

COMMITTEE ON PUBLIC HOUSING JOINTLY WITH

COMMITTEE ON CONTRACTS 1

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PUBLIC HOUSING JOINT
WITH COMMITTEE ON CONTRACTS

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September 20, 2022
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HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Alexa Aviles, Chairperson

COUNCIL MEMBERS:

Joann Ariola
James F. Gennaro
Linda Lee
Sandy Nurse
Julie Won
Diana Ayala
Charles Barron
Carmen N. De La Rosa
Darlene Mealy
Chi A. Osse
Lincoln Restler
Rafael Salamanca, Jr.
Pierina Ana Sanchez
Carlina Rivera

COMMITTEE ON PUBLIC HOUSING JOINTLY WITH
COMMITTEE ON CONTRACTS 2

A P P E A R A N C E S

Sergio Paneque, NYCHA Chief Procurement Officer
Shaan Mavana, NYCHA Chief Asset and Capital
Management Officer

Shanna Castillo, NYCHA Senior Director of the
Office of Resident Economic Empowerment and
Sustainability

Eva Trimble, NYCHA Chief Operating Officer
Kerri Jew, NYCHA Executive Vice President and
Chief Administrative Officer

Annie Meredith, MOCS General Counsel

Kim Yu, MOCS Chief of Staff

Joshua Barnett

UNKNOWN: Test, test, test. This is a test. We are having a Committee on Public Housing joint with Contracts. This is being recorded by Sakeem Briley (phonetic). Today's date is September 20th.

SERGEANT-AT-ARMS: Good morning and welcome to the New York City hybrid hearing with the Committee on Public Housing jointly with the Committee on Contracts.

At this time, please silence all electronic devices to vibrate or silent mode.

If you wish to submit testimony, you may do so at testimony@council.nyc.gov. That's testimony@council.nyc.gov.

Chair, we are ready.

CHAIRPERSON AVILES: [GAVEL] Good morning. This meeting is coming to order. Good morning, everyone, and welcome to this joint hearing of the Committee on Public Housing and the Committee on Contracts. I am Council Member Alexa Aviles, and I am the Chair of the Committee on Public Housing. I would like to thank my Colleague, Council Member Won, the Chair of Contracts Committee for holding this joint hearing with me today. I'd also like to acknowledge

1
2 my Colleagues on the Public Housing Committee who
3 have joined us today, Council Member Chi Osse,
4 Council Member Barron, but along with other Council
5 Members, Council Member Ariola, Council Member
6 Rivera, Council Member Gennaro, Council Member
7 Restler who is online with us today. Thank you for
8 joining.

9 The aim of today's hearing is the same as
10 it always is for the Committee on Public Housing, to
11 increase transparency and accountability at NYCHA. We
12 are looking for greater insight into NYCHA's
13 procurement and hiring practices. Without that
14 transparency, we as a City Council cannot properly
15 hold NYCHA to account when things go awry.

16 I'd like to acknowledge some of the steps
17 that NYCHA has taken towards these goals. As of last
18 year, all of NYCHA's income and budget data were
19 integrated into Checkbook, an important tool for
20 ensuring the public has a look into how the City
21 raises revenue and allocates its spending.
22 Additionally, NYCHA now has a dedicated Chief
23 Procurement Officer who is here today to testify
24 before the Council today. These are important changes
25 NYCHA has made since the Committee last held a joint

1 hearing, but it doesn't mean all the problems are
2 solved and we still have a lot of questions to be
3 answered. There have been reports of contracts being
4 awarded to vendors who do shotty work and yet somehow
5 the same vendors are again selected to receive
6 contracts from NYCHA. Last year, several NYCHA
7 contractors were arrested in a bribery scheme related
8 to micro-purchases which don't require competitive
9 bidding, and, in the past, NYCHA has failed to obtain
10 bids from qualified contractors in a timely fashion.
11 Additionally, the latest quarterly report from the
12 HUD-appointed federal monitor shows that capital
13 projects for heating, elevators, waste management are
14 increasingly delayed. While these delays can't be
15 solely attributed to NYCHA, we should be taking a
16 very hard look at all of the factors at play because
17 ultimately the people who pay the price for these
18 inefficiencies are the residents themselves.

19
20 Today, I would like to shed light on
21 NYCHA's contracting and procurement policies and
22 procedures, particularly as they differ from the
23 City's ordinary procurement processes and policies. I
24 want to hear more about how vendors are selected when
25 NYCHA elects to hire third party vendors instead of

1
2 completing work internally, whether NYCHA saves money
3 by contracting out, and how NYCHA oversees and
4 assesses contractors. I would like an update on
5 NYCHA's compliance with Section 3 and M/WBE hiring
6 goals, and I want clear answers as to how exactly
7 NYCHA holds contractors accountable when they fail to
8 deliver.

9 With that, I would like to turn it over
10 to Chair Won for her opening remarks. Thank you.

11 CHAIRPERSON WON: Good morning. Thank you
12 so much, Chair Aviles. My name is Julie Won, and I
13 have the privilege of Chairing the City's Committee
14 of Contracts.

15 We are holding today's hearing in large
16 part to discuss the details of NYCHA's procurement
17 policy, how it operates, where it differs from
18 Mayoral agency procurements, and, critically, where
19 there are opportunities for improvement in the face
20 of fraud, corruption, and mismanagement.

21 While the City's contracting processes
22 are far from perfect, they nonetheless offer several
23 safeguards and redundancies to protect the misuse of
24 taxpayer funds. State law requires most large awards
25 go to the lowest responsible bidder. Vigorous

responsibility determinations need to be conducted on each city vendor and in addition to the contracting agency, the Mayor's Office of Contract Services, City Comptroller, and Department of Investigations all have a role to play. These layers of transparency create accountability for city agencies and ensure that city funding achieves the goal of preserving public funds and ensuring the appropriate use.

NYCHA's procurements, on the other hand, are largely regulated by the Department of Health and Urban Development, a federal agency with significantly less restrictions with regard to competitive bidding which can result in more opportunities for waste.

The goal of this hearing is to figure out ways to ensure that NYCHA residents are able to live in safe and habitable apartments without broken lighting, leaky roofs, and poor heating or no heating at all. NYCHA predominantly contracts for repair and maintenance work, construction and electrical supplies and other goods and services that impact its 335 housing developments that are home to 525,000 New Yorkers, but NYCHA is notoriously underfunded which is probably why ongoing intercom issues have

1 continued to plague properties like Queensbridge
2 Houses in my District or like the repeated delays in
3 repairing heat and hot water problems at the Woodside
4 Houses, both of which are in my District. While we
5 commend NYCHA's recent efforts to integrate its
6 contracts into the Comptroller's CheckBook NYC
7 website and to adopt similar rules as the City
8 regarding contracting with minority and women-owned
9 businesses, more remains to be done to ensure NYCHA's
10 contracts go to bidders who are capable of performing
11 the work. NYCHA's procurement policy manual is a good
12 start but weeding out bad actors is just as
13 important. When NYCHA officials engaged in bribery
14 schemes, contractors don't receive appropriate
15 training that results in repeated workplace accidents
16 or major capital repairs go unfinished, it undermines
17 our entire public housing system.

18
19 We hope this hearing provides us with an
20 opportunity to compare NYCHA's procurement rules with
21 those at Mayoral agencies and to figure out ways to
22 make NYCHA a more effective and transparent partner
23 for many of our city's most vulnerable residents.

24 Before we begin, I would like to thank
25 the Contracts Committee staff, Senior Counsel Alex

Paulenoff, and Policy Analyst Alex Avalon (phonetic)
for all their hard work on this hearing.

I'll now turn it over to Committee
Counsel to swear in the administration.

COMMITTEE COUNSEL: Thank you. I will now
administer the oath to the administration, which is
represented today from NYCHA by Sergio Paneque, Shaan
Mavani, Shanna Castillo, Eva Trimble, and Kerri Jew
and from MOCS, Anne Meredith and Kim Yu. Please raise
your right hand.

Do you affirm to tell the truth, the
whole truth, and nothing but the truth before these
Committees and to respond honestly to Council Member
questions?

ADMINISTRATION: (INAUDIBLE)

COMMITTEE COUNSEL: Thank you. You may
begin when ready.

CHIEF PROCUREMENT OFFICER PANEQUE: Thank
you. Chairs Alexa Aviles and Julie Won, Members of
the Committees on Public Housing and Contracts, other
distinguished Members of the City Council, NYCHA
residents, and members of the public, good morning.

I am Sergio Paneque, NYCHA's Chief
Procurement Officer, and alongside me are Eva

2 Trimble, Chief Operating Officer, Shaan Mavani, Chief
3 Asset and Capital Management Officer, Shanna
4 Castillo, Senior Director of the Office of Resident
5 Economic Empowerment and Sustainability, and I am
6 also joined by my Colleagues at the Mayor's Office of
7 Contract Services, Chief of Staff Kim Yu and General
8 Counsel Anne Meredith.

9 I've been provided the opportunity to
10 present to you an overview of NYCHA's procurement. I
11 joined NYCHA in November of 2020 with the charge to
12 re-engineer the Supply Management and Procurement
13 Department and introduce best practices as part of
14 NYCHA's transformation plan. Thank you for the
15 opportunity to discuss the progress we have made
16 regarding NYCHA's contracting and hiring processes.

17 My first order of business upon joining
18 NYCHA was to conduct an agency assessment of NYCHA's
19 procurement operations through the lens of the
20 NYCHA's Transformation Plan to identify immediate
21 issues that needed to be addressed to meet residents'
22 needs. NYCHA's Transformation Plan, which is on our
23 website, calls for a redesign of the procurement,
24 inventory, and vendor management processes to improve
25 performance. We engaged outside experts to assist us

1 in conducting a procurement assessment and analysis
2 of our current policies and processes, which resulted
3 in the development of a strategic plan for
4 implementing key recommendations. NYCHA's new
5 procurement strategic plan establishes our values and
6 maps out specific goals, objectives, and activities
7 to transform the procurement function in a way that
8 fulfills our mission to meet NYCHA's needs. Our core
9 values are focus on customer service, start with the
10 resident, foster a culture of empowerment, procure as
11 one NYCHA, use data to plan and evaluate, and,
12 lastly, enhance NYCHA's appeal as a partner. Our
13 strategic plan goals are to transform procurement and
14 purchasing structure, improve procurement and
15 contract management processes, expand staff
16 capabilities, broaden and improve NYCHA's vendor
17 pool, implement enabling technology and source
18 procurements strategically.
19

20 With the roadmap in place, the next step
21 was to memorialize those values and goals in a new
22 procurement policy for NYCHA. At that time, NYCHA was
23 using a procurement policy document that had not been
24 revised for many years. We looked at other public
25 authority's procurement policies for best practices

1 and developed the first comprehensive revision,
2 resulting in the Procurement Policy Manual, the PPM.
3 Examples of significant additions to the PPM include
4 the use of prequalified lists as provided in the Code
5 of Federal Regulations and incorporation of the
6 design build procurement method pursuant to the
7 Design Build Legislation enacted by the State
8 Legislature in 2019. The PPM took effect on January
9 since been revised twice 1, 2021, and streamlined the
10 consolidated policies into a single centralized
11 source. The PPM has since been revised twice, the
12 latest version of which was approved by the NYCHA
13 Board in April of 2022. We continue to evaluate
14 policies and look for opportunities to revise and
15 improve to meet the Authority's needs. The governing
16 statutes for NYCHA's procurements are set forth in a
17 Code of Federal Regulations at 2 C.F.R. 200 and in
18 Sections 151 and 151(a) of the State Public Housing
19 Law. Both the C.F.R. and the PHL are prescriptive and
20 provide an overarching framework for how procurements
21 need to be conducted and, in most instances, they are
22 complementary to each other. However, we do find that
23 the sealed bid requirements applicable to the
24 acquisition of commodities and décor, contract
25

1 services for demolition, excavation, construction,
2 alteration, and renovation in the PHL 151 is rather
3 restrictive, is not current with procurement best
4 practices. NYCHA continues to seek legislative
5 changes that would mitigate these issues, challenges,
6 and allow for best value procurement of goods and the
7 construction services that take into account total
8 cost of ownership as well as qualifications in value-
9 based selection to improve the value realized from
10 our contracting dollars.
11

12 Please note that neither the Sections of
13 Article 5(a) of the General Municipal Law addressing
14 procurement by certain governmental entities in New
15 York State nor certain relevant provisions of the New
16 York City Charter and Procurement Policy Board rules
17 apply to NYCHA. Therefore, there are considerable
18 differences between statutory and regulatory
19 frameworks governing NYCHA and the City with respect
20 to procurement.

21 Now, I will discuss the restructure of
22 the Supply Management and Procurement Department. We
23 undertook a comprehensive reorganization starting in
24 April of 2021, and the Department is now organized
25 into four service verticals, Procurement; Purchasing,

Logistics, and Inventory; Procurement Policy and
Performance Management; and Procurement Ethics and
Vendor Responsibility.

The Procurement Department is now
organized according to the types of goods and
services being procured, Capital and Construction;
Services and Information Technology, and Goods. Staff
are being trained to be end-to-end buyers, and we
have also consolidated support functions into a
centralized administrative group.

The Purchasing, Logistics, and Inventory
Department combines the previous Materials Management
Group with a newly formed Purchasing Group, which is
staffed by dedicated buyers who support NYCHA in each
borough to align more closely with NYCHA's
neighborhood model and help provide timely assistance
and bridge any gaps between the developments and the
Central Office. This team provides last model support
so to speak for delivering goods and services to the
developments.

The Procurement Policy and Performance
Management Department leads the overall expansion and
development of NYCHA's diversity initiatives, namely
minority and women-owned business enterprises and

Section 3 requirements. It is also responsible for strategic sourcing capabilities, establishing and implementing procurement data and management policies, and working closely with IT to improve integration and procurement related technologies. We are focusing now on improving planning and forecasting tools as part of our contract management initiative in order to build out a strong spend analysis and strategic sourcing capacity.

Lastly, the Procurement Ethics and Vendor Responsibility Department is responsible for advising and training on procurement ethics, both to internal NYCHA employees as well as the vendor community. This Department is also responsible for ensuring NYCHA's contracting with responsible vendors.

The goal of this restructure is to support the strategic procurement transformation efforts to deliver greater value, customer service, visibility, efficiency, accountability, and more diverse vendor participation.

In addition to the organizational improvements mentioned above, the Supply Management and Procurement Department also launched a formal M/WBE goals program. Previously, NYCHA's M/WBE

1 program was aspirational, and a shift to the current
2 goals program mirrors the City's endeavors and
3 reflects NYCHA's commitment to diversity initiatives.
4

5 We also strengthened our Section 3
6 activities including developing a Section 3 and M/WBE
7 first policy for micro and small procurements,
8 identifying categories of spend under the
9 neighborhood model as an element of strategic
10 sourcing and focusing and localized Section 3
11 opportunities. We are in the process now of
12 integrating a new technology platform to track both
13 M/WBE and Section 3 utilization and compliance.

14 Other significant initiatives and
15 improvements currently in progress include creation
16 of the Procurement Helpdesk for centralized intake of
17 procurement inquiries, improved internal and external
18 communications through monthly internal newsletters
19 and quarterly vendor newsletters, inventory
20 management and optimization efforts, requisition to
21 pay process improvements, e-commerce integration,
22 otherwise known as Punchout, contract management
23 initiative, and enhancement of vendor responsibility
24 framework including the use of Dun and Bradstreet
25 Supplier Risk Management Tool enterprise wide.

1
2 Going forward as part of our vision for
3 continuous improvement efforts, Procurement will look
4 to improve the Authority's contract management
5 function, including enhancing the contractor
6 performance evaluation and monitoring tools,
7 incorporating vendor diversity and selection criteria
8 where available, upgrading procurement technology,
9 developing a formal sustainable procurement policy,
10 procurement training to support the neighborhood
11 model, professional development and certification,
12 and continued pursuit of excellence.

