

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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April 16, 2019

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HELD AT: Committee Room - City Hall

B E F O R E: BEN KALLOS
Chairperson

Dustin Brannan
Chairperson Emeritus

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

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

Dan Simon, New York City Chief Procurement Officer
and Director, Mayor's Office of Contract Services,
MOCS

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

Victor Olds, General Counsel, Mayor's Office of
Contract Services, MOCS

Ann Meredith Deputy General Counsel, Mayor's Office
of Contract Services, MOCS

Allen Wolenitz, Chief Financial Officer, Catholic
Charities of Brooklyn and Queens.

Catherine Trapani, Executive Director, Homeless
Services United

Carlyn Cowen, Chief Policy and Public Affairs
Officer, CPC the Chinese-American Planning Council

Michelle Jackson, Deputy Executive Director, Human
Services Council

Kaitlyn Hosey, Director of Public Policy, Live on
New York

John McIntosh, Managing Partner, SeaChange Capital
Partners.

2 [sound check] [pause] [gavel] Good
3 afternoon, and welcome to the Contracts Committee of
4 the New York City Council. My name is Ben Kallos.
5 If you were watching at home or the live stream,
6 please feel free to participate by Tweeting me at
7 Ben Kallos. I have the privilege of Co-Chair today's
8 hearing with my fellow Council Member Justin Brannan
9 who happens to be having a number of bills heard
10 today. I'd like to thank the members of the
11 committee for coming together to hold today's
12 hearing, and I'd like to also thank Co-chair Brannan
13 as well as Council Member Helen Rosenthal for
14 sponsoring the legislation before the committee
15 today. Today's hearing provides this committee with
16 an opportunity to hear several pieces of legislation
17 that's been two frequent issues facing this
18 committee. The first details the late payment from
19 city agencies to city contractors, which is a
20 recurring problem for vendors trying to receive their
21 payments due from the city, and the second deals with
22 cost overruns and large contracts, which continue to
23 plague the city's procurement system despite the
24 improvements in transparency we have achieved in the
25 last several years. We have heard earlier this year

2 city Comptroller Scott Stringer identified roughly
3 80% of all contracts came to his office for
4 registration after they had already begun. This
5 means that the majority of city vendors are
6 performing work on city contracts without being paid.
7 Vendor payments are regularly late, and in most cases
8 there is no explanation. Nearly 40% of contracts do
9 not arrive at the Comptroller's desk for over six
10 months after they begin, and these numbers only
11 improve marginally when removing City Council
12 discretionary contracts from the equation. The
13 factor means that many of our valued vendors across
14 the city contracting, but particularly in the non-
15 profit and human services sector have no choice but
16 to take out high interest loans, reduce their staff
17 hours or liquidate altogether. We as the city need
18 to do better to support these organizations providing
19 essential city services, and it's our responsibility
20 as the Council to make it happen. That's why today
21 I'm proud to sign onto my Co-Chair Justin Brannan
22 Introductions 1-1448, 1449 and 1450 to address these
23 late payments to city vendors by creating an office
24 dedicated to facilitating interagency oversight
25 review of unregistered contracts to assist in

2 expediting their registration requiring the Economic
3 Development Corporation to offer bridge loans to
4 vendors for contracts under \$500,000, and ensuring
5 that the non-profit contractors receive interest from
6 the city whenever their payments are late. I would
7 imagine Co-Chair Brannan would like to discuss these
8 bills in a bit more detail, and I'll turn the floor
9 to him in a moment, but before we get there, I'd like
10 to turn to the next topic before the committee today,
11 cost overruns in the city procurement. In response
12 to several oversight failures including City Time the
13 Communication Self (sic) and Transformation Program,
14 NYCAPS, and others. The Council passed Local Law 18
15 of 2012, which requires city agencies to submit
16 quarterly reports to the Council whenever
17 modifications of contracts of tens of millions of
18 dollars or more exceed 20% of the original contract
19 costs. These reports also include a secondary list
20 of so-called repeat offenders whenever those
21 contracts require a second modification in excess of
22 10% of the revised costs—contract costs. While Local
23 Law 18 has proved to be critical source of
24 information regarding the large contract
25 modifications that have already happened, we believe

