

**LOCAL LAWS  
OF  
THE CITY OF NEW YORK  
FOR THE YEAR 2026**

---

**No. 11**

---

Introduced by The Speaker (Council Member Adams) and Council Members Ayala, Won, Brannan, Stevens, Farias, Brewer, Schulman, Williams, Dinowitz, Gutiérrez and Louis.

**A LOCAL LAW**

**To amend the New York city charter, in relation to quarterly payments to vendors under certain contracts with the department of homeless services and the office of criminal justice, and to establish a pilot program for quarterly payments to vendors under contracts with other agencies**

*Be it enacted by the Council as follows:*

Section 1. Paragraph 3 of subdivision c of section 332 of the New York city charter, as added by a local law for the year 2025 amending the administrative code of the city of New York, relating to payments for contracts with non-profit organizations for human services, as proposed in introduction number 1247-B, is amended to read as follows:

3. Paragraph 1 of this subdivision shall not apply to the following contracts:

(a) contracts awarded by the department of homeless services for *street outreach, low barrier beds, or temporary housing assistance for single adults, adult families, and families with children;*

(b) contracts awarded by the office of criminal justice;

(c) emergency contracts, including emergency procurements pursuant to section 315 of the charter;

(d) contracts awarded for residential foster care; [and]

(e) contracts awarded for emergency services for victims of domestic violence; *and*

*(f) contracts included in the quarterly payment pilot program established pursuant to subdivision e of this section.*

§ 2. Section 332 of the New York city charter is amended by adding new subdivisions d and e to read as follows:

*d. Quarterly payments for certain contracts awarded by the department of homeless services and the office of criminal justice. 1. Definition. For the purposes of this section, the term "covered contracts" means (1) contracts awarded by the department of homeless services for street outreach, low barrier beds, or temporary housing assistance for single adults, adult families, and families with children, and (2) contracts awarded by the office of criminal justice that are funded solely by city tax levy funds. "Covered contracts" shall not include contracts that are designated as federal subrecipient awards in accordance with 2 CFR 200.331 or contracts that are subject, in whole or part, to payment requirements imposed by an agency of the state of New York that are inconsistent with the payment requirements of this subdivision.*

*2. For each covered contract registered on or after July 1, 2027, and multi-year covered contracts that have been registered prior to the effective date of the local law that added this subdivision and the duration of which extends beyond July 1, 2027, a contracting agency shall make a payment to a contractor of at least 25 percent of the fiscal year budget for such contract for the current fiscal year at the beginning of each quarter of such fiscal year. For each covered contract registered on or after July 1, 2027, a contracting agency shall make the first payment upon the comptroller's registration of such contract. If such agency makes a payment to a contractor of more than 25 percent of the fiscal year budget in any quarter, such agency may reduce payments in subsequent quarters to ensure that the total payments do not exceed the contract value for such fiscal year.*

3. *The payments described in paragraph 2 of this subdivision shall not be made to any contractor that failed to submit a required invoice for 3 or more invoice periods during the preceding fiscal year or failed to recoup at least 75 percent of the monies advanced for such contract during the preceding fiscal year, except that such payment shall be made where such failure is attributable to a delay by the contracting agency in submitting such contract, or any modification of such contract, to the comptroller for registration, or any other agency processing delay or pending agency action. For purposes of this subdivision, the term "recoup" means to account for spending by submitting invoices in accordance with the contract.*

4. *The office of management and budget in the executive office of the mayor may defer the payment required by paragraph 2 of this subdivision when such office determines that the timing of such payment is impracticable due to fiscal constraints, provided that any such deferral shall not exceed 180 days from the date required by paragraph 2 of this subdivision and shall not extend beyond December 31 of the fiscal year for which such payment is budgeted. In such event, the office of management and budget shall provide, within 10 days of the determination of such deferral, written notice to contracting agencies and the speaker of the council of such deferral, the reason for the determination, and the expected duration of such deferral. The office of management and budget shall provide additional written notice to contracting agencies and the speaker of the council of any subsequent determination to cancel such deferral.*

5. *The office of contract services shall promulgate rules establishing a process for the contracting agency to recover from a contractor monies paid pursuant to paragraph 2 of this subdivision where the amount of monies paid exceeds the value of the services received and accepted by such contracting agency, including, but not limited to, rules to establish standard audit requirements, and may promulgate any rules necessary for the implementation of this*

*subdivision, provided that any such rule shall be superseded by any applicable rule of the procurement policy board.*

*6. No later than December 31, 2028, the office of contract services shall submit to the speaker of the council and post on its website a report on the implementation of quarterly payments for covered contracts. Such report shall include, but not be limited to:*

*(a) The number and value of covered contracts receiving quarterly payments pursuant to this subdivision;*

*(b) Instances of nonpayment or delayed payment and any reason therefor, disaggregated by covered contract;*

*(c) A summary of any feedback received from contractors with covered contracts on the effect of quarterly payments on contract administration; and*

*(d) Recommendations for any alterations to the provisions set forth in this subdivision.*

*e. Quarterly payment pilot program for other human services contracts. 1. Definition. For the purposes of this subdivision, the term "pilot contract" means a contract that is selected pursuant to the criteria set forth in rules promulgated pursuant to paragraph 2 of this subdivision.*

*2. The office of contract services shall promulgate rules establishing criteria for the eligibility of contracts for the pilot program established pursuant to this section, including, but not limited to, that such contracts (a) are registered on or after July 1, 2029, (b) have a contract value of 1 million dollars or more, (c) have not been designated as federal subrecipient awards in accordance with 2 CFR 200.331, (d) are not subject, in whole or part, to payment requirements imposed by an agency of the state of New York that are inconsistent with the payment requirements of this subdivision, and (e) are not covered contracts. The office of contract services shall promulgate rules necessary for the implementation and management of the pilot program pursuant*

*to this subdivision, provided that any such rule be superseded by any applicable rule of the procurement policy board.*

*3. Pilot contracts selected pursuant to the criteria set forth in paragraph 2 of this subdivision shall be subject to the quarterly payment provisions set forth in paragraphs 2, 3, 4 and 5 of subdivision d of this section.*

*4. Beginning on December 31, 2030 and annually thereafter until the expiration of the pilot program established pursuant to this subdivision, the office of contract services shall submit to the speaker of the council and post on its website a report on the implementation of quarterly payments on pilot contracts. Such report shall include, but not be limited to:*

*(a) The number and value of pilot contracts receiving quarterly payments pursuant to this subdivision;*

*(b) Instances of nonpayment or delayed payment and any reason therefor, disaggregated by pilot contract;*

*(c) A summary of feedback received from contractors whose contracts are included in the pilot program on the effect of quarterly payments on contract administration; and*

*(d) Recommendations for any alterations to the pilot program.*

*5. No later than December 31, 2030, the mayor shall submit to the council an evaluation of the pilot program established by this subdivision and, if appropriate, a plan to make such pilot program permanent.*

§ 3. This local law takes effect July 1, 2027, provided that subdivision e of section 332 of the charter, as added by section two of this local law, expires and is deemed repealed on June 30, 2031.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on December 4, 2025 and returned unsigned by the Mayor on January 5, 2026.

MICHAEL M. McSWEENEY, City Clerk, Clerk of the Council.

CERTIFICATION OF CORPORATION COUNSEL

I hereby certify that the form of the enclosed local law (Local Law No. 11 of 2026, Council Int. No. 1392-A of 2025) to be filed with the Secretary of State contains the correct text of the local law passed by the New York City Council, presented to the Mayor, and neither approved nor disapproved within thirty days thereafter.

SPENCER FISHER, Acting Corporation Counsel.