13 Lastly, and consistent with our values,
14 we would like to strengthen ties with residents and
15 ensure their feedback is incorporated into our
16 operations and vendor performance.

17 Thank you for your continued partnership
18 and support to our work to transform NYCHA and
19 strengthen the community. We are happy to answer any
20 questions you may have.

21 CHAIRPERSON AVILES: Thank you so much for
22 your testimony. Generally, we have residents who
23 participate at the top of the meeting. Unfortunately,
24 they are not yet here so when they do, we will be
25 sure to integrate them in the lineup. I guess with

1 that we can begin questions. I'm going to provide
2 courtesy to Council Member Barron who unfortunately
3 has to depart very quickly so Council Member Barron.

4
5 COUNCIL MEMBER BARRON: Thank you very
6 much, Madam Chair. I always appreciate your niceness
7 and kindness. I appreciate that very much. I do have
8 to vote on a project in Land Use, but what I didn't
9 hear, unless I missed it, what is your record for
10 hiring Section 3 residents? We always talk about the
11 improvement of the program and we're going to do
12 these initiatives, unless I missed it in each of the
13 developments, I want to know have you been in
14 compliance with Section 3 in these developments.
15 Also, the challenges of having your RAD and PACT
16 program and then also having compliance with Section
17 3 because I know in many of the developments in my
18 area, particularly in Linden Houses and Cypress, Pink
19 Houses, they just don't see these Section 3 jobs
20 coming through, not only not with the companies but
21 not even with the residents, and there's been a lot
22 of development, millions, billions dollars' worth of
23 development but it just never happens, and we talk
24 about improvement, we're going to do it better, and
25 minority and women-owned contracts and even those are

2 subcontracts, the major contracts, the billions that
3 I see in this doesn't go to our people, black and
4 brown people. That just doesn't happen so the best of
5 all the major contracts, the billions of dollars,
6 that doesn't come to us. We don't even get the
7 millions, much less the billions, so I just would
8 like to see your record of hiring in Section 3 and
9 not just the low-level Section 3 jobs, because
10 oftentimes it is said that you just don't have the
11 skills or if you're a company you don't have the
12 capacity, that's the other racist word they use,
13 capacity, and all of the white companies had an
14 opportunity to get contracts without having capacity.
15 They built the capacity by getting these contracts so
16 they can develop capacity so those kinds of things
17 happen in contracting around the city and NYCHA,
18 especially, so I just would like to know more about
19 your actual record of hiring in relationship to the
20 30 percent of the contract and different levels, the
21 10 percent for the businesses, some record of that.

22 CHIEF PROCUREMENT OFFICER PANEQUE: Thank
23 you, Council Member. In regards to NYCHA hiring for
24 Section 3, we are looking to meet our requirements as
25 far as the C.F.R. is concerned. We are continuing to

1 improve that. At this stage, when we look at the
2 progress that we've made from 2019, 2020, and 2021,
3 we've increased our hiring now from 13 percent
4 originally in 2019 of total hires to 20 percent. That
5 is...

7 COUNCIL MEMBER BARRON: I know. Before you
8 do that, I want a breakdown, if you could send it to
9 my office...

10 CHIEF PROCUREMENT OFFICER PANEQUE: Oh, of
11 course.

12 COUNCIL MEMBER BARRON: Of those actual
13 numbers and 15, 13, and 20 percent is not 30 percent.
14 30 percent is too low so if you're not even meeting
15 30 percent, because we are in desperate times in our
16 communities, so your gradual improvement is hurting
17 us. We're not looking for gradual improvement. 30
18 percent, 30 percent, and it should be done. If
19 there's any impediments for it being done, then let's
20 talk about that, but no more we had 13 percent then
21 next year we had 15 percent and the next year we have
22 18 percent, we're at 20 now, pretty soon we'll be at
23 25 and pretty soon we'll be dead so we need to have
24 those jobs right away, especially in these low-income
25 neighborhoods with mostly where NYCHA is. The

2 employment opportunities are incredibly missing, and
3 NYCHA has an opportunity to do something about that,
4 not gradually, but expeditiously and immediately.

5 CHIEF PROCUREMENT OFFICER PANEQUE: Thank
6 you. We'll provide you with that information, sir.

7 COUNCIL MEMBER BARRON: Thank you, Madam
8 Chair.

9 CHAIRPERSON AVILES: Thank you. Will NYCHA
10 provide us the exact numbers of Section 3 hires that
11 occurred in 2019, 2020, and 2021 specifically, and
12 we'd like to know how does NYCHA track Section 3
13 hires.

14 CHIEF PROCUREMENT OFFICER PANEQUE: NYCHA
15 tracks Section 3 hires, number one, when a vendor
16 provides their proposal, their required to provide a
17 hiring plan. The hiring plan is then reviewed by the
18 Agency, by REES, and then at that point we know what
19 the expected hires need to be under that contract. At
20 a point of every single invoice that's submitted, the
21 vendor is supposed to provide their hiring report
22 that outlines their employment over that period of
23 the invoice's time.

24 CHAIRPERSON AVILES: How often does the
25 agency go back to that hiring plan to verify that, I

1
2 guess during the life of whatever the project is,
3 that it maintains and retains...

4 CHIEF PROCUREMENT OFFICER PANEQUE: On a
5 quarterly basis, we're reviewing whether or not
6 vendors are meeting those hiring plans and issues
7 cure notices to the vendors accordingly.

8 CHAIRPERSON AVILES: What happens when
9 there is backsliding in the hiring plans? What are
10 the tools that NYCHA has at its disposal?

11 CHIEF PROCUREMENT OFFICER PANEQUE:
12 There's a number of contract provisions within the
13 contract to mitigate those issues. Obviously, we try
14 to work with our vendors to address those concerns,
15 but, in the end, all the way through to cancellation
16 of the contract is available to NYCHA in regards to
17 nonperformance.

18 CHAIRPERSON AVILES: I guess how often
19 have you encountered this issue?

20 CHIEF PROCUREMENT OFFICER PANEQUE:
21 Compliance is an issue that we continue to struggle
22 with. We are currently working on bringing forward an
23 electronic tracking for both utilization as well as
24 compliance to bring certified payroll to really
25 assist us with that effort.

2 CHAIRPERSON AVILES: Okay, given that
3 we're a little bit out of order, I'd like to kind of
4 go back to the top around procurement and contracts
5 and certainly we'll make our way back, we'll be a
6 little fluid so thank you for your courtesy on that.

7 I would like to acknowledge Council
8 Member Ayala was here and Council Member Mealy.

9 If we could just take a step back to kind
10 of the fundamentals for the record, can you walk us
11 through the contracting process? How long does each
12 phase of the process generally take on average?

13 CHIEF PROCUREMENT OFFICER PANEQUE: Okay.
14 The timing is going to really rely upon the totality
15 of all the circumstances on the procurement so I'll
16 wrap that at the end. The first thing is to really
17 determine what is the need at hand. At that point
18 then, either the programmatic area or the purchasing,
19 the buyer, will determine whether an existing
20 contract actually exists. That's first and foremost.
21 Thereafter then, the governmental estimate and the
22 subject matter of the procurement also weighs in to
23 how to go about the process going forward. The other
24 element is the funding source. Once you have those
25 three elements, then the PPM prescribes exactly the

1 method for which we need to either manage competition
2 or manage noticing of the public or, for that matter,
3 to the extent that it needs to be approved by the
4 Board depending on the dollar amount. At this point,
5 I do have the award time, so in a micro, under 5,000,
6 it takes us approximately seven days to process. For
7 awards between 5,000 and 250,000, generally it's
8 between 60 and 90 days. There's an element of
9 noticing to the public that's required in those
10 particular contracts, another level of due diligence
11 so to speak. Above 250,000 to a million, a million
12 being our threshold for Board review, it takes
13 between 90 and 120 days. Above a million dollars,
14 which again requires Board review, is then 120 to 150
15 days.
16

17 CHAIRPERSON AVILES: What was the dollar
18 amount that you said for 60 to 90 days?

19 CHIEF PROCUREMENT OFFICER PANEQUE: I
20 apologize. For 60 to 90, between 5,000 and 250,000.

21 CHAIRPERSON AVILES: Thank you. Quite a
22 range. What was the total amount of dollars that were
23 obligated under contracts for Fiscal '21?

24 CHIEF PROCUREMENT OFFICER PANEQUE: For
25 Fiscal '21, I believe it was 2.13 million dollars,

1 that's correct, 2.13 billion dollars in total
2 contract spending for 2021. I also have a breakdown
3 of that if you would like by type.
4

5 CHAIRPERSON AVILES: That would be great.
6 We'd like to see that.

7 CHIEF PROCUREMENT OFFICER PANEQUE: Sure.
8 The micros were a little over 80 million dollars.
9 That was 4 percent of our spend. Small purchases were
10 38.9 million dollars comprising 2 percent of our
11 spend, and large contracts a little over 2 billion
12 dollars, comprising 94 percent of our spend.

13 CHAIRPERSON AVILES: Do you retain a
14 breakdown for each development?

15 CHIEF PROCUREMENT OFFICER PANEQUE: From a
16 budget standpoint, yes.

17 CHAIRPERSON AVILES: Great.

18 CHIEF PROCUREMENT OFFICER PANEQUE: We are
19 looking to continue to bring more procurement
20 contracts and portfolio contracts to the development
21 level. That's a level of specificity that we're
22 starting to build that now, but, from a budget
23 standpoint, yes, ma'am.

24 CHAIRPERSON AVILES: Yeah, we're
25 definitely interested in seeing how expenditures are

2 spread across the developments and what are the
3 trends we're seeing there in terms of some
4 developments may be having access to more micro
5 contracts or the larger contracts, vice versa, so
6 we'd like to definitely follow up on that.

7 Would you be able to send us the total
8 amount of dollars obligated in contracts for each of
9 the previous five fiscal years?

10 CHIEF PROCUREMENT OFFICER PANEQUE: Five?

11 Yes.

12 CHAIRPERSON AVILES: I'm sorry. We were
13 just talking about the contracts awarded per
14 development. Is that in process? Are you able to
15 report region totals or development totals at this
16 point?

17 CHIEF PROCUREMENT OFFICER PANEQUE:

18 Expense by development can be provided by our Finance
19 Office, I'm sure. What I mentioned was our contracts
20 by development which I think is a key integration
21 point between both spend as well as utilization at
22 the development level and meeting the residents'
23 needs. That is something that is under development.
24 We have a lot of centralized contracts that, to the
25 prior Council Member's question, we're looking to

1
2 move more to the development level to deal with our
3 diversity goals and meeting more particular
4 requirements as opposed to looking at things from,
5 we're a large organization, from a central office,
6 central contracting standpoint.

7 CHAIRPERSON AVILES: Yeah, I think that
8 challenge of not being able to produce development
9 contracts also leads to this question of monitoring
10 and oversight of the contracts. What we have heard
11 from the field is in fact that's one of the key
12 reasons why bad behavior is not put in check and
13 there's no way to monitor if you have a contract that
14 is spanning several developments, there's no way to
15 track where the workers are supposed to be and so how
16 does NYCHA currently handle monitoring contracts that
17 span several developments?

18 CHIEF PROCUREMENT OFFICER PANEQUE: It all
19 depends on the administering department and how they
20 go about managing those particular contracts. There
21 are central elements that take into account a more
22 holistic view on managing the contracts and then that
23 drills down to the development level and those roles
24 and responsibilities.

2 CHAIRPERSON AVILES: What are the most
3 common jobs that NYCHA contracts out for?

4 CHIEF PROCUREMENT OFFICER PANEQUE: From a
5 procurement standpoint, we try to look at everything
6 that's potentially foreseeable so there really are no
7 particular areas that, we try to identify all needs
8 proactively. With regards to services, both
9 construction, standard and professional, we try to
10 run a full portfolio of resources for our
11 programmatic areas to then make the decision whether
12 it's in the best interest of the program areas, given
13 the mission, given the totality of all issues to
14 either utilize a contract or utilize in-house
15 resources.

16 CHAIRPERSON AVILES: Is that an assessment
17 you do for every contract or is that an annual
18 assessment and you're doing in terms of more micro-
19 level positioning?

20 CHIEF PROCUREMENT OFFICER PANEQUE: That's
21 a really good question. It is now part of our
22 forecasting effort. We're now reaching our second
23 year of our forecasting effort with our program areas
24 to identify what those needs are in advance of the
25 budget year in order to really put forward a

1
2 procurement plan that not only meets the program's
3 needs but then our other policy goals as well as
4 effective time for outreach to the vendor community
5 and what have you so we're in our second iteration of
6 that forecasting effort.

7 CHAIRPERSON AVILES: In terms of cost
8 overruns, which is something we have heard quite a
9 lot about, what's the total cost of contract overruns
10 for each fiscal year and will you be able to provide
11 them for the last five years?

12 CHIEF PROCUREMENT OFFICER PANEQUE: I do
13 not have that available to me, but we will get back
14 to the Committee on that question.

15 CHAIRPERSON AVILES: Great. We look
16 forward to receiving that. Also, we'd like to know
17 what percentage of the NYCHA contracts are completed
18 on time and on budget.

19 CHIEF PROCUREMENT OFFICER PANEQUE: That's
20 another question that we can come back to the
21 Committee on.

22 CHAIRPERSON WON: Good morning.

23 CHIEF PROCUREMENT OFFICER PANEQUE: Good
24 morning.

CHAIRPERSON WON: I just want to make sure everyone's awake. I know that contracts can be, procurement is such a sexy topic, we want to make sure that everyone is staying awake today.

Thank you for breaking down the total amount, the 2.13 billion. I want to go back to your opening statement. You had said on page three that NYCHA continues to seek legislative changes that would mitigate these challenges and allow for best-value procurements of goods and construction services, blah, blah, blah, so can you tell me how you're seeking legislative changes because we would love to assist you.

CHIEF PROCUREMENT OFFICER PANEQUE: This will be the second year that I'm with NYCHA that we will put our legislative changes in writing to our Governmental Affairs folks and then they go about that process. I can't speak specifically as to how that's undertaken.

CHAIRPERSON WON: Can you describe what the legislative changes are? What those requests are?

CHIEF PROCUREMENT OFFICER PANEQUE: Sure. The PHL 151 requires a sealed bid for the procurement of goods in excess of 25,000 and also requires a

1 sealed bid for DECAR, demolition, excavation,
2 construction, alteration, and renovation services. As
3 I mentioned in my testimony, total cost of ownership
4 in respect to goods, you buy something, how much is
5 it going to take to maintain, both as parts and
6 warranty and all those elements, are much easier to
7 do in an RFP process, request for proposal, as
8 opposed to a sealed bid that has very prescriptive
9 specifications. The same goes for instances where
10 construction may have a number of different service-
11 related elements that also lend themselves to be
12 qualifications-based review. All of those really
13 weigh in positively to our ability to have better
14 vendors. The last point that I'd like to make in
15 regards to sealed bid as opposed to RFP is we're now
16 undertaking, we just started, but undertaking
17 diversity as an element of criteria in our RFP
18 evaluation and that will give us the ability to also
19 include diversity in our evaluation of RFPs for
20 construction and related services, which is really
21 the corpus of our contracting dollars.
22

23 CHAIRPERSON WON: Is this mostly with
24 state law then?
25

2 CHIEF PROCUREMENT OFFICER PANEQUE: This
3 is state law. I apologize.

4 CHAIRPERSON WON: Okay. Thank you for
5 clarifying. Can you help me understand the difference
6 between the procurement policies that require you to
7 differentiate between micro and small?

8 CHIEF PROCUREMENT OFFICER PANEQUE: It's a
9 matter of threshold. It's a matter of dollars. The
10 threshold currently right now is 10,000, and we are
11 looking at, because of our M/WBE first Section 3
12 policy, we are looking with the federal government to
13 increase that to 50,000 to give us some flexibility
14 there. At the small purchase level, there's a number
15 of movements here. Between 10,000 to 250,000,
16 professional services and standard services are by
17 small purchase, requiring a notice period to the
18 public and three bids and a buy. Then from 25,000 to
19 250,000, also need to be done by small purchase.
20 DECAR, from 50,000 to 250,000 needs to be done by
21 small purchase.