2 it would be even more useful if the Council had
3 access to this information to the modification
4 occurring. I will also say that when I did get my
5 hands on those Local Law 18 reports, I found them
6 quite memorable. In fact, I have actually committed
7 them to memory, and the amount of overpayments is
8 quite staggering. We're talking about billion-
9 projects of in excess of a billion dollars, and so
10 that is a—that is a big piece of the budget when
11 you're talking about any one document that involves
12 that much spending. That's why I'm proud to sign
13 onto Council Member Helen Rosenthal's Introduction
14 1238-A and 1311, which would among other things
15 require additional detail regarding the nature of
16 these large contract modifications require the
17 contracting agency to notify the Council at the same
18 time modifications are submitted to the Comptroller
19 for registration when the committee believed these
20 pieces of legislation will collectively improve the
21 vendor experience as well as ensure that city
22 agencies are more transparent with respect to their
23 procurement processes. Finally, I'd like to take a
24 moment to thank Co-Chair Brannan for all his
25 dedication and leadership as the Chair of the

2 Committee for the last year and a half. As the new
3 chair, I hope I'm able to continue to lead the
4 Contracts Committee in the right direction and take
5 up the mantles as an advocate for improving the
6 city's procurement processes paying attention to our
7 contracting processes, and ensuring that we are
8 saving money wherever possible, and as the
9 government's employee, I'm a big of government
10 employees, and think we might be able to do it better
11 quite often, and I want to thank Council Member
12 Brannan for his leadership, and good luck on your
13 work. As Chair of the Committee on Resiliency and
14 Waterfronts, before I turn the floor over to Co-Chair
15 Brannan, I'd like to thank Contracts Committee staff,
16 Legislative Counsel Alex Paulenoff; Policy Analyst
17 Cassie-Casey Addison; Financial Analyst Andrew
18 Wilbur; Finance Unit Head John Russell for all their
19 hard work putting this hearing together. I will also
20 disclose we're joined by Councilman Kalman Yeger. He
21 and I like to spend as much time together as
22 possible. Yesterday we spent three or four hours
23 together at Gov Ops. We'll spend even more time
24 together here at Contracts. I must apologize. We
25 are e doing two hearings at the same time back-to-

2 back. I've been working on an issues called
3 Mechanical Voice since 2015–2012. So, we are doing a
4 hearing on the culmination of those seven years of
5 work [laughter] next door, but I'll return as soon as
6 that hearing is concluded. I will turn it over to my
7 Co-Chair Justin Brannan.

8 CHAIRPERSON BRANNAN: Thank you, Chair
9 Kallos. My name is Justin Brannan. I'm happy to be
10 joining my colleague Ben Kallos in co-chairing this
11 hearing. As the outgoing chair, I believe my official
12 title now is Chair Emeritus, and I plan to wear it
13 proudly. As Chair Kallos mentioned, today's hearing
14 will focus on several critical pieces of legislation
15 pertaining to late payments from city agencies and
16 cost overruns in city contracts. I'd like to join
17 Chair Kallos and extend a special thank you to
18 Councilwoman Helen Rosenthal for her bills that will
19 improve transparency regarding cost overruns that we
20 currently receive quarterly in the form of–of Local
21 Law 18 reports. I want to focus my statement on the
22 three bills I have sponsored today, Intros 1448, 149
23 and 1450 each of which address the problem of late
24 payments to city vendors. Intro 1448 would crate a
25 division within the Mayor's Office of Contract

