look longer, but it's simply because they start
15 the process sooner, and so it's really not about how
16 long it will take, but will it be done on time so
17 that the start date of a contract matches the
18 registration of a contract and payment can happen
19 immediately. So, I'm hesitant to put a timeframe
20 particularly if we're talking about Human Services
21 contracts that are ongoing. If we're about a new
22 initiative where the—you know, it doesn't start until
23 we, you know, the contract doesn't start until we're
24 done with the procurement in that sense where it's
25 not about late contracts or vendors working at risk.

2 You know, we—we—we have goals of being way south of
3 what the current numbers are for bids and RFPs, of
4 course, but we're in the midst of designing the
5 solution that will, you know, so things that happen
6 sequentially now can we put them in parallel? Are
7 there—are there things we can eliminate, right? And—
8 and so we're in the midst of trying figure out what—
9 what time box those types or procurements will be in.
10 I don't have the—I don't have a specific answer, for
11 that question, but again back to Human Services.
12 That's what we're focused on. It's much more about
13 being on time than it is about reducing the time. Of
14 course, reducing the time from being late absolutely,
15 right. But it's about—it's about nailing that start
16 date and that registration date.

17 COUNCIL MEMBER ROSENTHAL: Is PASSPort
18 going to require agencies to inform vendors why
19 they're late, if it is late?

20 DAN SIMON: Well, our goal is to have a
21 system that ensures that there is no mystery about
22 where something is, and so if we know that July 1 is
23 the start date and, you know, we have a renewal that
24 is six months away, what's required? Right, you have
25 five tasks that are on the vendor to do, five tasks

2 that on the--on the city side to do. There should be
3 no mystery about who's done what, what's been
4 completed.

5 CHAIRPERSON BRANNAN: What happens if you
6 guys drop a ball and you're late and now I have a
7 vendor who's got to take out a line of credit?

8 DAN SIMON: Yeah, I--I don't have--I have--
9 that's back to your consequences question. I don't
10 have an--I don't have an answer for that.

11 CHAIRPERSON BRANNAN: I think that's
12 important. I mean even if we know. Let's say
13 PASSPort 3, now we know who dropped the ball, right
14 and that cursor is blinking, and it says that someone
15 on the Administration side, it's the agency side.
16 There's got to be some recourse there. It can't just
17 be oh, well, it was Joe. He was sick that day.

18 DAN SIMON: Yeah, look, I don't--I don't
19 anticipate that happening necessarily, right. Like
20 you'll--you'll know if something is going to be late
21 and what they're--they're very--

22 CHAIRPERSON BRANNAN: [interposing] But
23 the--the--

24 DAN SIMON: --very rarely.

2 CHAIRPERSON BRANNAN: [interposing] But
3 all the implications—the implication you're making
4 right now is that it's all of the vendors.

5 DAN SIMON: [interposing] No, no, not at
6 all.

7 CHAIRPERSON BRANNAN: The vendors are at
8 fault.

9 DAN SIMON: Not at all. Not at all, but
10 I—I'm—I'm—what I'm saying is it's not always so cut
11 and dry that it's—it's solely on one side, on the
12 vendor or the city when something is really late.
13 Youi know, there—there are lots of different reasons
14 why something might be late, and the city--

15 DAN SIMON: Accelerator I think that--

16 CHAIRPERSON BRANNAN: --and--and the city
17 might be accountable for some of that lateness no
18 doubt about it, and to bridge the gap between
19 registration and the start of work we have the—the
20 return for the Grand Fund Program that you know
21 about, and so, you know, that's—that's where we're at
22 with that and—but what we think is that with PASSPort
23 and the accountability that it will—that it will
24 provide, right, will create speed. It happens
25 everywhere, right and with Accelerator, right we have

2 our budgets and invoices in the system. There is no-
3 when you have a registered contract in Accelerator,
4 and you're doing your budget and your invoices there,
5 right, there's no mystery about where your invoice
6 is. You know where it is. You know if you haven't
7 submitted it yet. You know if you have submitted it
8 and it's in review by the city agency. You know when
9 it's approved. You know when it's been disbursed,
10 and then you see it in your account, right. There is
11 that just that type of account. That-that
12 transparency and accountability creates speed. That
13 sunlight just creates speed, and then what it does is
14 it also allows the vendor and the city to start
15 escalating conversations if there is some, you know,
16 lag in what was expected. You know, where—where 50%
17 of the way there you get this contract registered,
18 but it's only two months away. Well, let's raise
19 some red flags two months out instead of waiting
20 until it's actually like to figure out who's
21 responsible for it being late. Right? If everyone
22 knows what the process is, then we need to be on top
23 of it simultaneously.