22 CHAIRPERSON WON: So it's both the dollar
23 amount and the good of whatever is being...

24 CHIEF PROCUREMENT OFFICER PANEQUE: And
25 the type, and the subject matter.

2 CHAIRPERSON WON: Okay.

3 CHIEF PROCUREMENT OFFICER PANEQUE: That's
4 correct.

5 CHAIRPERSON WON: Thank you.

6 CHAIRPERSON AVILES: Just a clarifying
7 question. Are each of these micro purchases, I guess
8 how are they awarded and tracked, both micro and the
9 small purchases?

10 CHIEF PROCUREMENT OFFICER PANEQUE:
11 Tracked in our Oracle ERP system in our procurement
12 system with the agency.

13 I would also like to note that any of the
14 legislation recommendations that we made, many
15 changes were part of the Trust Legislation. These
16 changes must be done, although on a state level now.

17 CHAIRPERSON AVILES: Yeah, but the
18 majority of units are not going to be in the Trust so
19 how are we addressing all of those units?

20 CHIEF PROCUREMENT OFFICER PANEQUE: The
21 units? Excuse me.

22 CHAIRPERSON AVILES: The Trust only covers
23 25,000 units. How are you addressing all the other
24 units that are outside of the Trust?

25

1
2 CHIEF PROCUREMENT OFFICER PANEQUE: Thank
3 you for that. That and in addition to the fact that
4 much of what I bring in wanting the changes to the
5 legislation speaks to the maintenance of contracts,
6 the maintenance contracts as opposed to those that
7 are of comprehensive modernization sort of nature.
8 Thank you.

9 CHAIRPERSON AVILES: I was curious about
10 the, in terms of the no-bid contracts, can you tell
11 us how many no-bid contracts were awarded in 2019 and
12 also through this past fiscal year consecutively?

13 CHIEF PROCUREMENT OFFICER PANEQUE: I do
14 have that number. Bear with me for a second.
15 Procurement by type, if you will, we have a number of
16 noncompetitive if that's what you mean by no-bid. We
17 have sole source, emergencies. By sole source, I'll
18 give you the last couple of years, in 2020, we had 78
19 POs that were sole sourced for a total of 28.9
20 million and, in 2021, we had 56 POs for a total of
21 8.3 million. For emergencies in 2020, we had 38 POs
22 for 186 million and, in 2021, 63 POs for a total of
23 35.4 million.

24 CHAIRPERSON AVILES: The 38 POs valued at
25 168 million (sic) was what year?

2 CHIEF PROCUREMENT OFFICER PANEQUE: 2020.

3 CHAIRPERSON AVILES: 2020.

4 CHIEF PROCUREMENT OFFICER PANEQUE:

5 Correct. It'll take a while to guess the surge in
6 that related to COVID.

7 CHIEF PROCUREMENT OFFICER PANEQUE:

8 Correct.

9 CHAIRPERSON WON: Can you explain the
10 relationship between NYCHA and MOCS as well as what
11 the difference is between your relationship with
12 other city agencies?

13 CHIEF PROCUREMENT OFFICER PANEQUE: Our
14 relationship with MOCS, it's a collaboration. I do
15 speak to folks at MOCS mostly in regards to PASSPort
16 that we use for purposes of our VR process, our
17 vendor responsibility process. That's our
18 certifications and representations. I'll also just
19 generally speaking, best practices and what have you.
20 Other agencies, in particular I would note DCAS and
21 DoIT are two key agencies that really their contracts
22 serve NYCHA significantly to leverage spend across
23 the city. On the DCAS side, it's more on the lines of
24 goods and some services, and the obviously with ITS,

25

1
2 it's information technology contracts and what have
3 you, also to save efficiency, time, and money.

4 CHAIRPERSON WON: Can you help me
5 understand the Comptroller's role in respect to NYCHA
6 contracts as the City Comptroller?

7 CHIEF PROCUREMENT OFFICER PANEQUE: It's
8 from my understanding is that the Comptroller's role,
9 number one just from an overall auditing standpoint.
10 We are subject to Comptroller review. Then in regards
11 to those contracts or projects that are funded
12 through city dollars are required to go through the
13 Comptroller for registration.

14 CHAIRPERSON WON: How many capital
15 projects does NYCHA currently have in procurement,
16 design, and construction phase?

17 CHIEF PROCUREMENT OFFICER PANEQUE: I'll
18 defer to Shaan Mavani, our CACMO.

19 SHAAN MAVANI: Thank you, Chair Won.
20 Currently across those three phases, we have 446
21 active projects. The largest number is in
22 construction today, 201 projects, and then we have
23 134 projects that are in the design phase, and that
24 leaves the remaining 111 projects that are in the
25 procurement phase.

CHAIRPERSON WON: According to the most recent monitor's report, NYCHA's capital projects for heating, elevators, waste management are behind schedule on average between 9 and 12 months and these delays are increasing. The report highlighted that these delays were not properly disclosed since NYCHA was reporting that the projects were generally on time. Can you walk us through how NYCHA established project schedules, what changes did the monitor recommend, and can more modifications be made to identify challenges and obstacles on an earlier timeframe?

SHAAN MAVANI: Thank you, Chair. I very much appreciate the opportunity to talk about the important work that we're doing in this area of project controls and reporting. In the monitor's report, which was very helpful for us in many ways, they also comment and recognize this progress that we've been making over the last year around strengthening our procedures and tools to plan, track, and deliver capital projects, other improvements in management and controls that we've put in place along with industry best practice, and they cite a specific set of improvements that we've

1
2 already completed, our revised procedures manual, our
3 new scheduling and inspection teams, new management
4 systems and metrics, improved schedules and
5 documentation for key portfolio, and lastly they
6 comment on the careful review and quality control of
7 the quarterly and monthly reports that we provide on
8 our capital projects.

9 In terms of how we set schedules, let me
10 just walk you through that step-by-step. We maintain
11 standard schedule templates that vary by project
12 scope of work, project delivery method, and funding
13 source. All three of these impact the specific
14 activities and durations in the schedule. When a
15 project is initiated, the assigned project team
16 undertakes scoping and site studies, they engage with
17 stakeholders, and they develop a project scope which
18 then leads to customizing the appropriate schedule
19 template. The proposed schedule is reviewed and
20 validated by more senior staff for each project as
21 well as independent senior schedulers who review for
22 schedule quality, appropriateness of task durations,
23 and scheduled logic. Once any adjustments are made
24 based on the feedback given to the project team, the

1 schedule is approved, and it becomes uneditable in
2 the system without further senior staff approvals.

3
4 The changes that the monitor team
5 recommended in their report to improve schedule
6 performance covered four areas. First, that our
7 schedules should be less aggressive and allow longer
8 timeframes for certain activities and uncertainties
9 than we have in the past, secondly, that we consider
10 bundling together more projects as we do for certain
11 portfolios today if that could streamline certain
12 processes around procurement and approvals in
13 particular, that we validate schedule logic more
14 rigorously during that schedule review process, and
15 that we work with our city partners to streamline
16 (INAUDIBLE) of the approval process that we are
17 mandated to go through where it is a city-funded
18 project. These recommendations very closely track to
19 transformation strategies that we've already
20 initiated with the restructuring of NYCHA's capital
21 projects function earlier this year. One of our
22 central initiatives is focused on enhancing our
23 scheduling templates and our schedule management
24 policies and controls based on the data that we've
25 gathered over the last few years around project

2 performance and drawing on industry best practice. A
3 second major initiative that we've started is to
4 formalize our risk management approach in the way we
5 manage project schedules and costs. This initiative
6 will introduce new risk tools and indicators that can
7 flag potential delays earlier for mitigation, again
8 based on industry practices.

9 In terms of your last question around
10 more modifications that could be made to identify
11 challenges and obstacles earlier, I'm confident that
12 these initiatives that we've put in place earlier
13 this year will significantly improve our ability to
14 do exactly that, to manage our project schedules as
15 they're implemented in the next few months. In
16 addition to that, we do have a range of efforts to
17 address specific causes of delays that we have found
18 were most frequent in the last few years during
19 procurement design and construction.

20 CHAIRPERSON WON: Currently in my
21 District, Woodside Houses has been without heat and
22 hot water this past winter. Every single week NYCHA
23 would tell me that there is a supply chain issue,
24 and, when I asked them exactly what contract, exactly
25 which item, they would not answer. What are you going

1 to do to provide more transparency in the process,
2 especially for capital projects that are so
3 incredibly urgent? I have seniors living without heat
4 and hot water even today and winter is coming again
5 and the water boiler and the heating plant is still
6 not fixed even though I have in writing from email
7 that both the leadership at NYCHA have told me that
8 it would be fixed by March this past year.

10 SHAAN MAVANI: Thank you, Chair Won. Let
11 me defer to our CO Eva Trimble as that particular
12 project is implemented by Operations functions.

13 EVA TRIMBLE: Good morning, Chairwomen.
14 Thank you for that question. We understand the
15 project at Woodside has been more delayed than we
16 wanted and it's been a struggle since Ida took out
17 all the boilers in 2021. That was very unfortunate.
18 Since then, we've been working to replace all the
19 boilers. As you know, there have been three mobile
20 boilers that have been set up. I know that they're
21 very large and very difficult at the site, but there
22 was always heat and hot water provided by those
23 mobile boilers throughout the season and we had
24 expected them to be completed in April. We had a DOB
25 inspection in April 2022 that required additional

1 work and so we've been working to complete the DOB
2 requirements. DOB is actually scheduled to come back
3 to the site today, later this afternoon to do another
4 inspection, and we're hopeful that we will get the
5 boilers approved by DOB and then we can turn them on.
6 The plan is that we will be running the new boilers
7 at Woodside for about 30 days, and, once we know that
8 they are working and providing heat and hot water, we
9 will start to disassemble the mobile boilers, and it
10 will take about two weeks per each mobile boiler to
11 remove them from the site, so about six weeks or so
12 total. Our plan is to hopefully have them removed
13 very shortly.

14
15 CHAIRPERSON WON: Thank you. The NYCHA
16 monitor suggests that NYCHA should expand the
17 approach used on Sandy recovery projects to secure
18 critical equipment directly from suppliers before
19 awarding a contract to a general contractor. Just
20 like you heard, for Hurricane Ida, it flooded our
21 Woodside Houses, not only the heating plant but also
22 furniture that continues to flood even two weeks ago
23 when there was heavy rain so is this something that
24 NYCHA is planning to explore and do you see this as a
25 benefit to NYCHA?

1
2 SHAAN MAVANI: Thank you. Yes, in the
3 context of the larger capital portfolios that we
4 have, this can be a useful strategy. Similar to
5 Sandy, we have a very large number of, for example,
6 elevator projects that are ongoing today under the
7 HUD agreement. Given the specific supply chain issues
8 we're seeing in 2022 and that may continue in future
9 years, we're exploring the same strategy of how to
10 secure materials, equipment, parts earlier in the
11 process with vendors and using our vendor
12 relationships to do that. We have taken a similar
13 approach in the very large Mayoral roofing program
14 that we run. We have worked to procure insulation and
15 other materials early and stockpile those so that
16 they're available when we get to the right
17 construction phase. Applying the same approach more
18 broadly can be challenging around when we get funding
19 in play. The monitor reporting specifically
20 recommends looking at securing items even before we
21 contract with construction contractors which is an
22 innovative idea which we'll be looking into together
23 with them.

24 CHAIRPERSON WON: Currently any public
25 resident can look on the NYCHA website to see what

1 repairs or what tickets are open currently for each
2 NYCHA complex, like for heating outages, hot water
3 outages. Do you have any plans in place to provide
4 even more transparency because people are tired of
5 opening tickets after tickets after tickets and now a
6 year has passed and they still don't have heat and
7 hot water and then when I call NYCHA telling people
8 they still don't have water then they say we don't
9 have any more tickets open because they continue to
10 get closed before they're resolved so are you going
11 to have some sort of update on your website to show
12 residents of what the holdup is and when it would be
13 closed for the timeline and the schedule that you're
14 describing, especially for large capital projects
15 that affect their daily life?

17 SHAAN MAVANI: Let me answer on the side
18 of capital projects. In April 2022, we released a
19 publicly facing capital projects tracker where a
20 resident can go in in a very user-friendly interface,
21 we believe, look for any projects that are active at
22 their development, what is the latest in terms of the
23 timeline, what is happening in the project today, and
24 we are working on enhancing the information that's
25 available on the tracker now that we have several

2 months of resident and other stakeholder feedback on
3 that process. I would just add that that tracker is
4 directly linked to our project management system so
5 it's biweekly updated real-time information that does
6 give residents and stakeholders the most accurate
7 view of where things are on each project.

8 CHAIRPERSON WON: That's great. Can you
9 say the website hyperlink for out loud, like a
10 commercial?

11 SHAAN MAVANI: Yes, I can. The website
12 hyperlink is linked right on NYCHA's homepage so I
13 would mention that. If you go on NYCHA's homepage,
14 there is a panel called the Capital Projects Tracker
15 that will take you there directly and that's probably
16 the easiest way. The actual tracker is
17 <https://my.nycha.info/publicsite/cpd/>. Again, though,
18 I think going to NYCHA's homepage and looking for
19 Capital Projects Tracker may be the easiest pathway.
20 Thank you.

21 CHAIRPERSON WON: We're going to have to
22 get a better website name for that. Thank you.

23 For the Procurement Office, how many
24 staffers work under NYCHA's Chief Procurement
25 Officer, what are their roles?

2 CHIEF PROCUREMENT OFFICER PANEQUE: We
3 currently have a little over 250 staffers that are on
4 current payroll. I believe we are budged for 284, and
5 we have a number of vacancies currently.

6 CHAIRPERSON WON: Do you feel that you are
7 adequately staffed in the Procurement Office?

8 CHIEF PROCUREMENT OFFICER PANEQUE: I
9 think at this point given the budget constraints and
10 whatnot we get a lot of support from our Finance
11 Department given the transformation and so forth.
12 Obviously, we would always entertain more staff, but
13 we are doing what we can with what we have. In
14 particular, as you might recall from my testimony,
15 we've converted a number of administrative functions,
16 consolidated those functions to create efficiencies
17 and put more buyers to really get to the work of what
18 we need to do.

19 CHAIRPERSON WON: Thank you. I want to
20 acknowledge Council Member Gale Brewer has joined.

21 CHAIRPERSON AVILES: We have like 18 pages
22 of questions, but I want to give the courtesy to my
23 Colleagues who are patiently waiting. Council Member
24 Osse.

2 COUNCIL MEMBER OSSE: Thank you so much,
3 Chair Aviles and Chair Won. Hello to the
4 administration, nice to see you all. Good morning. I
5 represent the 36th District which includes Bedford-
6 Stuyvesant in Northern Crown Heights and we have a
7 sizable number of NYCHA developments, and every
8 single time I attend a resident association meeting
9 or an event at the development, constituents will
10 tell me that there are still infrastructure needs.
11 I'm sure that's not a surprise to any of you or all
12 of us sitting on the dais.

13 Last June, I went to Albany Houses, their
14 resident association meeting, and residents were
15 upset about the lack of repairs in their home and the
16 lack of response and transparency that they were
17 receiving from management. Again, this is a
18 consistent thing that I'm hearing throughout my NYCHA
19 developments within my District. In addition to that,
20 on the subject of Albany Houses, they also have a
21 playground which is in dire need of repair. Funds
22 have been allocated to that playground, and there is
23 still a question of when that playground will finally
24 be reopened and finally repaired for the children to
25 play in. I guess a question that I have for you on

1 top of that is what is NYCHA doing to address repairs
2 in capital projects and how can we ensure that these
3 repairs are done or being done in the most efficient
4 way possible?
5

6 EVA TRIMBLE: Thank you, Council Member,
7 for that question. I would say that the biggest
8 program we have right now to improve our efficiency
9 in doing repairs is our work order reform program,
10 which just launched in Brooklyn in July, and what
11 work order reform does is it decentralizes our
12 skilled trades down to the development or
13 neighborhood level and it provides a neighborhood
14 planner, which is a single point of contact for
15 residents to call to schedule their repair needs. The
16 benefit of that is that we're trying to reduce the
17 amount of time where we show up and the resident's
18 not home, that we're scheduling repairs at the
19 convenience of our residents, that they have someone
20 to speak to to really talk through the process. It
21 also allows us to schedule repairs more consecutively
22 so no longer waiting for the plumber to finish before
23 you can even start talking to the plasterer. We
24 really want to line up repairs back-to-back. That
25 program just launched in Brooklyn, and we're really

1
2 looking to see improvement over the next few months
3 in that repair process.

