

COMMITTEE ON CONTRACTS

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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October 9, 2025

Start: 12:00 p.m.

Recess: 12:05 p.m.

HELD AT: 250 BROADWAY - 8TH FLOOR - HEARING
ROOM 1

B E F O R E: Julie Won, Chairperson

COUNCIL MEMBERS:

Erik D. Bottcher
Sandy Nurse
Althea V. Stevens
Inna Vernikov

1 COMMITTEE ON CONTRACTS

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2 SERGEANT-AT-ARMS: Testing one, two, one,
3 two. Today's date is October 9, 2025, Committee on
4 Contracts, being recorded in HR-1 by Keith Polite.

5 SERGEANT-AT-ARMS: Good afternoon, and
6 welcome to today's New York City Council vote on the
7 Committee of Contracts.

8 At any point during today's vote, no one
9 may approach the dais.

10 Chair, you may begin.

11 CHAIRPERSON WON: [GAVEL] Good morning,
12 and welcome to this Committee vote on the New York
13 City Council Committee on Contracts. Today is
14 Thursday, October 9, 2025. My name is Julie Won, and
15 I have the privilege of Chairing this Committee.

16 Today, we're voting on three critical
17 pieces of legislation that represent the culmination
18 of years of advocacy to reform how the city pays non-
19 profit human service providers. These bills, Proposed
20 Introductions 1247-B, 1248-B, and 1249-A address the
21 systemic payment delays that have forced non-profits
22 to take on crushing debt, lay off staff, and in some
23 cases shut down entirely while waiting for the City
24 to pay them for services already rendered.

25

The numbers tell a stark story. In Fiscal Year 2024, over 90 percent of non-profit contracts were registered late, meaning providers had already begun work before the City finalized payment. Some providers wait months or even years for reimbursement, forcing them to take out expensive loans just to keep their doors open. This is not just a bureaucratic problem, it's a moral failing that undermines a non-profit serving our most vulnerable New Yorkers.

When we held our oversight hearing on these bills in April, we heard testimony from the non-profit advocates as well as Administration about both the urgent need for reform about a practical challenge of implementation. Through extensive negotiations with the Mayor's Office, we've crafted three bills that balance accountability and feasibility. Proposed Introduction 1247-B, sponsored by Speaker Adams, tackles the payment crisis head-on by requiring the City to advance payments of 50 percent of a contract's budget to non-profit human service providers within 30 days of contract registration. This represents a fundamental shift from reimbursement system to upfront funding that

allows non-profits to service without drowning in debt. This bill includes important safeguards to rein in bad actors while ensuring that agency delays don't punish reputable contractors.

Proposed Introduction 1248-B, also sponsored by Speaker Adams, addresses a different but equally important challenge, the lack of clear authority and accountability in our procurement system. While the Mayor's Office of Contract Services currently exists, its powers and responsibilities are not codified in the City Charter. The bill formally establishes MOCS in the Charter with enumerated powers and duties creating a clear legal framework for procurement oversight. MOCS will have explicit authority to coordinate agency procurement, delegate certain functions to agency contracting officers, and conduct audits.

Finally, Proposed Introduction 1249-A, sponsored by Council Member Brannan, creates accountability mechanisms for agencies that consistently register contracts late. Human service agencies will require will be required to submit annual reports on the timelines of contract registration, and agencies with a large number of

value contracts and high-rate late registrations will need to develop corrective action plans with specific improvements and performance targets.

Together, these three bills represent a comprehensive reform package that will improve cash flow for non-profits, create clear lines of accountability in procurement, and establish consequences for agencies that consistently fail to register contracts on time. They reflect the recommendations of the Mayor and Comptroller's Joint Task Force to Get Non-Profits Paid on Time and years of advocacy from the non-profit sector. These reforms are long overdue. The non-profits that serve our most vulnerable neighbors deserve to be paid on time for the critical work they do. Let's make that a reality.

Before we vote, I'd like to thank Speaker Adams for our leadership on these issues, for sponsoring two of these bills, and I want to thank the Administration for working with us to find solutions that work both for non-profits and for City agencies.

Lastly, I'd like to thank Contracts Committee Staff, Senior Legislative Counsel Alex Paulenoff, Policy Analyst Alex Yablon, and Financial

1 COMMITTEE ON CONTRACTS

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2 Analyst Owen Kotowski for their tireless work
3 negotiating these bills and shepherding them through
4 the legislative process.

5 I'll now ask the Clerk to call roll call.

6 COMMITTEE CLERK WILLIAM MARTIN: Good
7 afternoon. William Martin, Committee Clerk. Roll call
8 vote, Committee on Contracts. Items are coupled.

9 Chair Won.

10 CHAIRPERSON WON: Aye.

11 COMMITTEE CLERK WILLIAM MARTIN: Bottcher.

12 COUNCIL MEMBER BOTTCHEER: Aye.

13 COMMITTEE CLERK WILLIAM MARTIN: Nurse.

14 COUNCIL MEMBER NURSE: I vote aye.

15 COMMITTEE CLERK WILLIAM MARTIN: Stevens.

16 COUNCIL MEMBER STEVENS: Aye.

17 COMMITTEE CLERK WILLIAM MARTIN: Vernikov.

18 COUNCIL MEMBER VERNIKOV: Aye.

19 COMMITTEE CLERK WILLIAM MARTIN: With a
20 vote of five in the affirmative, zero on the
21 negative, and no abstentions, all items have been
22 adopted by the Committee.

23 Madam Chair, that is a full Committee.

24 CHAIRPERSON WON: Thank you so much, and
25 now this Committee is adjourned. [GAVEL]

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 October 15, 2025