24 CHAIRPERSON BRANNAN: You know, I get it.
25 I don't get the vibe when I speak to providers, like

2 again the Human Services space that I don't get the
3 vibe that they're throwing you guys under the bus or
4 that they're using you as a scapegoat, right. The-
5 the vibe is that they're--they're saying look we're
6 doing everything we can--we're supposed to be doing,
7 but it's still delayed. It's still late. Still
8 retroactive, but look, if the shows that the volley
9 is going back and forth, and that the vendor or
10 somebody dropped the ball, and that's something that
11 they're going to have to deal with, but from the
12 stories that they tell me, that's just not what I'm
13 hearing. I could tell. You know, they're just
14 making you a scapegoat. That's just not what I'm
15 hearing.

16 DAN SIMON: Yep, and I don't doubt it. I
17 don't doubt it one bit. I'm just saying I think
18 it's--I hate to say that it's case by case, but every
19 single contract is different--

20 CHAIRPERSON BRANNAN: [interposing] Sure.

21 DAN SIMON: --and sometimes they're late.
22 You know, you have things as minor as--not that
23 they're minor, but you have something that an ECB
24 violation on a building, right because the elevator
25 repair date is 15 months old. Well, that's something

2 that needs to be resolved before we can put kids in
3 a—in a building or, you know those things just, you
4 know, they're not anticipated sometimes. They come
5 up. When the violation comes up and the alright what
6 are we doing about this CCB violation? How do we—how
7 do we remedy that situation? That's just one example
8 of sort of wrench in the works. It's not just about
9 give me these five piece of paper. I'll collect
10 these other five and then we're done. You know,
11 there are all sorts of reasons why delays can happen.
12 It's not so cut and dry that it's either the city's
13 fault or the vendor's fault. It's—there—there are
14 forces outside of both of those entities that can
15 create delays at times. It's really case by case.

16 CHAIRPERSON BRANNAN: I want—I want to—I
17 want to let Council Member Barron ask, but just the
18 last thing: Is there going to be something in
19 PASSPort 3 where it's like some sort of warning like
20 hey you're getting a week—you're a week away. You're
21 48 hours away before this is just not going to
22 happen. Like something is blinking at somebody to
23 say we better deal with this now or else the next
24 time we look at it, it's going to be retroactive.

2 DAN SIMON: Sure. So I'm not sure about
3 the blinking, but yes absolutely. We--yes, those--but
4 those alerts are not going to be 48 hours away. They
5 should be--they should be 9, 6, 3 months away.

6 CHAIRPERSON BRANNAN: I agree.

7 DAN SIMON: Yeah.

8 CHAIRPERSON BRANNAN: Yeah.

9 DAN SIMON: Without a doubt, but that's--

10 CHAIRPERSON BRANNAN: [interposing]
11 They're gonna be--they're gonna be escalated to not
12 the folks--if--if my thing is blinking and I've already
13 been ignoring it, well then forget about my thing
14 blinking. Your thing has got to be blinking.

15 DAN SIMON: That's right. We have--we have
16 some of that in Accelerator as well. So, as an
17 example you have--so non-profits have to file their
18 charities, file with the Attorney General's Charities
19 Bureau.

20 CHAIRPERSON BRANNAN: Yes.

21 DAN SIMON: Ands so if things hit
22 certain--so we warn them I think at six months and
23 then three months and I think 45 days. Some interval
24 like that, and each time a different person gets
25 escalated. So, at first it's at the staff level.

2 Then it's at the Executive Director and then I think
3 it goes to Executive Director or the Board Chair.
4 Something along those lines.