4 SHAAN MAVANI: Just to add on the capital
5 projects side, some of the earlier comments related
6 to improvements in our schedule management and our
7 ability to deliver the projects on time I think will
8 be important to meet some of the concerns and pain
9 points that residents are raising. In the case of the
10 Albany Houses playground, which is a large playground
11 project for us at over a million dollars, that
12 project started construction in March and should be
13 completing in September so within the next few weeks.
14 Many of the playground projects have faced supply
15 chain issues this year, but that's been a relatively
16 quick construction period so we hope that that will
17 meet residents' needs.

18 COUNCIL MEMBER OSSE: You said it'll be
19 finished this month?

20 SHAAN MAVANI: It'll be finished, yes, in
21 September 2022.

22 COUNCIL MEMBER OSSE: Great. If it's not
23 finished October 1st, you'll hear from me. Another
24 issue that I do want to raise is one of the biggest
25 public health issues in my District and I'm sure in

2 several of our other Districts within our NYCHA
3 developments overall is the sanitation issues. It has
4 been reported that there is an overflow of trash in
5 many developments and faulty infrastructure such as
6 clogged or broken trash chutes. The trash overflow
7 results in an increase of rodents which is a huge
8 crisis in my District. How are you vetting bids/hires
9 for contracts that deal with sanitation issues at
10 NYCHA?

11 EVA TRIMBLE: First off, I'd like to just
12 say that please remind your constituents that if
13 they're having problems with compactors or trash to
14 definitely put in those work orders. I know sometimes
15 they get closed, but we can't respond if we don't
16 know the situation is there and so it's really
17 important for us to see those work tickets,
18 especially over time we can see if developments are
19 having issues with trash. We'll be able to notice
20 that from grounds tickets. Grounds I would say is an
21 area where it is more heavily relied upon with
22 internal staff so we have our caretaking staff who
23 provide the janitorial functions across the
24 development. We are in the process of hiring more
25 caretakes right now. I think it's important for us to

1 know about that. We also fix our compactors mostly
2 in-house though we do sometimes contract that out as
3 well so it's important that we know what's happening.
4 Otherwise, we work closely with Department of
5 Sanitation to ensure pickups for both regular trash
6 and bulk items on a regular basis.

8 COUNCIL MEMBER OSSE: The last question if
9 I may, Chairs, to follow up on that. You say that you
10 do contract out for some of those work orders, and I
11 have a very engaged resident association at many of
12 the NYCHA developments that I have so they are
13 submitting work orders for broken trash chutes and
14 things of that nature. I'm just wondering, what are
15 the standards that you are looking into for such
16 contracts because I've yet to see real change with
17 the sanitation issue in all of my NYCHA developments?

18 EVA TRIMBLE: Again, sanitation on a day-
19 to-day basis is a NYCHA staff issue so if you're
20 seeing dirty grounds and dirty developments that's
21 something that we need to know about so we can
22 address that with our supervisors and with our
23 caretaking staff directly.

24 COUNCIL MEMBER OSSE: I'm mainly talking
25 about broken trash chutes and people's issue with

1 disposing of their trash within the developments. Is
2 that also internal?
3

4 EVA TRIMBLE: For the most part, it's
5 internal as well and trash chutes, compactors is
6 something that we monitor pretty regularly because
7 that is a fire and health and safety issue so
8 definitely bring those to our attention so we can
9 address them and we're happy to talk more with you
10 about specific issues in your developments at another
11 time.

12 COUNCIL MEMBER OSSE: All right. Thank
13 you. I'm excited to see Albany Houses' playground by
14 October 1st. Thank you.

15 CHAIRPERSON AVILES: Thank you, Council
16 Member. Council Member Rivera.

17 COUNCIL MEMBER RIVERA: Thank you so much.
18 Good morning, everyone. Thank you for being here. I
19 want to thank the Chairs for their leadership,
20 especially Council Member Alexa Aviles for the work
21 that you're doing around public housing and for
22 having this hearing and the one that we will be
23 having on Friday, specifically on Jacob Riis and the
24 water crisis that transpired.

1
2 Recently, we did have a vendor, a
3 contract issue make national headlines related to
4 Jacob Riis Houses, and I know we will focus on that
5 on Friday, but I do want to ask one question. If you
6 can explain NYCHA's process for retaining
7 environmental monitoring and technologies to test the
8 water quality at Riis Houses? How was this vendor
9 selected and why would NYCHA select a vendor who's
10 certification is in question and if you could confirm
11 whether they are New York state certified. Second,
12 had NYCHA retained this vendor previously, and, if
13 so, have you had any issues with them before? In this
14 case, they provided a false positive, what you all
15 called an outlier. Is it possible in the past they
16 could've provided similar test results, perhaps a
17 false negative and whether or not they have any
18 contracts currently in doing business with the City?
19 I do have one other question generally on contracts
20 after this, but I wanted to ask specifically on this
21 development in my District.

22 EVA TRIMBLE: Thank you for that question.
23 As you mentioned, we are having the oversight hearing
24 on Friday, and we will answer all questions related
25 to Riis on Friday as part of that hearing when we

1
2 have our technical experts and partner agencies with
3 us at that time.

4 COUNCIL MEMBER RIVERA: So you can't speak
5 to how the vendor was selected?

6 EVA TRIMBLE: We will speak to it on
7 Friday.

8 COUNCIL MEMBER RIVERA: Do you know if
9 they have any other business with the City that's not
10 related to Riis?

11 EVA TRIMBLE: We will answer all the
12 questions regarding that vendor on Friday as part of
13 the Riis oversight hearing.

14 COUNCIL MEMBER RIVERA: All right. Today
15 is Tuesday, all day.

16 CHAIRPERSON AVILES: I think as the
17 experts that are sitting here in relation to
18 procurement, you could still answer this question.

19 EVA TRIMBLE: We would prefer to answer
20 all the Riis questions on Friday as it relates to
21 that vendor, and we will be able to explore more
22 thoroughly on Friday all the issues that happened at
23 Riis. I'm happy to discuss it more when we have a
24 full panel that were involved in that issue on
25 Friday.

1
2 COUNCIL MEMBER RIVERA: I would just say
3 that for clarity and transparency purposes this
4 entire process has been delayed and unacceptable in
5 getting answers for the families of Riis and this
6 City Council so if we're going to wait three more
7 days to get answers on Friday, I hope that you will
8 answer everything outlined in the letter that was
9 sent to you all by Council Members Brewer and Aviles
10 in addition to all the questions that you received
11 from local elected officials.

12 EVA TRIMBLE: Absolutely. We commit to
13 doing that, and I believe a response to the letter
14 from Council Members Brewer and Aviles is coming
15 today as requested.

16 COUNCIL MEMBER RIVERA: That would be
17 refreshing for you all to make a deadline.

18 Let me ask about NYCHA and how you
19 determine estimates. From my understanding and you
20 will correct me if I'm wrong just so I can fully
21 understand the process, NYCHA creates an estimate for
22 how much a capital project will cost and then issues
23 an RFP based this estimate. I've heard reports that
24 issues with the underlying estimates have caused the
25 need to reissue RFPs which causes further delays and

1 cost increases. How often do inaccurate estimates
2 lead to delays? I'll give you an example. I was given
3 an estimate for an elevator at a senior building in
4 Baruch Houses, 72 Columbia, in my District for 1
5 million dollars and allocated funding for this in
6 2019. The project still hasn't started, and we don't
7 have a timeline for this. Is this estimate accurate
8 and have there been delays based on inaccurate
9 estimates historically. I believe this has also
10 happened in East River Houses, but I'm just going to
11 speak to what's happened in my District.

12
13 SHAAN MAVANI: Thank you, Council Member.
14 Your characterization is correct that we undertake an
15 internal independent estimate before we go out for
16 procurement for a project. We review the accuracy of
17 our estimates regularly. We use up-to-date market
18 data and tools that the industry uses, and our
19 procurement policy does require the bids to be within
20 a certain variance with that estimate for us to move
21 forward. Earlier this year, we did amend that policy
22 because of the unique market situation that we're in
23 in 2022 and the fact that it's much harder to predict
24 cost escalation than it has been in the past.

1
2 In the case of the Baruch elevators
3 project which you highlighted, there was an estimate
4 provided upfront. We did feel that that project was
5 underfunded. We have subsequently supplemented the
6 funding that was provided with additional funding
7 that we have available and now that project, we
8 believe, is moving forward effectively into the
9 planning phase and now in the design phase to be able
10 to move forward and complete the elevator project in
11 the next few years.

12 In general on your question, there are a
13 number of reasons that can drive a bid process to not
14 be successful, whether it would be a variance with
15 the cost estimate versus market escalation, not
16 having any bidders or enough bidders on a specific
17 project, having bidders that bid but are not
18 responsible or responsive, and other scenarios about
19 why we may have failed bids. In general, we have not
20 identified any inaccuracies of our cost estimates as
21 a major driver of failed bids. We have significant
22 market escalation, elevators are a good example where
23 costs have escalated from 600,000 dollars per
24 elevator car up to nowadays we're getting bids at 2
25 million dollars per car over the last two years and

1
2 so tracking how market prices are changing can often
3 lead to a problem with the cost estimate variance,
4 but, as I said, we have made our procurement policies
5 more flexible to deal with that better which our
6 Chief Procurement Officer can speak to if you have
7 further questions.

8 COUNCIL MEMBER RIVERA: I just want to
9 thank the Chairs for the time, and, if you can get
10 back to me on the timeline, I heard next few years
11 and it's certainly been that since 2019. This is a
12 senior high-rise building. Every year that passes,
13 the money becomes less valuable. Thank you for
14 clearing that up and thank you to the Chairs for the
15 time.

16 CHAIRPERSON WON: I just have one followup
17 question. How come the Woodside Houses heating is not
18 on the website? I'm not seeing a lot of the other
19 capital projects on the website either. I see some of
20 them, and it looks great, but some are missing.

21 SHANNA CASTILLO: The heating project is
22 being done by our Operations division, not by Capital
23 Programs. It was a 1.2 million dollar overhaul of
24 those boilers that completed in April, but it was
25

1 done through Operations so it's not part of the live
2 capital tracker right now.

3
4 CHAIRPERSON WON: Got it. Just to clarify,
5 you're saying that it will be done within the next
6 month?

7 EVA TRIMBLE: The major work completed in
8 April and then we had followup from DOB from their
9 inspections that we needed to complete. DOB is back
10 today to inspect that so we're hopeful that we can
11 have final approval on the boilers.

12 CHAIRPERSON WON: Thank you.

13 CHAIRPERSON AVILES: I have a quick
14 followup to Council Member Rivera's questions. It is
15 seemingly true that not just costs gone awry post-
16 COVID is a driver of these bids that are
17 underestimated. This seems to have been a long
18 systemic issue where Council Members have allocated
19 resources to their developments, and, within years
20 because of the long time it has taken, those
21 estimates, which I understand weren't even provided
22 to Council in years past, are long outdated begging
23 the question around these particular estimates.
24 Obviously, I'm not asking NYCHA to be the predictor
25 of all market forces, but it seems like there is a

1 persistent underestimation and/or a particular
2 problem with timeframes that quickly devalues the
3 project and makes all the work done in the prior
4 years kind of defunct so I was curious how you are
5 trying to shorten both the timeframes and get better
6 estimations of those projects.
7

8 SHAAN MAVANI: Thank you, Chair Aviles.

9 Historically, over the last five years, we've faced
10 the same challenge that many city agencies faced that
11 we receive, in particular, discretionary funding
12 allocations in July of the year without any previous
13 engagement, without being able to provide any type of
14 scoping support or cost estimation so I think we did
15 suffer with significant delays in early phases of
16 those projects where typically the scope of work that
17 was desired by the Council Member or by the residents
18 was not fully funded and we only found that out once
19 we had the money and could undertake a proper cost
20 estimate in the field. A second part of the challenge
21 there is that undertaking a very robust cost estimate
22 does typically require site visits and site surveys
23 which are not funded through the city funding in
24 advance of the allocations so where possible we do
25 try to utilize our other funding sources to get ahead

1 and do that. In 2022 is the first time that we did
2 engage very proactively earlier in the year with
3 Council Members through a Capital Council Day to try
4 to work with Council Members directly to scope and
5 cost estimate projects before funds are allocated. In
6 2023, we will start that process even earlier when
7 participatory budgeting and other processes are
8 happening so that we can make sure that we have
9 enough information to provide robust cost estimates
10 in the future. Those delays on projects in the last
11 few years for various reasons, in particular our
12 discretionary funded work, we would hope won't be
13 replicated as we engage earlier with Council Members,
14 Borough Presidents, and other funders to develop
15 those scopes and cost estimates collaboratively
16 before allocations happen.

18 CHAIRPERSON AVILES: If I'm hearing you
19 correctly, are you saying that NYCHA does not have
20 the capacity to do those scoping services to the
21 extent prior despite PNAs, despite staff, that is an
22 additional body of work that is unfunded?

23 SHAAN MAVANI: I'm saying two things. One
24 is that traditionally we haven't had the opportunity
25 to engage pre-discretionary funding allocations, to

1 talk about scope, to talk about what the cost
2 estimate should be but rather we're doing the cost
3 estimates after the funding was already determined.
4 The second point is that despite is that despite
5 having the PNA and site drawings and surveys, one of
6 the major drivers of cost escalation in NYCHA's
7 context is unknown site conditions so you may fund
8 renovation in a community center and then we would go
9 in and find that once we have to do some construction
10 work there are other underlying conditions in the
11 community center that will need to be resolved to
12 address the scope fully and that typically requires
13 doing a targeted site survey at that point in time
14 when the project is being scoped. Our internal
15 resources can sometimes undertake that survey or you
16 may need a specialist type of third party contractor
17 to do some of that work, and that's what's typically
18 not funded. Again, we have more flexibility than
19 other city agencies in that we can utilize some of
20 our federal funding to do that scoping, but I know
21 that this is a challenge that many agencies face.

22
23 CHAIRPERSON AVILES: Thank you so much. I
24 have so many more questions about unknown site
25

1 conditions, but I would like to hand it over to
2 Council Member Sanchez.
3

4 COUNCIL MEMBER SANCHEZ: Thank you so
5 much, Chairs. Thank you for holding this hearing.
6 Hello, NYCHA. Hello, MOCS. My questions are actually
7 a followup to Council Member Rivera's, and they're
8 because NYCHA is no stranger to environmental
9 hazards. With respect to the Local Laws that change
10 the reference levels for elevated lead a few years
11 ago by this Council, I wanted to ask about how
12 compliance is going with that, particularly what
13 number of contracts has NYCHA had to make with
14 environmental companies to comply with the changes to
15 the lead standards, what sizes are these contracts,
16 and which are the companies that NYCHA has been
17 contracting with because the lead reference levels
18 were cut in half for paint chips, for lead dust, for
19 window wells, for floors and of course for children
20 the elevated blood lead level is now 5 micrograms per
21 deciliter. Information on that would be helpful.

22 EVA TRIMBLE: Thank you, Councilwoman, for
23 that question. We'd be happy to follow up with you.
24 We don't have that information handy this morning,
25 but we will absolutely get back to you on that.