2 Services or another agency designated by the Mayor
3 that would regularly conduct an interagency review of
4 unregistered contracts. The goal of this so-called
5 late payment SWAT Team would be to continuously
6 review the oversight and review process for
7 procurement at each agency with the goal of reducing
8 the number of retroactive contracts in city
9 procurement. If the contracts aren't registered,
10 they can't be paid, and this team would take steps to
11 improve each agency's delivery time of awarded
12 contracts to the City Comptroller. The SWAT Team
13 would also report its findings and make
14 recommendations to the Council, the Mayor and the
15 Procurement Policy Board. The next Intro 1449 would
16 require the city's Economic Development Corporation
17 to provide bridge loans to its vendors on contracts
18 of \$500,000 or less. Contractor who currently work
19 with city agencies have access to the Returnable
20 Grand Fund for bridge loan funding, but since the EDC
21 is not a city agency, it can be difficult for its
22 vendors to to secure those bridge loans from the the
23 RGF. This bill will close that gap and provide EDC
24 contractor with the same access to bridge funding as
25 the agency contractors. Lastly, Intro 1450 would

2 require interest to paid by the city on late payments
3 to non-profit contractors. It's hard enough for non-
4 profits who need to wait in some cases six months or
5 more to get paid by the city, but they're often
6 forced to secure their own small business loans or
7 downsize in order to balance their books until
8 payment from the city arrives. This bill 1450 would
9 at least soften the blow somewhat by ensuring that
10 interest will be provided on those payments—provided
11 that those payments are ultimately made. I believe
12 these three bills when considered together as a
13 package will assist in alleviating many of the
14 concerns raised by our colleagues in the city's—the
15 city's vendor community, and we look forward to
16 hearing feedback on these bills, and all the
17 legislation before the committee today. With that
18 said, I want to hand it over to the Committee Counsel
19 Alex Paulenoff who can swear in the folks from MOCS,
20 and we can get this show on the road.

21 LEGAL COUNSEL PAULENOFF: Thank you.
22 Would you all please raise your right hands. Do you
23 swear of affirm to tell the truth, the whole truth,
24 and nothing but the truth in your testimony, and to
25 respond honestly to council member questions?

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2 RESPONDENT: [off mic] I do.

3 LEGAL COUNSEL PAULENOFF: Thank you. You
4 may begin.

5 DAN SIMON: [coughs] Good afternoon,
6 Chair Kallos, Chair Emeritus Brannan, and members of
7 the Contracts Committee. My name is Dan Simona, and
8 I am the New York City Chief Procurement Officer and
9 Director of the Mayor's Office of Contract Services.
10 Thank you for inviting me to discuss proposed items,
11 which aim to increase transparency and accountability
12 as well as strengthen oversight and procurement. As
13 I have previously shared with this committee, MOCS
14 agrees with goals to overhaul any inefficient
15 processes, which bring about hardships. We are
16 devoting resources to bring in greater sunlight to
17 the entire procurement process by establishing a
18 shared digital platform, and a rational set of steps,
19 which will be readily known to all users. This
20 approach has already helped to reduce the time it
21 takes to vet vendors, enhance communication between
22 agencies and improve the quality of data used in
23 daily operations or by managers who are responsible
24 for continuous quality improvement. Specifically,
25 through the Procurement Sourcing Solutions Portal, or

2 PASSPORT, a Cloud based off-the-shelf technology
3 solution, vendors now submit and update disclosure
4 filings online instead of handling hefty papers
5 packages. Agencies leverage information gathered by
6 other agency staff reducing the need for redundant
7 questions sent to vendors, information about
8 regulatory filings such as business taxes—tax status
9 or liens are also readily available. Streamlined
10 data collection and share—and sharing has reduced
11 vendor submission times and agency responsibility
12 determinations, which took an estimated seven weeks
13 prior to PASSPORT's Release 1 launched in August
14 2017, now typically takes seven days. Agency
15 managers and oversights have monitored progress since
16 launching—since launch using real time workflow
17 tracking or system generated reports. This
18 transparency has pushed everyone to find efficiency
19 and has lead—efficiencies and has led to increased
20 accountability. Vendors also have greater insight
21 into processing statues, timeframes, and can escalate
22 when necessary increasing the incentive timely task
23 completion. We expect more encouraging results in
24 the months after the launch of Release 2 of PASSPORT.
25 This next release will focus on streamlining agency