5 CHAIRPERSON BRANNAN: Okay.

6 DAN SIMON: But that is the basic
7 principle that we're looking at where you know as
8 time gets closer--

9 CHAIRPERSON BRANNAN: [interposing] Yeah.

10 DAN SIMON: --you escalate the different
11 pieces.

12 CHAIRPERSON BRANNAN: Smart.

13 DAN SIMON: And--and that side they're on
14 the city side or on the vendor side both.

15 CHAIRPERSON BRANNAN: Right, Okay.

16 Council Member Barron.

17 COUNCIL MEMBER BARRON: Thank you, Mr.

18 Chair. Thank you to the panel. So phase 1.

19 According to the briefing it says it started with
20 vendors creating and managing their on-line accounts,
21 which I think you were just going through, completing
22 their vendor and principal questionnaires, enrolling
23 in commodities reflecting their capacity to do
24 business, allowing vendors to view and respond to
25 performance evaluations based on their contracts with

2 various city agencies. Have you completed phase 1?
3 Was it successful? Did everybody do that and is
4 everything moving smoothly?

5 DAN SIMON: We think so, yes. So, since
6 August 2017, we have roughly 11,000 vendors who have
7 gone through what used to be called the Vendex
8 process, and they've completed their questionnaires.
9 We've—they're—they're called cautions in the system
10 or red flags where there may have been a history of
11 integrity issues, and we flag those across the city
12 for agencies that wish to do business—for vendors who
13 wish to do business with the city. It alerts us to
14 that information. Performance evaluations are being
15 managed within the system. It's a small workflow, but
16 you—the agency does a performance evaluation, sends
17 it to the vendor, the vendor responds and then it
18 gets finalized. And what we're also doing is what's
19 called responsibility determination. So, based on
20 those vendor questionnaires and principal
21 questionnaires that those questions that we have now
22 in PASSPort agencies are doing essentially what is a
23 background check on that vendor to ensure that we
24 have for—that we can do business with them. So, for
25 every award that a vendor gets, an agency has to do

2 what's a responsibility determination, and they're
3 doing that now within PASSPort using that--those--

4 CHAIRPERSON BRANNAN: [interposing] So,
5 with the responsibility--what did you call it?

6 DAN SIMON: The responsibility
7 determination.

8 COUNCIL MEMBER BARRON: Determination.
9 What if--what--how is that evaluated? Is there a
10 score? How do you pass? How--?

11 DAN SIMON: It's pretty much a pass/fail.
12 You're either--

13 COUNCIL MEMBER BARRON: Pass--

14 DAN SIMON: --you're either determined
15 non-responsible, which has some consequences, but,
16 which--one of which is you don't get the award in the
17 contract, but you have to--the pass is you are found
18 responsible for that particular contract.

19 COUNCIL MEMBER BARRON: So, pass/fail,
20 can you--can you cure things that are wrong? If you
21 fail can you cure--cure those documents or those
22 shortcomings?

23 DAN SIMON: Yeah. So, if--if--there are all
24 sorts of reasons why a vendor could have an integrity
25 issue or a caution, and those things have validity

2 periods. So, some—it depends on what it is, but some
3 cautions are for five years. Some are for ten years,
4 and so they age out based on the particular issue.
5 But there's also sort of non-caution performance
6 issues that we may do a correction action plan with a
7 vendor for, right--

8 COUNCIL MEMBER BARRON: Right.

9 DAN SIMON: --and so maybe there were some
10 not--no malfeasance but just a mismanagement of
11 finances as an example, but we could do a correction
12 action plan with that vendor. They agree to certain
13 controls and change behavior, and then we monitor
14 that, and they are able to then cure that-that issue.

15 COUNCIL MEMBER BARRON: If they fail in a
16 particular fiscal year, can they re-apply for another
17 year or are there--?

18 DAN SIMON: So, nothing ever bars a
19 vendor from proposing or submitting a bid. There's
20 no--there's banning of applying for anything.

21 COUNCIL MEMBER BARRON: Okay. Okay,
22 thank you. Thank you, Mr. Chair.

23 CHAIRPERSON BRANNAN: Thank you,
24 Councilwoman. Somewhat related, when a vendor has a
25 red flag, how long does that red flag last?