1
2 COUNCIL MEMBER SANCHEZ: Okay. Thank you.
3 Just to emphasize the fact that when we were all
4 negotiating this legislation, when you all were
5 negotiating this with the Council, one of the main
6 concerns that HPD and NYCHA expressed about the
7 changes was the difficulty that there would be with
8 compliance, that there were not enough companies to
9 make sure that NYCHA complied in time so please let
10 us know. Also, in addition to the in-unit
11 inspections, those common area inspections as well,
12 how compliance is going and who are the companies
13 that are doing that. Thank you.

14 CHAIRPERSON AVILES: Council Member
15 Restler.

16 COUNCIL MEMBER RESTLER: Firstly, I really
17 want to thank our co-Chairs today, Chairs Aviles and
18 Won. It makes such a difference when the right people
19 are in the right positions here, and I really
20 appreciate both of your leadership of your respective
21 Committees and Council Member Won really pushing hard
22 on procurement and Council Member Aviles pushing hard
23 on NYCHA oversight and accountability and, of course,
24 you both represent I guess the two largest NYCHA
25 developments in our city, in Queensbridge and Red

2 Hook so it's great to have you both together and
3 shining a light on some of the inadequacies that we
4 unfortunately find at the Housing Authority.

5 I do want to thank you all for being here
6 today, and I want to thank Chief Operating Officer
7 Trimble for joining us in the 33rd a few weeks ago.
8 We appreciate you making an effort to come visit one
9 of our seven NYCHA developments early in your tenure.
10 To be charitable, I would say that the NYCHA
11 procurement process and NYCHA's kind of epic failures
12 on Section 3 date back for generations and many
13 decades so it's not just your fault. It's been
14 people's fault for a very, very long time, and these
15 broken processes need a tremendous degree of
16 oversight, accountability, resources, innovation for
17 us to see the improvement that our residents deserve.
18 I can tell you in my first eight months in office in
19 the public housing developments in my District, we've
20 had water outages, gas outages, fires, floods, I mean
21 I'm expecting locusts next. I'm kidding, but I'm not.
22 The conditions that my neighbors are living in is
23 totally unacceptable, and it's important that we
24 brough in Council Member Won and her Committee today
25 to highlight how procurement impedes our ability to

1
2 serve our residents effectively. People complain
3 about the city's procurement process being broken,
4 but NYCHA faces double the challenges because you've
5 got all of the HUD procurement difficulties that you
6 face as well so I'd like to start with that. Could
7 you speak to the specific advocacy that this
8 administration has undertaken this year relating to
9 changes in HUD procurement policies to allow for
10 greater flexibility for NYCHA to get resources out
11 the door to fund contracts that make a difference in
12 people's lives? What advocacy agenda are you
13 advancing in Washington, D.C. right now?

14 CHIEF PROCUREMENT OFFICER PANEQUE: I
15 apologize, Council Member. I don't know what our
16 advocacy in particular in regards to procurement is
17 in Washington. I will say that what we've been doing
18 over the course of the last 18 months is to use our
19 current toolset, which is pretty expansive within the
20 C.F.R. in order to meet those needs and create those
21 efficiencies that you obviously mentioned...

22 COUNCIL MEMBER RESTLER: The NYCHA
23 leadership team has been quite creative, and I mean
24 that respectfully in thinking about how we can pull
25 more resources out of the federal government to bring

1
2 in to support public housing, and I'm hopeful that
3 it's going to make a real difference, maximizing
4 voucher reimbursements and the like. We have the
5 Majority Leader who cares about public housing, we
6 have champions like Congressman Velazquez, we have a
7 Democrat in the White House, fixing the limitations
8 that HUD places on NYCHA's procurement is really
9 important and so I'm disappointed to hear that you
10 can't think of anything that we've been advocating
11 for to try to address the myriad of challenges that
12 HUD and limitations that HUD imposes on NYCHA's
13 procurement policies. I'll give you one more chance.

14 CHIEF PROCUREMENT OFFICER PANEQUE: At the
15 federal level, we are working with Representative
16 Torres on procurement flexibilities, both at the
17 federal level and then, as I mentioned in my
18 testimony, changes that we would desire at the state
19 level. You mentioned in your question, procurement
20 should help the problem as opposed to be a barrier
21 and that's what administratively within our capacity
22 we are looking to change what we can now.

23 COUNCIL MEMBER RESTLER: All right. I'm
24 attentive to the time so I'm just going to appreciate
25 the answer, the attempted one. I'd like to move to

1 Section 3. I apologize if this was asked and
2 answered, but what was the percent compliance, it's a
3 30 percent goal of hires on NYCHA contracts for
4 Section 3 compliant, what were the numbers in '21?

5 CHIEF PROCUREMENT OFFICER PANEQUE: I
6 believe the goal is 25. Is that correct, Shanna, just
7 to make sure? It's 25 percent hires? It's 25 percent
8 hires. In 2020, we were at 20 percent.

9 COUNCIL MEMBER RESTLER: In 2020?

10 CHIEF PROCUREMENT OFFICER PANEQUE: Excuse
11 me, 2021.

12 CHAIRPERSON AVILES: Isn't the mandate 30
13 percent?

14 SHANNA CASTILLO: In November 2020, a new
15 rule went into effect by HUD and so that shifts the
16 metric to 25 percent of labor hours instead of the 30
17 percent new hire target, and that's for contracts
18 that are executed on or after November 30, 2020.

19 COUNCIL MEMBER RESTLER: So it's a shift
20 to hours rather than a percent of people?

21 SHANNA CASTILLO: Yes.

22 COUNCIL MEMBER RESTLER: Just wondering
23 for 2020, how did we do on the percent of people?
24

1 CHIEF PROCUREMENT OFFICER PANEQUE: In
2 2020, our compliance was at 14 percent. In 2021, we
3 were at 20 percent.

4 COUNCIL MEMBER RESTLER: Sorry. 2020, as a
5 percent of working hours?

6 CHIEF PROCUREMENT OFFICER PANEQUE: 14
7 percent.

8 COUNCIL MEMBER RESTLER: That was working
9 hours, not percent of hires?

10 CHIEF PROCUREMENT OFFICER PANEQUE: Hires.
11 We can get back to you specifically on...

12 COUNCIL MEMBER RESTLER: Your numbers for
13 '21 as the 20 percent figure you raised, is that for
14 hires or is that for working hours or for both?

15 CHIEF PROCUREMENT OFFICER PANEQUE: It's
16 for hires.

17 COUNCIL MEMBER RESTLER: For hires. So the
18 change that they made to working hours, what was the
19 percent there for 2021, whatever the most recent
20 year's data is?

21 CHIEF PROCUREMENT OFFICER PANEQUE: We are
22 currently in the process of HUD defining the..

23 COUNCIL MEMBER RESTLER: Because you said
24 that you were at 20 percent but you were at 20
25

1 percent of hires, but you said that the goal was 25
2 percent which is for working hours. I have to say,
3 and I want to point this to the Mayor's Office, time
4 and again we have this testimony that includes zero
5 data. There is no accountability that we are getting,
6 and we show up to these hearings and we ask questions
7 and we get a very hard time getting straight answers
8 on simple data questions and then we ask for followup
9 and it never comes. I'm just getting increasingly
10 frustrated as a Council Member that we are asking for
11 answers and we're not getting them. It's not just
12 today. It's time and again so I really hope that the
13 Mayor's Office can work with agencies to provide data
14 in testimony so that we can get clear answers to what
15 is going on. Do you want to try again on this one?
16 I'm sorry.

18 SHANNA CASTILLO: I just want to add in to
19 clarify that with the change to the new rule and
20 changing of the metric into labor hours, we're at a
21 grace period now in terms of our Section 3 reporting
22 to HUD and are awaiting HUD's guidance on a new
23 template for a Section 3 report that would report out
24 labor hours.

1
2 COUNCIL MEMBER RESTLER: Okay. I'll just
3 in close, if the Chairs would give me 10 more
4 seconds, please look to us as partners. We
5 desperately want to see the promise of Section 3
6 finally realized. If there are resources that we can
7 help bring to the resident training academies, if
8 there are models that are working at Riis that you
9 think that we can expand upon and bring city
10 resources to support, if there are workforce
11 organizations that we should be investing in, if
12 there are contractors that are doing their jobs, we
13 want to see clear accountability from every single
14 contractor that is contracted with NYCHA on what
15 Section 3 metrics they are hitting, every single
16 contractor, and then we want you to choose not to
17 contract with those vendors that are failing to hit
18 Section 3 metrics, we want you to take into account
19 the Section 3 metrics and their success on those
20 metrics in whether you're choosing to contract with
21 those vendors again. We need to finally treat this
22 goal as a mandate. This has to be a guiding principle
23 of the agency and of the city as a whole to employ
24 public housing residents in public housing contracts.
25 I'm sorry for getting so worked up, but this one is

1 really important and it's time we finally make it
2 right. Thank you.

3
4 CHAIRPERSON AVILES: Thank you, Council
5 Member. Council Member Brewer.

6 COUNCIL MEMBER BREWER: Thank you very
7 much. I first want to always say thank you to Brian
8 Honan because I know that he's well-known to
9 everybody but he's very helpful.

10 In terms of parking lots, I know that's
11 something that's not on everybody's agenda but at
12 Wise Towers, it is now, I have to say unfortunately
13 PACT RAD, but the parking lot is still NYCHA, and I
14 have nothing but complaints constantly from residents
15 so how was that contract, LAX Parking Services, there
16 are problems with I paid, my car still got a boot,
17 why. Getting information is very difficult. What's
18 the status with LAX and why are they the vendor and
19 what's their history?

20 CHIEF PROCUREMENT OFFICER PANEQUE:
21 Council Member, we'll get back to you on that detail
22 on that contract. I apologize. I don't have that with
23 me.

24 COUNCIL MEMBER BREWER: Okay, just
25 generally, parking lots, how does that work? Is that

1 run by an outside vendor generally or is it you
2 directly?

3
4 CHIEF PROCUREMENT OFFICER PANEQUE: I
5 believe the vendors are managed by our Finance
6 Department, but I'll get you that detail and that
7 background.

8 COUNCIL MEMBER BREWER: Okay. Number two,
9 I want to follow up on the Council Member about
10 sanitation. My understanding is, because it's
11 improved, after 40 years I know when it's better, but
12 my understanding is that between you and Department
13 of Sanitation, there are going to be bins and other
14 ways of doing sanitation. Can you comment on that
15 because that's a big issue obviously. Forget the
16 chutes. That's another story but just on the ground,
17 are there going to be differences in how garbage is
18 collected on the ground?

19 EVA TRIMBLE: Good morning, Council
20 Member. Are you asking about how we break up between
21 our staff and vendors in doing sanitation?

22 COUNCIL MEMBER BREWER: My understanding
23 from the Department of Sanitation is there's going to
24 be a different way of making sure that it's not in
25 bags on the street.

1
2 SHAAN MAVANI: Council Member, we can
3 provide you full details on that, but there's a
4 number of innovative pilot projects that we've tried
5 to design with DSNY that are part of the housing plan
6 of the city to do exactly what you're saying, to
7 pilot different types of bins or smart bins at NYCHA
8 sites to get the bags off of the curb, and we would
9 work with DSNY to develop out a model that could be
10 scaled up more broadly.

11 COUNCIL MEMBER BREWER: Okay, it's a semi-
12 contracting issue so I don't want to belabor it, but
13 I'm just saying it's a huge issue. Now, the
14 scaffolding, there's questions about Amsterdam and
15 the worker who fell because of the lack of I would
16 say safety precautions and training from the
17 contractor. With these endless contracts that are
18 doing major, major repairs, I just looked at the
19 website that you mentioned, it's okay, if you could
20 ask me I could give you some improvements. It's not
21 real-time, you mentioned playground, if a development
22 has four playgrounds and it says playground how in
23 the hell are you supposed to know which playground it
24 is, use it by its name, something more specific
25 because if you're a resident, I don't know that

1
2 you're going to or any of us are going to know what
3 it is specifically, and I know the timeframes are
4 off. You've got to update it on a regular basis. The
5 question is with these contractors for like Amsterdam
6 Houses how does one know when it's going to end, how
7 does one know what the constant work schedule is,
8 etc. In this case, you know me, I'm on top of
9 everything. Rosalba Rodriguez from my office knows
10 everybody everywhere and so she follows up, but how
11 does one know, for residents keeping up to date how
12 long that it's going to take, what's the process for
13 information? That's a major, major contracting.

14 SHAAN MAVANI: Sure. Thank you so much for
15 the question. Around our capital projects, throughout
16 the capital project, we have regular touch points
17 with residents along with other stakeholders,
18 property staff, etc. from the initial kickoff through
19 the design and then especially when we get closer to
20 construction. As a standard, we have a pre-
21 construction meeting involving the tenant association
22 leadership are invited, we have a construction
23 kickoff, again that involves residents, and then we
24 hold a biweekly meeting during any construction
25 activity where, again, we invite the tenant

2 association, relevant property staff, and others to
3 go through what is coming up the next two weeks, any
4 type of concerns there are, any type of issues there,
5 how those can be best addressed by the different
6 contractors that might be on site.

7 COUNCIL MEMBER BREWER: Okay. I guess with
8 Amsterdam Houses, if somebody could get back to us
9 about the status. I mean obviously it's endless, it's
10 major, it's huge, it's rats, it's everything, and it
11 could be better.

12 Finally, the issue that was brought up
13 earlier. I know that you have to reject lower bids
14 because they come in way over estimates. You heard
15 this earlier, you're improving, but is it something
16 though that you have to pick the lower bids.
17 Obviously, we've had this conversation about other
18 contracts in other agencies, but is that something
19 that's necessary because obviously the lower the bid,
20 you often get lower quality so is this necessary, why
21 does it happen? Help me with the bid process because
22 that seems to be the major complaint. The person
23 who's doing the contracting in the building is lousy
24 and I just assume because they get the lower bid and
25 that's a problem. What's the status with trying to

1 find, I know a lot of people don't want to bid with
2 NYCHA, I have lots of friends, they won't touch NYCHA
3 because they're afraid they're not going to get paid,
4 they don't want to deal with you, etc. How do you get
5 better contractors? You pay them more and obviously
6 you pay them on time so what's the status with that
7 issue of lower bids getting lower contractor quality?
8

9 CHIEF PROCUREMENT OFFICER PANEQUE: It is
10 a legal requirement, the PEG to the governmental
11 estimate, that's something that's always a challenge.
12 We'll provide you with that site as to the law.

13 COUNCIL MEMBER BREWER: When you say legal
14 requirement, city, state, or federal?

15 CHIEF PROCUREMENT OFFICER PANEQUE:
16 Unfortunately, I don't have it on the top of my head.
17 I'll get you that particular legal site.

18 COUNCIL MEMBER BREWER: Wouldn't that be
19 something that you would fight against because
20 doesn't that end up with a quality issue?

21 CHIEF PROCUREMENT OFFICER PANEQUE: It
22 would be. That in addition to requirements for
23 example of the cap of five-year contracts so we can't
24 really monetize the value of work and performance
25 over a larger period. That benefits vendors as well

1 as us as an agency. There's a number of constraints
2 that...

3
4 COUNCIL MEMBER BREWER: Okay, those
5 constraints seem to be the heart of the problem that
6 NYCHA has to advocate to change. Am I right about
7 that?

8 CHIEF PROCUREMENT OFFICER PANEQUE: You
9 are correct, Council Member.

10 COUNCIL MEMBER BREWER: Okay. Forty years,
11 you kind of learn just a few things. Finally,
12 Harborview, I know it's not a contract issue, for
13 God's sake, hire Trinity out of Boston, hire Phillip
14 and build the 100 percent affordable housing at
15 Harborview. Everybody wants it. It's a mandate of
16 Hudson Yards. I voted for it. I negotiated it.
17 Harborview, Trinity, the RFP is out, secured and
18 done. Thank you very much.