2 purchasing of goods and services from established
3 citywide requirements—requirements contracts.
4 Release 2 establishes a citywide approval framework
5 for purchase requests enabling more detailed
6 reporting on items acquired, specifications and
7 costs. We will be better positioned to make
8 strategic decisions about the utilization of these
9 contracts, and to monitor—monitor both agency
10 approval citywide oversight performance. Vendors
11 will have easy access to order data, will be able to
12 manage the catalogue of offerings, and contract
13 receipts and invoices at a more granular level
14 related to purchase orders submitted by agencies. Our
15 experience with the first two releases of PASSPORT
16 laid a foundation for the most comprehensive overhaul
17 of sourcing and contract management activities to
18 date. This spring and summer will be used to learn
19 from implementation of Release 2, and solidify design
20 of and protocols for Release 3. Release 3 addresses
21 many of the most pertinent points of frustration
22 related to the structuring and release of
23 solicitations, management of proposals and
24 evaluation, processing of awards, tracking and
25 submission of packages for registration as well as

2 amendments, change orders and renewals of contracts.
3 Vendors and agencies will be on-boarded over the
4 course of the launch period in addition to the
5 phasing in of standardized invoicing and payment.
6 This Council's drive to address challenges
7 experienced by vendors is clearly shared by this
8 administration. We seek a comprehensive and
9 sustainable solution, and are working to ensure that
10 our shared vision is truly realized. The intent of
11 Intro 1450 reinforces the importance of efforts to
12 achieve timely registration, and implement policies
13 that responsibly put resources in the hands of
14 providers at the start of programs. For example, the
15 administration's new 25% Advance Policy, and in
16 Fiscal Year 18 roughly \$1 billion of advanced
17 payments were disbursed to providers at the start of
18 the Fiscal Year creating cashflow when providers need
19 it most. For human services providers fast
20 electronic invoicing—invoice processing times are
21 documented once contracts are registered. With
22 PASSPORT we expect similar results with the—given
23 the approach we take using standardized budget and
24 invoice templets between agencies and vendors
25 creating flexibility for task assignment at agencies

2 making statuses visible to vendors, and error
3 proofing data submission through multiple levels of
4 approvals and agencies. Prior passage of this
5 Council's legislation to support electronic invoicing
6 will help us make progress beyond human services once
7 the financial modules are made available through
8 PASSPORT. We would like to learn more about the
9 intent of Intro 1450 and how it may be aligned with
10 the current contracting practice, budget and invoice
11 structures and prompt payment guidance. It is worth
12 noting that payments for human services contracts are
13 typically based on line item reimbursements for
14 incurred costs. While we share the goal of ensuring
15 on-time payments, we do not believe that backwards
16 looking interest requirements are the right tool to
17 do so. We believe the best way to do so is through
18 transforming the procurement system itself, and that
19 is where our focus is. Intro 1449 also seeks to
20 bring financing relief to vendors. It does not
21 appear to differ much in its proposed scope and
22 operations from the Department of Small Business
23 Services' existing Contract Financing Loan Fund. We
24 encourage further discussion with SBS. The Council's
25 interest in management of contracts under the

2 authority of agencies has helped make reported
3 information clearer for oversight and public review.
4 In the case of Intro-Intro 1238-A's proposed
5 expansion of Local Law 18 of 2012's reporting
6 requirements, there has been progressive improvement
7 in the descriptions of project cost increases. We
8 continue to work with the agencies to document their
9 management decisions when scope and associated costs
10 increase. A contract modification does not always
11 indicate contract mismanagement. Agencies may change
12 scope due to many factors including citywide policy
13 changes and field conditions discovered after a
14 project's start. It would require tremendous effort
15 to immediately, efficiently and usefully report in
16 detail on all unrelated contract amendments
17 associated with a vendor that appears on the revised
18 Local Law 18 report. Further discussion is needed
19 with regard to submission timeframes, and the
20 information sought by counsel. Finally, Intro 1448
21 focuses on central procurement issues. In the
22 current landscape there are numerous actors with
23 varying responsibilities. Accordingly, it is
24 challenging to strictly assign responsibility and
25 enforce penalties for delays to either vendors,