2 DAN SIMON: So, it depends on the—the
3 question in the—in the—in the questionnaires that
4 it's associated with. Some questions, the caution is
5 a—has a 5-year period. Others it's a 10. It really
6 depends on what it is.

7 CHAIRPERSON BRANNAN: So, it depends on--?

8 DAN SIMON: Like we could go through the
9 questions with you, but like there are questions
10 around unpaid taxes. There is fraud, there is being
11 barred by other government entities. There's all
12 sorts of different questions that they—if they answer
13 in the affirmative, and there's a caution as a
14 result, depending on each questions it's either 5 or
15 10 years.

16 CHAIRPERSON BRANNAN: Okay, let's talk
17 about HHS Accelerator. From what I'm hearing, it has
18 not improved the timelines of registration. Sort of,
19 you know, get through to the Accelerator part. What
20 [laughs]—? Given that reality, how do we know that
21 PASSPort is going to improve the timelines?

22 DAN SIMON: Great. So, okay I didn't
23 pick the name. So you can't hold that against me,
24 but—so as I mentioned in the—in the testimony, I wish
25

2 I could draw, but, you know, Accelerator does not
3 manage the full end-to-end procurement process.

4 CHAIRPERSON BRANNAN: Right.

5 DAN SIMON: It goes from you—you have
6 your RFP. It manages the proposals and the
7 evaluation. It then assists, you know, it manages
8 the task of selecting an awardee or some—a vendor
9 determined eligible for award, and then it falls off
10 a cliff, right, and then that's where the internal
11 systems kick on, right, and that's where all of the
12 pain we feel is right now. And then Accelerator it
13 comes back after the contract is registered. Sorry,
14 Jen, and does budget invoice payments.

15 CHAIRPERSON BRANNAN: It's a short—it's a
16 shortcut kind of.

17 DAN SIMON: It's not really a shortcut.
18 At the time when we developed Accelerator--

19 CHAIRPERSON BRANNAN: [interposing] The
20 long shortcut.

21 DAN SIMON: It's—it's—we couldn't get
22 end-to-end.

23 CHAIRPERSON BRANNAN: Right.

24 DAN SIMON: It's just a—there's a big gap
25 in contract registration in Accelerator. It doesn't

2 manage contract registration, and so without it being
3 end-to-end I mean that—that is all in that one gap.
4 That is where all the pain is. Not just around base
5 contract registration, but all of the amendment. So,
6 the administration has invested hundreds of millions
7 of dollars in—in human services in this
8 Administration, but for current contractors whether
9 it be cost of living adjustments, wage adjustments
10 all of those things result in contract amendments to
11 the—to the underlying contract. All of those things
12 are—we don't have a way to track the registration of
13 those amendments or contracts in Accelerator.

14 CHAIRPERSON BRANNAN: PASSPort 3 better
15 be a great movie, man. You're really selling it up.

16 DAN SIMON: It's—it's not a panacea.

17 CHAIRPERSON BRANNAN: [laughs] I don't
18 know, man. It's what it sounds like. The Citywide
19 Savings Program includes \$90 million in savings from
20 procurement reform beginning FY19 through 21. Do we
21 know how these cost savings were determined?

22 DAN SIMON: That would really—we've
23 worked with OMB, but that would really be a question
24 that OMB would need to help answer. You know, our -
25 like our focus.

2 CHAIRPERSON BRANNAN: [interposing] Do we
3 think PASSPort is going to lead to cost savings?

4 DAN SIMON: So, we certainly see how cost
5 savings would result from reducing paper obviously
6 and streamlining processes. A faster procurement is—
7 is certainly less costly. So there's some obvious,
8 you know, sort of indications that there would be
9 savings, but in terms of calculating what those are,
10 that's not MOCS' focus. MOCS is focused on
11 delivering the solution not necessarily on the down
12 stream savings impact even though we know that
13 they're there, it's just not what our focus is.

14 CHAIRPERSON BRANNAN: Uh-hm. So DOITT
15 and DCAS in addition to MOCS have included PASSPort
16 funding in their budgets since the start of the
17 project. What—what role or—do these agencies have
18 a role in the—in the rollout?