19 CHAIRPERSON AVILES: Thank you, Council
20 Member Brewer. I'd like to follow up on the situation
21 with Amsterdam Houses where we know on April 30,
22 2021, a worker fell 30 feet after stepping on a
23 rotten scaffolding plank. After the fall, the worker
24 was taken to a nearby hospital, and, according to
25 news reports, (INAUDIBLE) failed to show DOB that the

1 worker was adequately trained. Can you tell us what
2 oversight NYCHA does conduct when a contractor is
3 actually awarded a contract and does NYCHA vet
4 contractors and subcontractors in particular before
5 they get hired?
6

7 CHIEF PROCUREMENT OFFICER PANEQUE: Prior
8 to award, we obviously go through a vendor
9 responsibility process. We work collaboratively with
10 DOI and our Inspector General to do a vendor name
11 check. They go through a number of different city,
12 state, and federal resources to identify issues that
13 may preclude award with respect to responsibility
14 first and foremost. Secondly, on an ongoing basis, we
15 look to monitor performance. That cadence depends
16 upon the programmatic area and the subject matter of
17 the particular contract and the vendor. In addition
18 to that, we're looking to implement additional tools
19 like I mentioned in my testimony, Dun and Bradstreet,
20 as a supplier risk tool and putting those sorts of
21 tools enterprise-wide in order to mitigate risks and
22 what have you.

23 CHAIRPERSON AVILES: Through that process,
24 is the same person moving a contract through these
25

2 various processes or are these moving to different
3 departments?

4 CHIEF PROCUREMENT OFFICER PANEQUE: That's
5 a good question. As part of the reorganization and
6 reengineering, we're looking to consolidate a lot of
7 that sort of policy and process and function in a
8 hybrid format where the subject matter experts stay
9 within the particular programmatic areas but still be
10 able to manage things consistently across the whole
11 agency. As I mentioned in my testimony, we're
12 training our buyers to be end-to-end so that they're
13 responsible from the determination of need once we
14 receive that until contracts are issued.

15 In regards to vendor responsibility and
16 ethics and what have you, we do have a separate unit
17 that works with our DOI and OIG partners to ensure
18 responsibility. That bifurcation, for lack of a
19 better word, does present a good opportunity to
20 ensure that vendors are being evaluated for
21 responsibility separate and apart from those
22 particular needs of a procurement or of the
23 programmatic staff.

24 CHAIRPERSON AVILES: How often are job
25 sites inspected that are contracted out? Obviously, I

1 know they vary in scale and that's a harder question,
2 but how often are they inspected?

3
4 SHAAN MAVANI: Chair Aviles, you are
5 referring to our capital projects work?

6 CHAIRPERSON AVILES: Yeah, we can start
7 there.

8 SHAAN MAVANI: Sure. We have a full-time
9 on-site independent party overseeing the construction
10 work. That could be our internal staff or, in very
11 large, complex projects, we could procure what's
12 called a construction manager who acts as NYCHA's
13 daily kind of eyes and ears on the site to monitor
14 everything that the contractors are doing in terms of
15 safety, quality of work, and other components. In
16 addition to that daily presence throughout the
17 construction period, we do independent spot checks.
18 We have an independent Safety and Quality Inspection
19 Team that selects sites and goes out and does an
20 independent spot check on safety issues, on any type
21 of quality issues. They issue deficiency reports to
22 the contractors, and we track resolution to ensure
23 that those are resolved in a timely manner related to
24 safety or quality. In addition to that, our project
25 managers also make site visits to the site as well as

1 we have field supervisors who are experts in field
2 work who go out from NYCHA directly and inspect
3 what's happening on the construction site, meet with
4 our property staff, with our residents to understand
5 if there's any concerns or issues. Those are the most
6 focused layers of oversight we have on the
7 contractors, and there are additional components that
8 we've talked about earlier around other independent
9 bodies. Our compliance function plays a role in doing
10 one additional level of oversight of capital work as
11 well.
12

13 CHAIRPERSON AVILES: In terms of, kind of
14 walk me through how an independent, I guess the
15 construction manager is going to, you have a
16 contractor who has a contract of doing work at
17 multiple developments but it doesn't stipulate
18 exactly where the contractor is going to be on what
19 particular day, how is NYCHA managing to do that?

20 SHAAN MAVANI: Sure. Even where our
21 contractors may be under a contract to work at
22 multiple developments, which is I believe relatively
23 limited in our portfolio, they would be assigning a
24 specific team to the work at each development to
25 typically be there full-time doing that work. Our

1 construction management teams would also be different
2 teams at each of those sites typically overseeing
3 that work on a day-to-day basis, ensuring that
4 whatever staff are there underneath that contractor
5 are following the different policies and procedures
6 we have in place.

8 CHAIRPERSON AVILES: The contractor is
9 reporting back to NYCHA on a daily basis where it's
10 going to be spending its days?

11 SHAAN MAVANI: Sure. Sorry. I didn't
12 answer that part of your question. On at least a
13 biweekly basis, we have a specific meeting to look at
14 a two-week look ahead schedule, which is typical in
15 the construction industry, where the contractor has
16 to provide a view on all of the activities in the
17 next two weeks at that site, the staff that will be
18 there, and our construction manager and our teams
19 will scrutinize different aspects of that look-ahead
20 to ensure that everything is managed and coordinated
21 well. We get that visibility more formally on a two-
22 week basis and that's where we also include the TA
23 leadership and others to get that visibility if
24 they'd like to join those discussions, but then on a
25 daily basis we are then monitoring that they're

1 actually following that schedule and the different
2 things that have been planned and agreed.

3
4 CHAIRPERSON AVILES: In terms of resident
5 engagement, where are the residents in this process?

6 SHAAN MAVANI: Sure. As I mentioned a bit
7 earlier, our resident leadership at each site is
8 involved from the beginning of a project in a number
9 of different ways. On a project-specific basis, our
10 Project teams will typically do a project kickoff
11 with the Development staff and the resident
12 leadership. We may be invited to a resident meeting
13 to present about the project and discuss with the
14 Board of resident population. Throughout the design
15 phase, the majority of projects will include a number
16 of different resident touchpoints, inputting to
17 different aspects of the design, the locations, the
18 scope, and, in certain types of projects, very
19 specific sign-offs from residents so, for example,
20 location of CCTV cameras around the campus and things
21 like that would go through a resident sign-off
22 process before the design is finalized. During the
23 construction phase, I think I highlighted earlier a
24 number of the touchpoints from the preconstruction
25 meeting, the construction kickoff and then the

1 invites include the resident association leadership
2 in these biweekly construction meetings for any sort
3 of visibility that would be helpful for them. In
4 2021, we revamped our stakeholder engagement approach
5 for capital projects and released that formally, and
6 we're in the process of now reviewing that, about
7 what we've learned since then to again revamp and
8 provide increased resident engagement opportunities
9 wherever we can.
10

11 CHAIRPERSON AVILES: In terms of, we get
12 all the feedback from the residents as does NYCHA,
13 they are the eyes and ears on the ground throughout
14 the developments and they have quite a lot to say
15 about contractors. One of the more repeated
16 incidences that I've heard is that NYCHA employees
17 will send them to complain to the contractors. What
18 is the policy around receiving resident feedback, how
19 is it catalogued, and how does NYCHA incorporate that
20 into its day-to-day monitoring and assessment of a
21 contractor?

22 SHAAN MAVANI: Sure. In general, our
23 procedure is not for residents to provide that
24 feedback to a contractor directly given potential
25 safety concerns about going in the construction area

2 and things like that. The construction manager I
3 mentioned earlier, who is a NYCHA staff or could be a
4 contractor who's playing that day-to-day oversight
5 role, is the typical point of contact for residents,
6 similarly for our own property managers to raise any
7 issues or concerns and ensure that they're resolved
8 effectively. Typically, resident concerns or issues
9 would be submitted either during these biweekly
10 meetings that we've talked about. We do normally ask
11 our resident leaders to provide them by email so that
12 we can track and ensure there's always good followup
13 with the construction managers. Where issues are not
14 resolved on a timely basis, they are typically
15 escalated by the property managers to our central
16 project managers who are also overseeing the projects
17 and the contracts, and they will then get more
18 involved and help to resolve any type of issues that
19 may be beyond the capacity of the construction
20 manager or the property manager or others on-site to
21 resolve directly. We also have a team who goes out
22 and does regular visits at each site to understand
23 challenges or concerns that the property staff or the
24 resident leadership feels around any of the capital
25 projects that may be happening there. This is

1 something that we've introduced a few months back and
2 we're now ramping up as another checkpoint to find
3 what type of more strategic or other types of issues
4 residents are facing that relate to capital work that
5 we could do a better job of dealing with. We also
6 take resident inquiries via the Capital Projects
7 Tracker that I highlighted earlier. We get emails
8 that come in from residents. We address them and
9 track them and ensure that they are answered and the
10 issues are resolved, if that requires just a written
11 answer or referral to the Project team to do
12 something at the site differently or to go have a
13 resident meeting or something like that.

14
15 CHAIRPERSON AVILES: How much engagement
16 are you getting through the resident (INAUDIBLE)
17 tracker?

18 SHAAN MAVANI: I don't have that data at
19 hand, but that's definitely something we can provide
20 to you.

21 CHAIRPERSON AVILES: I'd also just love to
22 know kind of the scale and scope of inquiries you've
23 received from residents, either in the form of
24 complaints or happiness with work being done. Council
25 Member Won.

CHAIRPERSON WON: I just want to
acknowledge Council Member Sandy Nurse, Council
Member Linda Lee, and Council Member Rafael Salamanca
who have also joined us. Thank you for joining us.

I have a followup question about third
party vendors. Can you provide a breakdown of what
type of jobs are outsourced to the contractors?

CHIEF PROCUREMENT OFFICER PANEQUE: Thank
you for the question, Council Member. I'll just get
that information for you.

CHAIRPERSON WON: I'm asking what is
outsourced to determine how NYCHA figures out when
they should hire more third-party vendors or hire
more NYCHA staff.

EVA TRIMBLE: Hi, Council Member. I can
answer that question as it really it involves a
determination of resource allocation, as you put it
when do we hire, when do we contract, and really the
most efficient is for us to always have a balance of
the two and so, for example, as part of our
transformation plan efforts in the last few budgets,
we have increased NYCHA staffing significantly to
support our transformation programs. As I mentioned
work order reform before and decentralizing our

1 skilled trades down to the development level, that
2 required significant staffing. We hired over 450 new
3 skilled trades across the city for all of our sites
4 over the last year. In addition, we're hiring about
5 150 new caretakers to perform janitorial work across
6 our sites so that's one of the most significant
7 investments in staffing that we've made in the last
8 few years. However, that's not enough. It's what we
9 could afford budgetarily, but we also still require
10 the use of outside vendors from time to time
11 depending on emergencies or the severity of
12 situations or even just to operate most efficiently.
13 Those decisions are made on a case-by-case basis as
14 they are needed by the development. One example I'll
15 provide is plumbers so based a City Council law
16 passed a few years ago, gas stoves require a gas
17 license from plumbers for installation. Our plumbers
18 are very busy dealing with major leaks and plumbing
19 issues in our buildings and so we very often contract
20 out with gas-qualified plumbing vendors in order to
21 respond to stove installations in order to allow our
22 plumbers to stay focused on leak issues so that's
23 just one example of how we balance between an
24 outsourcing decision and a staffing decision.
25

1
2 CHAIRPERSON AVILES: Thank you. We are
3 always happy to hear that there's an addition of
4 staffing because it is a serious need, particularly
5 on the caretaker. What is the total number of
6 staffing in terms of skilled trades that are
7 currently part of NYCHA and also caretakers? What's
8 the total?

9 EVA TRIMBLE: I'll get back to you with
10 that staffing breakdown.

11 CHAIRPERSON AVILES: Okay. What is the
12 total spending for third-party contractors by NYCHA
13 this past fiscal year?

14 CHIEF PROCUREMENT OFFICER PANEQUE: We'll
15 have to get back to you in particular to that. As I
16 mentioned in the prior question, our contracting
17 budget is approximately 2.1 billion dollars. In
18 regards to some third-party contractors, structural
19 brick work, electrical, plumbing. In regards
20 professional services, we're looking at 152.9 million
21 year-to-date.

22 CHAIRPERSON AVILES: Are these contracts
23 available for public review?

24 CHIEF PROCUREMENT OFFICER PANEQUE:
25 They're on the Comptroller's Checkbook.

CHAIRPERSON AVILES: Okay, thank you. Has NYCHA conducted a cost-benefit analysis for a municipality worker versus private contracting labor force? If so, can you share a copy of the report?

CHIEF PROCUREMENT OFFICER PANEQUE: NYCHA does not do a cost-benefit analysis, but it does charge the developments, the AMPS, for skilled trade time on a fee-for-service basis and as part of the HUD asset management requirement, HUD is who determines market reasonableness, and just last year we finished that review and we can provide that information to you.

CHAIRPERSON AVILES: Great. In terms of poor work from contracts, has NYCHA ever recuperated money for poor work from contractors?

CHIEF PROCUREMENT OFFICER PANEQUE: We do submit claims to our Law Department for either clawbacks or whatnot as an element of our process.

CHAIRPERSON AVILES: Do you have a sense of what percentage of the contracts NYCHA has pursued in claims?

CHIEF PROCUREMENT OFFICER PANEQUE: I do not. We can get back to you with that information.

CHAIRPERSON AVILES: In terms of
Queensbridge Houses, where a contract was issued to
replace an intercom system, and upon project
completion the residents still don't have a working
intercom. Can you talk to us about that?

CHAIRPERSON WON: The contract is with
Verizon.

EVA TRIMBLE: I'm aware of some of the
Queensbridge contract issues in regards to the
intercom. I'll have to confirm with you about the
Verizon interplay there. I was told a different
vendor name, but we can get back to you confirm. I
know that we are having conversations about how to
actually solve that problem on the intercom and what
additional hardware that I think may be needed to
finish that project and bring the intercoms back into
service.

CHAIRPERSON WON: Who should I be speaking
to make sure that this project has been resolved?
It's been years now.

EVA TRIMBLE: We can speak directly
offline and continue that conversation.

CHAIRPERSON WON: Okay. Thank you.

2 CHAIRPERSON AVILES: In terms of poor
3 contractors again, how is the agency verifying
4 whether contractors are barred in other agencies? Are
5 you using the same system and how is that verified?

6 CHIEF PROCUREMENT OFFICER PANEQUE: We do
7 subscribe to the PASSPort system from a vendor
8 responsibility standpoint and then we are constantly
9 evaluating our vendor performance and what have you.
10 We are starting to develop new tools to make that a
11 continuous process, just not at the point of award
12 but on an ongoing basis. As I mentioned earlier, the
13 Dun and Bradstreet supplier risk tool and so forth,
14 more of the integration of these tools is going to
15 help us manage our vendors better.

16 CHAIRPERSON AVILES: In terms of obviously
17 you have your own system but you are integrating or
18 are capable to use PASSPort, are you ensuring that
19 when you have a poor experience with a contractor it
20 is making it into PASSPort and vice versa? The reason
21 why I ask is because I've talked to actually several
22 laborers who are often mystified that certain
23 contracts are being used at NYCHA when they are not
24 working with other city agencies, and how does that
25 slip through the cracks?

2 CHIEF PROCUREMENT OFFICER PANEQUE: I
3 can't speak to those particular instances. I do want
4 to say that working collaboratively with Operations,
5 we're trying to create a better feedback loop as it
6 relates to our vendors and ensure that those quality
7 issues are addressed contemporaneously with poor
8 performance and either the vendor cures accordingly
9 or we need to cancel that contract or clawback
10 anything that's undue, but that feedback loop is
11 very, very important from a procurement standpoint, a
12 contract management standpoint.

13 CHAIRPERSON AVILES: I'd definitely like
14 to understand the percentage of contracts that are
15 canceled and/or that are pursued legally and/or that
16 NYCHA is pursuing clawbacks on.