2 agencies or oversights since tasks are interdependent
3 and milestone status is not objectively documented.
4 When we move beyond the paper world we can achieve
5 our goals and enable real transparency and
6 accountability. We will make relevant data progress
7 milestones and responsible parties viewable on
8 screen, ensure system reports can quickly pinpoint
9 bottlenecks for line managers and help executives
10 make decisions. Lastly, we will continue to maintain
11 PASSPORT and guide staff and vendors to maximize its
12 use via our help desk, training and change management
13 offerings. Given the diversity of policy goals and
14 operations across the agencies, MOCS has necessarily
15 evolved from traditional oversight to building and
16 deploying scalable tools that will make it easier for
17 everyone to execute tasks efficiently, and build
18 situational awareness to manage more efficiently. We
19 are working to make data more readily available,
20 understandable-understandable and actionable. This
21 will help oversights, this committee and the public
22 fully participate in building a high performance
23 procurement ecosystem. Fostering this approach and
24 maintaining these tools create the conditions for
25 real accountability, and this is not just a role for

2 one division at MOCS. It is core to our mission to
3 achieve fair, responsible and timely procurement. We
4 execute our duties in collaboration with other
5 oversights and senior leaders at agencies, convening
6 partners, and sharing data to address emergency-
7 emerging issues, but as procurement transforms, MOCS
8 must remain nimble, scrappy and able to reorganize
9 the visions as new needs emerge. We are lucky to
10 have a committee that is as passionate about reform
11 and procurement as we are. None of us are satisfied
12 with the status quo, and we share the sense of
13 urgency you bring to these matters. Concerns
14 expressed today simply seek to highlight existing
15 initiatives or bring attention to issues, which might
16 limit impact without full digital transformation. We
17 remain committed to acting now, and are doing so with
18 vendors and agencies as we tackle backlogs and
19 establish renewal policies, which encourage
20 timeliness. We look forward to co-designing scalable
21 and sustainable solutions with this committee, and
22 look forward to meeting with the new Chair and others
23 soon. Before I conclude, I want to thank Council
24 Member Brannan for his service to this committee and
25 express my thanks for his efforts while he was Chair.

2 Thank you for the opportunity to testify. I'm joined
3 by Ryan Murray, First Deputy Director, Victor Old,
4 General Counsel, and Ann Meredith Deputy General
5 Counsel. We're happy to take any questions that you
6 have.

7 CHAIRPERSON EMERITUS BRANNAN: Thank you,
8 Dan. I want to acknowledge and turn it over to my
9 colleagues Councilwoman Helen Rosenthal

10 COUNCIL MEMBER ROSENTHAL: Thank you so
11 much former Chair of the Contracts Committee, and—and
12 you did such a nice job. We're all sorry to see you
13 go, but we'll be happy to get a new Chair as well. At
14 least the committee—anyway. So, I see you. I'm just
15 going to make a quick opening statement. I do
16 appreciate Chairs Brannan and Kallos for holding
17 today's hearing. I'm Council Member Helen Rosenthal,
18 and I'm pleased to speak about my bill Intro 1238-A.
19 The city of New York spends billions annually on
20 capital projects carried out by third-party vendors.
21 As stewards of the city's money, we must take
22 measures to root out waste and fraud, and ensure that
23 everything procured by the city is high quality,
24 efficient, and cost-effective for the taxpayers.
25 Intro 1238-A mandates additional reporting when