19 DAN SIMON: So, yes for sure. So, DOITT
20 definitely has a role. They—so they were the holder
21 of the contract. So, at the start of the PASSPort
22 project, MOCS didn't really have its own operating
23 budget, right. And so the contract—the contract was
24 procured through DOITT. They provided a lot of
25 guidance to MOCS on—through the procurement process,

2 and up until very recently, they were actually, they
3 actually held the Ivalua-Ivalua as the software that
4 PASSPort is on. They held the contract for the
5 PASSPort implementation. We've since transferred it
6 over to MOCS for us to manage ourselves, but they
7 played the role. The other role that DOITT played is
8 they have—they are managing the—the Data Exchange
9 Technology and so they—this is all really technical
10 but there's a—there's—there's middle ware that DOITT
11 owns that transfer data from FISA Ivalua to PASSPort,
12 and so it—it-it ensures the integrity of that data
13 exchange, and so they have a small technical role in—
14 in our interface work. As for DCAS, DCAS is the
15 primary beneficiary on the city side for Release 2,
16 right. It's all of their requirements, contracts.
17 They are in essence the business owner for Release 2
18 in—in large part, but DOITT as well. So, to the
19 extent that city agencies buy off DOITT requirements,
20 contracts, we'll be seeing those in at least two as
21 well.

22 CHAIRPERSON BRANNAN: Are there contracts
23 outside of that main contract for PASSPort outside
24 Ivalula (sic) contract?

2 DAN SIMON: We had—I mean I could get
3 back to you on other things. We've had some small—
4 we're—we're bringing on a—a training vendor to help
5 us with DCAS trainings. So there are maybe some
6 small little ancillary items that support the
7 project, but the main, you know, by and large it's
8 the contract with Ivalua.

9 CHAIRPERSON BRANNAN: Is there additional
10 infrastructure MOCS is building aside from what
11 Ivalua is providing?

12 DAN SIMON: Well, we're—we're working
13 with on a—a data portal to assist with analytics.
14 So, we are building out a, you know, a small data
15 warehouse to manage procurement data. That is
16 separate from Ivalua. Ivalua has a reporting module
17 in it, but this one would sort of house all of our
18 historical data from older systems, Vendex, HHS
19 Accelerator and brining those things together so that
20 we can report out and not just have a—sort of a net
21 new Analynix approach where we can only report on
22 what's brand new. We want to be able to bring all of
23 those old databases together and be able to report
24 out on the history of what we're doing here.

2 CHAIRPERSON BRANNAN: So, I mean I guess
3 part of what my takeaway is and not so much that—I
4 kind of feel like we're—the hope is that PASSPort 3
5 is going to show that it's like guys it's not—it's
6 not just us, right that it's the vendors also that
7 are delaying this in some way, and this is why I
8 don't get it.

9 DAN SIMON: I hope that's not coming from
10 us because that's not the goal. The goal is not to—
11 the goal is to—to put in--

12 CHAIRPERSON BRANNAN: [interposing] Well,
13 the goal is to shine a light on dysfunction in the
14 administration.

15 DAN SIMON: But this—the goal is to shine
16 a light on the process, and—and establish the right
17 accountability, right. It's not to prove anything.
18 It's to manage contracts in a—in a, you know, in—in
19 what should be an appropriate way. Like we have to
20 get into this century with procurement.

21 CHAIRPERSON BRANNAN: Yeah.

22 DAN SIMON: It's like think about all the
23 other things that you do in your life where someone
24 is tracking something. Well, not—you know, there's
25 literal piles of paper on people's desks still, and

2 we have to get away from that. So, it's not about--
3 it's not about vibes. It's not about--

4 CHAIRPERSON BRANNAN: [interposing] No, I
5 agree with that.

6 DAN SIMON: --moving anything. It's
7 really just what is the process? Let's line it out.
8 Whose-whose tasks are on the-what tasks are here.
9 What tasks are there? Let's all get it done. It I s
10 a shared set of work.

11 CHAIRPERSON BRANNAN: Council Member?
12 Okay, I'm going to let you guys-oh, now wait. I was
13 going to let you go early on good behavior, but you
14 can go.