17 CHIEF PROCUREMENT OFFICER PANEQUE: We'll
18 get back to you with that data. Thank you.

19 CHAIRPERSON AVILES: In terms of micro
20 purchase contracts, obviously we understand that
21 these are contracts that hopefully are afforded more
22 flexibility so they can move through the system and
23 get the work moving more quickly. How is the vetting
24 process for these done given the number of people
25 that manage those?

CHIEF PROCUREMENT OFFICER PANEQUE:

Vendors at that level do not go through a PASSPort check. We're addressing those issues now. Part of the purpose of putting Dun and Bradstreet in place is to start to evaluate these vendors on a pre-qualifications basis, and we will be looking over the course of the next year of doing a PQL for all vendors doing business with NYCHA so that we at least do an initial review of these vendors and we know who they are. That's first and foremost. Also as it relates to micros, and as you can see in our trend of spend, we're trying to reduce the number of micros that are done at the Operations level. It's important for Operations to be able to focus on meeting the needs of the residents as opposed to doing an administrative function that should be done by Procurement and Purchasing. In order to meet that goal of ours, what's important is to create a robust portfolio of contracts where the needs of the developments are clearly cross-walked to the providers of resources and services in order to meet those needs. The gaps now are great to the point that then developments are required to do micro purchases so we have seen a decrease of over 50 percent of the

1 use of micro purchases in the last year that we've
2 gone to more of this model, but there's still much
3 more to do.

4
5 CHAIRPERSON AVILES: Are developments
6 given specific allotments around micro purchasing?

7 CHIEF PROCUREMENT OFFICER PANEQUE:
8 They're provided a threshold. Developments are
9 allowed a threshold of up to 5,000 at the development
10 level for micro purchases. Micro purchases up to
11 10,000 then are required to be approved by the, I
12 believe, Borough Vice President and by Procurement,
13 but up to 5,000 it provides a level of discretion.

14 CHAIRPERSON AVILES: That's the contract
15 value, but is there a threshold in terms of Red Hook
16 Houses a threshold of 100,000 dollars in micro
17 contracts?

18 CHIEF PROCUREMENT OFFICER PANEQUE: That's
19 across the enterprise, across all developments.

20 CHAIRPERSON AVILES: So it's 5,000 per
21 development for micro contracts? I'm sorry if I'm
22 misunderstanding.

23 CHIEF PROCUREMENT OFFICER PANEQUE: Per
24 contract, per order.

CHAIRPERSON AVILES: So Red Hook Housing
has an allotment of 5,000 dollars?

EVA TRIMBLE: Do you want me to jump in
and clarify.

CHIEF PROCUREMENT OFFICER PANEQUE: Yeah.
I'm sorry. I apologize.

EVA TRIMBLE: I think what you're asking
so what Sergio is responding to is the threshold for
a micro purchase is 5,000. The individual budget of
the development is set by Finance based on HUD rules
as Sergio mentioned before through the Asset
Management Program of what the development budget is
based on their rent collection and their units. It
depends on the budget of the development how much
they decide to spend for micro purchases versus
larger purchases versus equipment, supplies, other
things. The development works that out with Finance
so it's a budgeting question.

CHAIRPERSON AVILES: Where would we find
that information around what are those estimates per
development?

EVA TRIMBLE: I will discuss with Finance
and get back to you about the budgets for the
individual developments.

2 CHAIRPERSON AVILES: Great. Part of the
3 question is trying to figure out how it relates
4 obviously to the actual needs. We have a PNA that
5 seems to be a nice estimation but certainly doesn't
6 capture true needs so we're trying to figure out how
7 are these allocations distributed across a portfolio
8 in serious need.

9 EVA TRIMBLE: Absolutely. The individual
10 development budgets are negotiated with Finance, and,
11 again, they're also negotiated mid-year as things
12 come up, if there are additional needs that need to
13 be made, so for example if there's a fire and the
14 development needs additional funding for cleaning in
15 order to respond to that fire, things like that.
16 Finance works with the development in order to modify
17 budgets in order to make funding available for them
18 to then bring in a vendor to clean up after a fire.

19 CHAIRPERSON AVILES: Great. I would love
20 to see what determinations have been made for the
21 developments across the portfolio. Thank you.

22 I'd like to acknowledge Council Member
23 Salamanca.

1
2 COUNCIL MEMBER SALAMANCA: Thank you,
3 Madam Chair. Good afternoon. Thank you for being here
4 in this hearing today.

5 I represent the South Bronx. I have about
6 19 NYCHA developments. In my last numbers, I think to
7 fix all of my NYCHA capital needs, a few years back
8 we were at 800 million dollars, just for my Council
9 District alone. I've allocated funding to NYCHA.
10 NYCHA has taken forever to get things done. I've
11 actually recommended to my Colleagues not to give
12 NYCHA any capital dollars until you guys get your act
13 together. I'm going to be leaving office in 3-1/2
14 years, and some projects that I funded are still in
15 procurement process. I would like to know if you can
16 give me an understanding, if you can break down the
17 procurement process. Why does the procurement take so
18 long to be completed? If you can just give me a quick
19 30 seconds exactly what is procurement for NYCHA?

20 CHIEF PROCUREMENT OFFICER PANEQUE: In
21 regards to capital or in regards just generally
22 speaking?

23 COUNCIL MEMBER SALAMANCA: In regards to
24 capital.

2 SHAAN MAVANI: Sure. Thank you, Council
3 Member Salamanca. Basically at the end of the design
4 phase for a typical project we will create a bid
5 document that goes out for the procurement. That bid
6 document has to go through a number of steps to be
7 publicly released and available for contractors to
8 bid. The way our system is set up, once contractors
9 bid, we get those bids in. If they're found to be
10 responsive, they've met all the documentation
11 requirements and other aspects, we typically, as we
12 discussed earlier, in most of the project cases are
13 mandated to select the lowest bid and then to award
14 to that contractor. In our documentation, when we
15 talk about the procurement phase, there's a number of
16 additional steps that happen after we select the
17 lowest cost or preferred contractor depending on the
18 size of the contract that may have to go through a
19 Board approval. At the same time, there would be the
20 vendor responsibility check done by DOI that my
21 Colleague referred to and a number of processes until
22 we get to the point of actually executing the
23 contract. When it is a city-funded contract, we have
24 the additional steps that come around the submission
25 to OMB for the OMB approval and then, subsequent to

1 receiving the certificate to proceed, we submit to
2 the Comptroller for Comptroller registration. Once
3 all of that is done, we consider that the end of the
4 procurement phase and move to construction.
5

6 COUNCIL MEMBER SALAMANCA: What's the
7 timeframe for this process? Do you guys have a set
8 timeframe, just like in Land Use, when we do a ULURP
9 it goes through different phases but Community Board
10 has 50 days, Borough President 50 days, what's your
11 timeframe?

12 SHAAN MAVANI: Sure. Yes, we have detailed
13 timeframes for each of those steps. The major point
14 of the procurement, the bid package to receiving the
15 bids and selecting is typically, given the size of
16 our projects, 90 to 120 days but can vary if they are
17 much smaller or much larger. Then the processes
18 around vendor responsibility, vendor name check, the
19 Board approval and all of that typically takes
20 another three to four months, 90 to 120 days, and
21 where it's a city-funded project that requires city
22 approvals, the process that we go through preparing
23 packages, submitting, iterating with city agencies
24 and getting through the approval process during the
25 construction procurement can take anywhere from three

1 to six months. Altogether, we typically budget about
2 a year for that procurement phase.
3

4 COUNCIL MEMBER SALAMANCA: So one year
5 just for procurement, all right, let's keep that in
6 mind. Talk to me about your design phase. If you can
7 give me a breakdown, how does that work?

8 SHAAN MAVANI: Sure. The design phase can
9 vary significantly based on the scope of work. We
10 budget in some small projects four months for design.
11 In larger projects, typically our standard is a 12-
12 month design phase, and in extremely large projects
13 it can extend beyond that or extremely complex
14 projects. The design phase is structured like any
15 other capital entity in the industry with a set of
16 number of design milestones around conceptual design,
17 25 percent design, 50 percent design, up through
18 construction documents and then the final design
19 documents and any type of approvals and things that
20 are required.

21 COUNCIL MEMBER SALAMANCA: How long does a
22 design phase take? You say about a year?

23 SHAAN MAVANI: Yeah, our standard baseline
24 without knowing the scope would be to assume about a
25 year.

1
2 COUNCIL MEMBER SALAMANCA: All right, so
3 one year design phase, one year procurement so that's
4 two years in to get things done. Does NYCHA plan on
5 consolidating this process to make it much faster?

6 SHAAN MAVANI: Yeah, we have a number of
7 efforts underway to streamline where we can. I would
8 say that those one-year design and procurement phases
9 from what we've seen talking to other city agencies
10 are relatively standard, if not at the lower end.

11 COUNCIL MEMBER SALAMANCA: How many
12 designers do you have on staff?

13 SHAAN MAVANI: Our Architecture and
14 Engineering Services function that I oversee, we can
15 get back to you on exact numbers, but has between 50
16 and 60 engineers and architects.

17 COUNCIL MEMBER SALAMANCA: About 50 or 60
18 engineers and architects. Madam Chair, may I ask one
19 more question? I know my time expired. One of my
20 NYCHA developments that I am keeping a close eye on
21 is the Stebbins-Hewitt consolidated. A few years
22 back, the previous Speaker, I was going to allocate
23 some funding to cover, the issues that they're having
24 at Hewitt-Stebbins is the heating, the boilers, and I
25 know that that work was done, but the windows, the

1 air, the draft coming in and out, I wanted to
2 allocate funding and NYCHA said Council Member,
3 allocate that funding elsewhere, we're planning on
4 adding Stebbins-Hewitt to the RAD program. I said
5 okay. Moving forward, now it seems that this
6 development is part of what's called the PACT Round
7 10. Am I saying that correctly? We had a major
8 meeting last year with NYCHA, my tenants, about 125
9 units that were frozen, air coming in and out of the
10 windows, and NYCHA said now it's going to be part of
11 the PACT Round 10, this work will be done, it's
12 estimated anywhere between 3 million to 3.2 million
13 dollars. Winter's coming and the work still has not
14 been done. Can you give me a timeframe as to what can
15 I tell my constituents now that they're going to
16 suffer another cold winter in their apartments?

18 SHAAN MAVANI: Sure. I think we can come
19 back to you on the exact dates for the closing and
20 the construction process for that PACT conversion
21 later today along with our other responses from this
22 hearing.

23 COUNCIL MEMBER SALAMANCA: Okay. I look
24 forward to hearing from NYCHA on this. Thank you,
25 Madam Chair.

CHAIRPERSON AVILES: Thank you, Council Member. I'd like to go back to the micro contracts if you will. Given the flexibility again, and obviously there's no procurement process, but what is the expectation in terms of how those contracts are evaluated and where are those evaluations held?

CHIEF PROCUREMENT OFFICER PANEQUE: The evaluations are held at the programmatic level. Again, as I mentioned before, we're trying to reduce the number of micro purchases that are done at that level because that's not their particular expertise. We're also going through, again, the process for determining what the needs are for the coming year at which then we'll identify those gaps and also cross-walking those needs to those particular resources in the developments. Our hope is to really in the end hang a sign on the supervisor's door that says no more solicitation because that's really the issue here. There are folks that just don't really understand the way to manage these sorts of contracts.

CHAIRPERSON AVILES: I appreciate that it has decreased significantly and you're developing a better tracking mechanism and it is a place that we

1 have a seen a good amount of corruption occurring in
2 and was wondering, I guess amidst these changes how
3 NYCHA is keeping an eye on that possibility, like
4 what mechanisms have been put in place to ensure that
5 this is not a gap.
6

7 CHIEF PROCUREMENT OFFICER PANEQUE:

8 Forecasting is key to that.

9 CHAIRPERSON AVILES: I guess shifting a
10 little bit onto labor. How does NYCHA verify wages
11 that are being paid on a contract?

12 SHAAN MAVANI: Sure. In terms of our
13 capital contracts, historically what we've done is
14 that with the monthly or regular invoice submission,
15 one of the roles that our project managers play in
16 addition to what our Chief Procurement Officer
17 explained earlier around Section 3 compliance reviews
18 is also looking at prevailing wage compliance with
19 that invoice review so with the certified payrolls
20 and the other information we receive before we sign
21 off an invoice processing request, our staff have to
22 review all of that. We recently implemented an
23 automated system that's used throughout the country
24 by government agencies to do that prevailing wage
25 assessment and compliance review in a more automated

1 structured way to ensure that we have a very
2 standardized process and timelines to do those
3 reviews, but all of our invoices from contractors go
4 through that process today.
5

6 CHAIRPERSON AVILES: The automation is
7 currently fully implemented?

8 SHAAN MAVANI: Yes, we had piloted it
9 earlier this year on the capital project side. We've
10 rolled it out to all vendors several months back and
11 we're currently piloting the same software on the
12 operations contracts to be rolled out across the
13 portfolio later this year.

14 CHAIRPERSON AVILES: Has NYCHA received
15 any particular specific complaints about wage theft
16 and the payment of prevailing wage on any projects?

17 CHIEF PROCUREMENT OFFICER PANEQUE: We do
18 provide a toll-free number for employees to report
19 wage theft. For the period between 2019 and 2021,
20 we've had a total of 18 complaints.

21 CHAIRPERSON AVILES: I'm sorry. Say that
22 one more time.

23 CHIEF PROCUREMENT OFFICER PANEQUE: We've
24 had a total of 18 complaints of wage theft.
25

CHAIRPERSON AVILES: Walk me through what happens with those 18 complaints.

CHIEF PROCUREMENT OFFICER PANEQUE: I apologize. I can't speak to that.

CHAIRPERSON AVILES: Can you walk me through what happens? You receive a complaint, what happens next?

SHAAN MAVANI: Do you want me to take a stab at it?

CHIEF PROCUREMENT OFFICER PANEQUE: Yeah, please.

SHAAN MAVANI: We have an independent quality assurance function. Within that function, there is a team that's specialized in prevailing wage compliance. When a complaint is made, for example, in my area of capital, it's referred to that independent investigation function. They then meet with the claimant who's made the claim, they investigate the contract from their perspective, and then make a determination if there's been any sort of wage theft.

CHAIRPERSON AVILES: How large is the team? You walked me through certainly the oversight with construction manager and the independent spot checks, quality assurance function. How large are all

1 of these units? I'm probably conflating all of them
2 in a way that doesn't make any sense at all but would
3 love to understand how it's organized and how much
4 human power are we talking about?

5
6 EVA TRIMBLE: We can get back to you on
7 the size of the quality assurance department. That's
8 something that's in-house. I think some of the
9 construction management teams that Shaan was
10 referring to are fluid as they're part of the outside
11 vendor contracts.

12 SHAAN MAVANI: I can add to that. As Eva
13 mentioned on the quality assurance function which
14 sits outside of my area for its independence, we can
15 get back to you on the numbers of the team. In terms
16 of how many staff we have working on capital
17 projects, we can get back to you with exact numbers.
18 I oversee both our capital projects work and our real
19 estate development work so when I normally think
20 about the staff that I oversee, I'm combining those
21 in my mind, but, basically, we have somewhere between
22 around 350 headcount who are focused on our capital
23 work specifically.

24 CHAIRPERSON AVILES: Got it. If you're
25 combining them, you can only imagine the football

1 that is happening in my brain around the
2 organization. In terms of this past April, New York
3 Attorney General Tish James and the DOI Commissioner
4 Strauber announced that Lintech, an entity contracted
5 by NYCHA, would be restoring nearly 1 million in lost
6 wages to workers who were not paid the prevailing
7 wage. I understand that now Lintech will be banned
8 from New York City Public Works projects for a period
9 of five years. This threshold seems awfully low to me
10 for wage theft. What else, if anything, will Lintech
11 have to demonstrate in order to be considered again
12 for public works?
13

14 CHIEF PROCUREMENT OFFICER PANEQUE:

15 Council Member, we'll have to look into that. I mean
16 obviously through the responsibility and process
17 there's a (INAUDIBLE) onto their name and as an
18 entity and those that lead that organization. We'll
19 work with our DOI partners and whatnot to determine
20 whether or not they can do business in New York.