2 modifications of 20% or more of the original value
3 are made to capital contracts over \$10 million. The
4 additional reporting will include detailed
5 explanatory language, a requirement designed to hold
6 both the contracting city agency and the vendor
7 accountable. In order to further prevent delays,
8 waste and abuse, the bill also shines a light on
9 vendors with multiple contracts who request large
10 contracts modifications. The new documentation will
11 appear on the cost overruns report that is currently
12 required by Local Law 18 of 2012. It will include a
13 detailed accounting of the total number of proposals
14 submitted to the city prior to its awarding of the
15 contract under review, and whether the selected
16 vendor has any other contracts with the city, which
17 were similarly delayed. What we're trying to get at
18 here, and it's important to make this clear
19 especially to the people doing the work. The
20 contractors themselves particularly in the
21 construction field is—if we can clarify the reasons
22 for why contracts go up, and if the reason is
23 conditions, that's, of course, perfectly normal and
24 explicable. We expect that to happen, and what will
25 be so great with these details is that we will no

2 longer even—it won't even cross our minds that the
3 problem of conditions. We'll be able to focus on the
4 areas where we have real concern, areas of scope
5 Crete (sic), areas of over-changing or other things
6 that could be going on, and we'll be able to not have
7 to worry about conditions on site. We know that
8 happens. So, certainly this bill does not want to
9 imply in any way that the issue is conditioned on the
10 ground. In fact, just the opposite. When we look at
11 the reports, the problem this bill is trying to
12 address is the myriad changes with no explanation why
13 something is changed and, indeed if things are
14 changed because, you know, we're not just fixing one
15 fire station. Now we're fixing three fire stations.
16 That makes sense, but we need to get to the details.
17 We need to understand more about it than simply we're
18 doing three fire stations now and not one. That's
19 what this bill seeks to improve upon. We don't want
20 Local Law 18, which had very good ideas, and good
21 initial intent to be rendered meaningless, which is I
22 think where it stands right now, and it's not used by
23 the Administration or the Council or people who have
24 oversight responsibility for city spending. It's
25 been rendered useless, and so now what we're trying

2 to do is make this meaningful oversight again.

3 That's what we're trying to do with 1238-A and to the
4 extent that you have suggestions to tweak it, make it
5 tighter, make it better, we're—we're with you to
6 make—we have a common goal. I'll go on to say that
7 my legislation as new disclosure requirements to
8 Local to the Local Law 18 secondary report, which
9 would—which would be triggered for any contract
10 modifications that are at least 10% of the revised
11 contract value or are at least \$10 million in size,
12 whichever figure is lower. Finally, 1320-13-Yes,
13 let's start that again. Finally, Intro 1238-A
14 requires simultaneous disclosure to the City Council
15 and the Comptroller for contracts that exceed their
16 original maximum expenditures of 20% or more, and I
17 just want to come back to one more thought especially
18 Chair Brannan and Chair Kallos. Having been Chair of
19 committee, one thing that bubbles up as a concern as
20 we looked into contracts together with the Mayor's
21 Office of Contracts is noticing that perhaps a vendor
22 will submit a bid that appears lowest and most
23 reasonably priced, but then with all the change
24 orders gets up well beyond what another bidder
25 proposed, which may have been the actual true cost of

2 what the project was, and what we're trying to get at
3 with his legislation is to be able to do that look-
4 back. So, as, you know, the city continues to select
5 vendors perhaps we will be able to identify a vendor
6 who, you know, in lay terms is low balling it just to
7 get the contract, but then then fully intends over
8 time to have the costs get up to what the real costs
9 is, which is what another vendor submitted in the
10 first place. That's another thing. You know, we
11 have all these theories of why contracts grow
12 exponentially, and we're trying to identify if there
13 are triggers we can identify or things we can find
14 out about each of these contracts that will help us
15 keep our contract costs in line over time. So, I
16 want to thank our committee chairs again for holding
17 this hearing as well as Committee Counsel Alex
18 Paulenoff. Thank goodness staying right where he is
19 and Casey Addison, and of course, my Legislative
20 Director Ned Terrace for their work on this bill.
21 Thank you very much.

22 CHAIRPERSON EMERITUS BRANNAN: Thank you,
23 Council Member. I want to acknowledge we've been
24 joined by Councilwoman Inez Dickens.