15 COUNCIL MEMBER ROSENTHAL: Now, we're
16 going to go down the rabbit hole

17 CHAIRPERSON BRANNAN: [laughs] Council
18 Member.

19 COUNCIL MEMBER ROSENTHAL: No. Just a
20 quick question. I wanted to make sure that you
21 mentioned, you had a great example of somebody
22 helping in a ECB violation. So, is OATH going to be
23 part of the middle facing-will they have-will you
24 know about OATH violations for your contract?

2 DAN SIMON: So, we—we already have some
3 of that. So, we work with the Department of Finance
4 right, so, they have the tracking of all of these
5 violations. It's already known to us if a vendor
6 has—is in compliance or out of compliance with
7 whatever a tax check or an ECB violation. Those
8 kinds of things come to us from those other data
9 sources, and we're going to be looking for whatever
10 data sources are available to us to—to flag those
11 kinds of things.

12 COUNCIL MEMBER ROSENTHAL: And then the
13 other question is for the construction contracts. On
14 that side if somebody has—is on your list of, you
15 know, a vendor that gets a flag, what are the
16 consequences of the flag?

17 DAN SIMON: So, the—the purpose of the—he
18 purpose of the flag is to alert an agency that is,
19 you know, the—is about to or a vendor has won either
20 a bid or has been determined eligible for award in an
21 RFP. It's alerting them to information that they
22 need in order to make a determination of
23 responsibility. So, it's really up to the agency to
24 make that determination, and the flag is just

2 alerting them to this information that the vendor has
3 disclosed or that we have gathered about that vendor.

4 COUNCIL MEMBER ROSENTHAL: Would you ever
5 have a situation where the flag would keep that
6 vendor from getting access to bidding on a contract?

7 DAN SIMON: It—it wouldn't ever preclude
8 them from submitting a bid, but it could depending on
9 the seriousness of the issue, the, you know, the
10 resolution of whatever that matter was, it could
11 preclude them from being determined responsible in
12 getting the contract. I would not--

13 COUNCIL MEMBER ROSENTHAL: [interposing]
14 under their responsibility?

15 DAN SIMON: That's right.

16 COUNCIL MEMBER ROSENTHAL: Okay.

17 DAN SIMON: But it would never stop
18 anyone from submitting a proposal or a bid. There's
19 no—there's no bar on—on—on that. So, we house the
20 information centrally so that it can work.

21 COUNCIL MEMBER ROSENTHAL: [interposing]
22 It is interesting only because we know some bidders
23 that are dying. We—we all know. If you're reading
24 in the paper there are some bidders that have done
25 egregious things, right. Computer service

2 specialists, one egregious thing after thing after
3 another in terms of stealing money from the city.
4 Why wouldn't we say now they can't—they can't
5 contract with the city. I mean maybe accede or
6 something, but it just strikes me that they would
7 have not just a red flag, but some sort of, you know,
8 how do-they have stolen from the city--

9 DAN SIMON: [interposing] How many times?

10 COUNCIL MEMBER ROSENTHAL: Time and time
11 and time again, and yet, today I'm guessing they have
12 a contract with the city, which is terrifying, but
13 what are you doing to protect us from predator
14 vendors?

15 DAN SIMON: So, the—the protection is
16 what's in PASSPort and those questions, right, and so
17 highlighting that information every agency if they
18 were to—if-if-if a vendor was to get through the
19 procurement process and they were selected for award
20 based by a low bid or they scored high on a proposal,
21 they would have to come to PASSPort and they would
22 see that information, see those flags, right. And so
23 that information is there centrally. It's not—it
24 doesn't exist only at MOCS right. This is available
25 to everyone.

2 COUNCIL MEMBER ROSENTHAL: Do you know if
3 Computer Service Specialists has any contracts with
4 the city today?

5 DAN SIMON: We could—we could get back to
6 you.

7 COUNCIL MEMBER ROSENTHAL: I would like
8 to know that.

9 DAN SIMON: Okay.

10 COUNCIL MEMBER ROSENTHAL: And what
11 agencies, the size of the contract and what it's for.
12 It strikes me that it would be interesting for anyone
13 submitting a request for legislation that, you might—
14 that the city would want to know. The public would
15 want to know, and maybe in order not to be sued, you
16 would even have the name of the vendor, but I am
17 interested. Specifically I am interested
18 specifically in Computer Service Specialists. ,but
19 that you would want to know by agency or category the
20 number of contracts that do get let to vendors who
21 have red flags in various different areas. And again,
22 it could be anonymized for legal purposes, but I
23 think the public—I think we have a fiduciary
24 responsibility to let the public know that we are
25 signing contracts with companies that have stolen