21 CHAIRPERSON AVILES: Okay. I look forward
22 to receiving that information. How many civil service
23 workers does NYCHA have? You'll get back to me.

24 EVA TRIMBLE: Our staffing is I think
25 somewhere between 11,000 or 12,000 employees, but

1 we'll get back to you with the exact amount and the
2 civil service of that.

3
4 CHAIRPERSON AVILES: Great, and if this
5 number can be broken down by division that would be
6 helpful.

7 EVA TRIMBLE: Yes.

8 CHAIRPERSON AVILES: Lastly, in terms of
9 M/WBES, can you speak to us about how many M/WBES
10 were hired fiscal '19, '20, and '21?

11 CHIEF PROCUREMENT OFFICER PANEQUE: I can
12 speak to the number of contracts were awarded and the
13 dollar amounts if that's what you mean. In the year
14 of 2021, I've got it so broken down, I can go by
15 micros and then smalls and large, if that's okay.

16 CHAIRPERSON AVILES: That's okay.

17 CHIEF PROCUREMENT OFFICER PANEQUE: Micros
18 in 2019, we had 8,936 with a total sum of 30 million
19 dollars, in 2020 for micros 5,748 purchase orders for
20 a total of 18.3 million, and 2021 had 4,238 with a
21 total of 16.2 million.

22 CHAIRPERSON AVILES: Can I ask you to
23 repeat that one more time?

24 CHIEF PROCUREMENT OFFICER PANEQUE: Sure.
25 Could you hold for just one second because I probably

1 have it more in a summary format and it might be
2 easier for me to share with you. I apologize. I am
3 going to have to provide you this information by each
4 of those details, I apologize, and then I will follow
5 up with a summary format. Again, I'll go with large
6 first because that's really the corpus of our spend,
7 and I would say within the last three years we've had
8 a total of 820 million dollars awarded to M/WBEs.
9 We're second on the report, the One NYC, second only
10 to School Construction Authority for M/WBE spend. In
11 addition to that, our total spend of that 820 million
12 dollars is comprised of 17 percent of our spend over
13 the last three years.

14
15 CHAIRPERSON AVILES: What are the goals?

16 CHIEF PROCUREMENT OFFICER PANEQUE: Before
17 our goals were aspirational. Now, it's a documented
18 goal of 30 percent, 15 percent female and 15 percent
19 minority.

20 CHAIRPERSON AVILES: What are the specific
21 tactics that NYCHA will be using to meet this goal?

22 CHIEF PROCUREMENT OFFICER PANEQUE: The
23 biggest thing is really looking again at what our
24 forecast is going to be for the current year. We're
25 also going to be, as I mentioned before,

1 prequalifying our vendors and through that PQL
2 process we'll be identify diversity pools that we can
3 then target depending upon the particular spend and
4 really be driving to that diversity with a good
5 corpus of understanding where our spend is going to
6 go. At that point, we can better manage how to
7 solicit and target based on our policies, M/WBE and
8 I'd be remiss if I didn't mention Section 3 as well.

9
10 CHAIRPERSON AVILES: Is this a goal for
11 the fiscal year or is this over a certain period of
12 time?

13 CHIEF PROCUREMENT OFFICER PANEQUE: That
14 goal is on a per contract basis. As we continue to
15 develop the compliance tools external to vendors,
16 we'll also start to develop compliance tools within
17 the agency where these goals then start to break down
18 into the programmatic level so each of our senior
19 leaders would understand what their budgets are and
20 then what their diversity goals are in regards to
21 their budgets. That's a long-term proposition.

22 CHAIRPERSON AVILES: Okay. Thank you so
23 much. Thank you for being so flexible. I know there
24 are a lot of questions and how we move around.

1
2 Public Advocate Jumaane Williams recently
3 released a report, *How the Other Half Lives*, and
4 among his recommendations were requesting that OMB
5 allow NYCHA to utilize the job order contract for
6 certain capital eligible contracts. What is NYCHA's
7 view of this proposal?

8 CHIEF PROCUREMENT OFFICER PANEQUE: I'm
9 not familiar with the details of the specific
10 proposal. We do currently use job order contracting
11 out of our federal funding for certain types of work
12 where that's a very effective model of public
13 procurement.

14 CHAIRPERSON AVILES: Do you use it for
15 state or local funded capital projects?

16 CHIEF PROCUREMENT OFFICER PANEQUE: I
17 would need to just confirm that and come back to you.

18 CHAIRPERSON AVILES: I would suspect that
19 the Public Advocate is talking about that in
20 particular.

21 CHIEF PROCUREMENT OFFICER PANEQUE: Given
22 that we have found those contracts to be useful in
23 certain types of work in certain contexts and to be
24 cost-effective, utilizing federal funding, I think
25 that that flexibility would provide us another tool

2 in the toolbox if available for other funding
3 sources.

4 CHAIRPERSON AVILES: Is local funding more
5 complex to deploy in terms of the capital process,
6 like is the procurement and implementation of it more
7 challenging than the federal funding?

8 CHIEF PROCUREMENT OFFICER PANEQUE: Yeah,
9 there are mainly two areas where it adds complexity.
10 We've talked already about the additional approvals
11 that are required and the process used in procedures
12 around those. As part of that process, there is a
13 capital eligibility assessment that can restrict
14 where capital funds can be used, and, in general,
15 that is more restrictive than what is required at a
16 federal or state level.

17 CHAIRPERSON AVILES: Great. Well, we would
18 be supportive of anything that's going to help us
19 move these capital projects and particularly the
20 spending at the city and state funded projects which
21 we know is pretty appalling.

22 I will turn it over to Council Member
23 Brewer.

24 COUNCIL MEMBER BREWER: Just a quick
25 question, and I don't know the answer at all. One of

1 the challenges, not your fault, is that you have a
2 federal emergency voucher, and I don't remember, it's
3 17 or 14 percent of them are used because it's hard
4 for many reasons to get the owners to take those
5 vouchers. Without getting into that, is it all in-
6 house that is the effort to make possible these
7 vouchers for New Yorkers or is there an outside
8 company that's helping to do that because one of our
9 biggest challenges right now is getting these
10 vouchers used with federal money sitting in a pot
11 and, if you look at a spreadsheet, it says oh my
12 goodness, we haven't spent all this federal money but
13 it's because we can't use the vouchers. Is that
14 something that is all in-house or is there contract
15 associated with trying to figure this problem out? I
16 don't know the answer and I don't know what the right
17 answer is, but I do know we have a problem.

18
19 EVA TRIMBLE: I will confirm with our
20 Leased Housing Division. I believe they're managing
21 directly the allocation of the emergency housing
22 vouchers. I know that they have added staff in order
23 to handle that program, but I am not sure if they've
24 also brought on any organizations to help with the
25

1 resident search and outreach, but we will confirm and
2 get back to you.
3

4 COUNCIL MEMBER BREWER: Thank you.

5 CHAIRPERSON AVILES: Thank you, Council
6 Member Brewer. I think that will wrap up our line of
7 questions. Obviously, we will have a hearing this
8 Friday that will dive again into problems around
9 contracting and particular vendors, but we'll
10 specifically talk about that then. I'm a little
11 surprised that you weren't prepared to answer any of
12 those questions today or didn't anticipate that it
13 would actually come up. That is, unfortunately,
14 disappointing; however, we will have an opportunity
15 to talk about it at length.

16 I would like to thank the panel, and I
17 guess we can turn it over to public testimony.

18 COMMITTEE COUNSEL: Thank you very much.
19 At this time, we'll turn to testimony from the public
20 who are joining both in person and via Zoom. We will
21 hear from Joshua Barnett who is joining on Zoom.

22 SERGEANT-AT-ARMS: Your time will begin.

23 COMMITTEE COUNSEL: Joshua Barnett, you
24 may begin when ready.
25

1
2 JOSHUA BARNETT: Hi. Sorry. I was having
3 trouble with the link. Thanks, everybody, and thanks
4 for holding this hearing. Really appreciate it. It's
5 a vital issue. I also sent in written testimony.

6 My name is Josh Barnett, and I'm a member
7 of Local 375, DC 37 (INAUDIBLE). I'm a member of the
8 NYCHA Union Coalition, and I'm President of Chapter
9 25 Local 375 at NYCHA. I've also worked for the New
10 York City Housing Authority as an architect in design
11 department, (INAUDIBLE) Architecture and Engineering
12 Services since 1999. I also formerly worked for the
13 Boston Housing Authority, and this issue really does
14 hit home because what was described earlier really
15 doesn't describe the day-to-day process of trying to
16 get a contract out to provide services for the
17 residents or what we deal with every day in awarding
18 processing contracts is a continuing growth of
19 outsourcing, privatization, really top heavy
20 management, and an increasingly confusing and
21 changing bureaucracy to the detriment of the
22 residents and taxpayers while the main issue NYCHA
23 faces and public housing grapples with is chronic
24 underfunding at all levels of government, NYCHA
25 management's ongoing mismanagement continually makes

1
2 it worse of a bad situation and we're the ones who
3 really pay for it. We talked before about what's the
4 breakdown between outsourced contracts and at NYCHA's
5 presentation on the fiscal plan for 2022 through
6 2023, what was striking about that plan the other
7 week as always was not what was in the plan but what
8 wasn't in the plan. There was, as always, no
9 breakdown specifically of spending allocation between
10 what work and design and construction oversight or
11 anything that is performed by in-house staff versus
12 what is spent on consultants, and there's nothing, by
13 the way as admitted before, of a cost-benefit
14 analysis of keeping work in-house, no breakout of how
15 many consultants or staff augmenters are on the
16 payroll. It's nothing new. There has been some hiring
17 recently, but when I started at NYCHA in 1999 there
18 were almost 16,000 employees. We're about 12,000 now,
19 the technical staff, architects, engineers,
20 construction managers like myself, there were 450.
21 We're at 250. Now, you can imagine the effect that
22 has on trying to get capital projects actually
23 executed. In 2004, NYCHA introduced the senior
24 construction management build program to outsource
25 construction management services with the stated goal

1 of increasing on-time and on-budget performance. The
2 program is still in place but, 18 years later, there
3 still has been no full documentation or forensic
4 audit on the CMs' performance, and this is actually
5 not getting better. It's going to get worse because
6 as part of the Trust there are "alternative methods"
7 of contract procurement like design build but those
8 further bypass the competitive bid process and
9 minimize public oversight. NYCHA is increasingly
10 relying in capital projects on what are called JOC
11 contracts, job order contracts, where the contract is
12 awarded directly to a contractor without
13 specifications, bypassing the bid process. This is
14 one of the reasons why we see continuing contractors
15 who don't perform often continue to get work because
16 consultant evaluation and contractor evaluation is a
17 minimal part of the award process and the review
18 process. In the NYCHA facility at Long Island City,
19 on both the third and the fourth floors it is
20 literally impossible to tell who is on the NYCHA
21 payroll and who is a consultant (INAUDIBLE) by
22 looking at the color of their I.D. badge. There's no
23 (INAUDIBLE) consultants called staff work managers
24 here who duplicate the work of public workers using
25

1 NYCHA resources, NYCHA computers, working on NYCHA
2 projects, but they're paid by a multiplier of 2.2
3 meaning that they cost more than what a union worker
4 would do and have less experience. It's not just
5 filling in a gap. A lot of these people are here
6 literally for years, and that's ongoing. Again, we
7 have yet to see an assessment. It's also a violation
8 of the union's collective bargaining agreement to do
9 that because the contract requires a cost-benefit
10 analysis which has never been provided, and we think
11 it's also a violation of civil service regulations.
12 Since the dire need for repairs is ongoing, you would
13 think that these people would be on the payroll but
14 instead they're put on contract. As part of the whole
15 blueprint to transformation plan, we see all of this
16 talk about stakeholder engagement and trying to be
17 data driven, which are fine in the abstract, but when
18 the rubber meets the road we really don't see that
19 put into practice but we do see a lot of hiring of is
20 more managers. I was at a resident meeting where one
21 resident said that she thought that NYCHA was so top
22 heavy she was surprised it didn't topple over. We
23 have so many people monitoring the workers instead of
24 producing the work, and, again, it really doesn't
25

1 help us get out the work that we need to the
2 residents. When it came out a City Council hearing a
3 few weeks ago or a couple months ago, that more than
4 90 percent of capital funds are not expended on
5 projects that really wasn't a surprise. We deal with
6 a really convoluted process of trying to get out
7 contracts. We wrestle with a program called e-builder
8 that nobody really understands. Even getting
9 (INAUDIBLE) to try and get hazardous material
10 testing, which you think would be the simplest
11 process because it's so vital, takes weeks at a
12 minimum. What we're seeing in terms, again, of the
13 balance between in-house versus outsourcing is that
14 the projects that are kept in-house are mostly the
15 city-capped funded projects and they're vital, but
16 the larger projects are sent out to consultants who
17 have less institutional knowledge about how to design
18 for public housing. The fact that RAD and PACT are in
19 place and the Trust are in place are ways of avoiding
20 having to deal with the systemic issues for those
21 developers who are not in RAD and PACT where I think
22 there should be a moratorium anyway. Again, as
23 somebody alluded to before, the net effect of all of
24 this does not address the main problem which is the
25

1
2 dire need to address the 45 billion dollar backlog in
3 capital repairs but it's the reputation that NYCHA
4 has in terms of trying to get additional funding for
5 public housing. So many people at all levels of
6 political government, residents, even workers say why
7 should NYCHA get more money when they can't even
8 handle the money that they have now, and, when you
9 have that kind of reputation, it really serves to the
10 detriment of public housing which needs to be
11 expanded, not just repaired. What we really think
12 that we need from the union point of view is up-
13 staffing, really complying with Section 3, more
14 resident hiring. There are so many residents ready,
15 willing, and able to do the work on their own
16 developments. We need a forensic audit, open audit,
17 as to outsourcing and privatization. NYCHA really
18 needs to comply with the city regulations requiring a
19 cost-benefit analysis when public services are
20 outsourced to private. We can't buy into the myth
21 that the only solution for this is privatization,
22 either RAD PACT or the Trust or going to design build
23 or relying on the private sector because for them the
24 bottom line is the bottom line. This is the last
25 stock of affordable housing in this city. We need to

1 have open books, transparency, real stakeholder
2 involvement, and make sure that public housing stays
3 public and the money is spent efficiently because
4 that's the way to guarantee ongoing funding for this
5 (INAUDIBLE) vital service like this. Thank you very
6 much.
7

8 CHAIRPERSON AVILES: Thank you so much,
9 Mr. Barnett. I have a quick followup question. I
10 appreciate all that you provided in your testimony.
11 This is actually slightly tangentially in terms of
12 the telework policy. Has the telework policy
13 differential been remedied or does it continue to
14 exclude workers except for management? Did he leave?

15 JOSHUA BARNETT: I'm sorry. I was muted
16 for a second. I'm glad you raised that point because
17 I didn't think it was specifically related to
18 contracts, but, no, it hasn't been remedied. A year
19 ago July, NYCHA initiated a policy of announcing that
20 managers but only managers would be allowed to work
21 remotely three days a week but that was not given to
22 the non-managerial staff and that policy is still
23 very much in place. The last I heard, NYCHA was
24 offering one day a week, and the union was
25 considering that, but, no, like all city workers

1 we've been forced back to the city with telework not
2 being an option and that, like all other agencies,
3 that's having a detrimental effect on the ability to
4 up-staff because people have options to go to places
5 where they can telework, but that kind of disparate
6 policy between granting that privilege and safety to
7 managers and not to union staff is still very much in
8 place and nobody really understands the rationale for
9 that. We haven't heard more to date.
10

11 CHAIRPERSON AVILES: Thank you, Mr.
12 Barnett. We will be following up with NYCHA and also
13 the union around the discrepancy of the policy. Thank
14 you.

15 I guess with that our hearing will
16 conclude. Thank you so much. [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 September 28, 2022