2 money from the city before or have a history of wage
3 theft or have a history of sexual assault, sexual
4 harassment on the job. We have—we are contracting
5 with them, and the—this is what we've put in place to
6 protect us from them stealing from the city again
7 from doing wage theft or, you know addressing
8 whatever issues that they've—where they've violated
9 us in the past. Does that make sense?

10 DAN SIMON: We're happy to get back to
11 you with all that detail for sure.

12 CHAIRPERSON BRANNAN: Right now there is
13 no sort of three strikes and you're out rule, right?

14 DAN SIMON: No, and look, you don't have
15 any lawyers on this panel right now. There's a legal
16 reason as to we can't ban and bar—

17 CHAIRPERSON BRANNAN: Right, all that is
18 right.

19 DAN SIMON: --vendors from bidding, and
20 proposing--

21 CHAIRPERSON BRANNAN: Right.

22 DAN SIMON: -and we can—we can certainly
23 write you back with the reasons why the city doesn't
24 do that, but it's not for a lack of not wanting to do
25 business with an irresponsible vendor.

2 CHAIRPERSON BRANNAN: Right.

3 COUNCIL MEMBER ROSENTHAL: Well, I mean I
4 understand you can't list-you can't debar companies.
5 I get it--

6 DAN SIMON: [interposing] Uh-hm.

7 COUNCIL MEMBER ROSENTHAL: -right, but
8 what I'm asking is for there to be an awareness that
9 we are contracting with these companies, right. It's
10 like HPD has on its website the companies that are
11 bad actor companies. We may or may not contract with
12 them still because we can't debar them, but I think
13 the public should know how often they get contracts.

14 DAN SIMON: Sure. Look, so the-the other
15 thing I would just add is that, you know, there are
16 cautions for all different sorts of reason, too
17 right?

18 COUNCIL MEMBER ROSENTHAL: Of course.

19 DAN SIMON: And so you might have a staff
20 member that did something inappropriate that you have
21 subsequently fired for that behavior and so--

22 COUNCIL MEMBER ROSENTHAL: [interposing]
23 Oh, and that's why there are footnotes, right. You--
24 you have foot--and that's the purpose of the footnotes
25 or that, you know, you would have a footnote. You

2 would have a category of vendors who used to be bad,
3 but we don't think they're bad any more. So, they're
4 in this category, and here are all footnote reasons
5 why. Everyone is going to understand that. So, of
6 course and, of course, what we're really drilling
7 down in is the companies that are recidivists, bad
8 actors or have the potential to be recidivist bad
9 actors. Of course, you want to weed out all the
10 cases that you just mentioned.

11 DAN SIMON: Okay.

12 COUNCIL MEMBER ROSENTHAL: Thank you.
13 Thank you Chair.

14 CHAIRPERSON BRANNAN: Yeah, one last
15 thing about PASSPort. Have there—are any
16 enhancements being made, improvements being made as
17 far as prime, subprimes, the payment process, the
18 transparency process, how deep you can go in the
19 subprimes. I hear about that quite a bit.

20 DAN SIMON: Yeah, so, are you talking
21 about MWBEs specifically? Yeah.

22 CHAIRPERSON BRANNAN: [interposing] Yes,
23 sure.

24 DAN SIMON: So—so we actually had some
25 design sessions around that last wee and this week.

2 We're definitely going to be racking. So, right now
3 the city tracks the--the first tier subs.

4 CHAIRPERSON BRANNAN: Right. It doesn't
5 go deeper.

6 DAN SIMON: Right. It doesn't go deep
7 enough. So we're--we're working on --

8 CHAIRPERSON BRANNAN: Okay.

9 DAN SIMON: --providing a solution that
10 gets to multi-tier subsets.

11 CHAIRPERSON BRANNAN: Okay. Okay. I
12 think we're good. Thank you guys very much.

13 DAN SIMON: Thank you.

14 [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 February 22, 2019