25 COUNCIL MEMBER ROSENTHAL: Barron.

2 CHAIRPERSON EMERITUS BRANNAN: Inez
3 Barron. Oh, my God, and Miss Barron. Okay, a couple
4 things. Local Law 18 what role does MOCS currently
5 serve in—in the process of change orders?

6 DAN SIMON: So, we're certainly involved
7 in the—in the—in the—the full procurement process
8 from an oversight perspective, but not every change
9 order would come through MOCS for approval. There's
10 a variety of business rules, which we can share with
11 you that would make either come to MOCS or not come
12 to MOCS.

13 CHAIRPERSON EMERITUS BRANNAN: Okay.
14 What are some of the reasons why contracts might
15 exceed their initial costs? Are they all problematic
16 reasons or are there some, you know, good reasons?

17 DAN SIMON: Yeah, for sure. As—as
18 Council Member Rosenthal alluded to, there are, you
19 know, there are—so PASSPORT for instance, right.
20 There's—there's planned phases to the project, but
21 they are sort of not fully planed out, and costed
22 out, and so we haven't really structured them to be
23 included in the—in the base contract just yet. We
24 don't want to sort of plan for something that is so
25 far down the road that we don't really a context to

2 what the costs might be, and so a phased project
3 would reasonably sort of build on itself. The same I
4 would say for HHS Accelerator. There are also field
5 conditions as—as Council Member Rosenthal alluded to
6 as well. You are at a building. You are pulling off
7 aluminum siding. You then see you have a termite
8 condition underneath. Now, that's not—that's not
9 something that was planned, and so you now have to
10 amend that contract to do something completely
11 different, and not something that you had thought
12 when you had first let the contract. So, there's all
13 sort of field conditions. Again, a phased project
14 might be another example, but I'm sure there are
15 other sort of ways in which we can get at the—the
16 real cause of these—these change orders and contract
17 amendments that—that—that I think the bill alludes
18 to. We—we certainly agree with the transparency
19 aspects of Local Law 18, and we want to work with
20 this committee to figure our how to make it a useful
21 exercises.

22 CHAIRPERSON EMERITUS BRANNAN: Can you
23 give us an idea or—or get us an exact number of how
24 many change orders meet the criteria of—of Local Law
25 18 annually?

2 DAN SIMON: [pause] We'd—we'd have to
3 gather the reports over the past, you know, whatever
4 time you want. We can get back to you with that
5 exact number.

6 CHAIRPERSON EMERITUS BRANNAN: Because I
7 would just be interested to know if the Committee
8 would be interested to know, you know, how many other
9 responsibility of the contracting agency versus the
10 vendor? How often are these changes—change orders
11 denied by either the agency or a comptroller? All
12 that stuff, and what are some of the typical reasons
13 why they're denied? How are contract modifications
14 or extensions processed? Could you walk us through
15 the steps?

16 DAN SIMON: Sure so, it's—it's not much
17 unlike a regular contract registration depending on
18 the dollar value, but you are—you're executing an
19 agreement with the vendor. So, a contract. If it's
20 for time only, then there's no financial impact. If
21 it's money and time and it's—and it's both, and so
22 there's a variety of different ways in which these
23 things sort of take—take shape. But essentially,
24 you're agreeing to a contract with the—the vendor.
25 You're determining that they are a responsible

2 vendor. You're then getting that contract registered
3 with the Comptroller's Office just like any contract
4 action. The difference with an amendment is that
5 typically they are retroactive because they're a
6 condition that you've recognized within the term of
7 the original contract, right. So, in the—in whatever
8 example you want to choose. They're not always—an
9 amendment is not always a future date that you're
10 working towards. It's the—a known—it's a—a
11 discovered condition that you now have to change the
12 scope of the contract to account for and, you know,
13 so you, you know, you open up a street for a
14 particular project. You notice a field condition
15 that's very different that what you thought. You've
16 now got a hole in the street. You can't how, you
17 know, sort of put everything on pause and wait for
18 the amendment to get registered before you go and
19 work on the project, and so things sort of have to
20 happen while the procurement process is playing out.
21 We see that happening in human services as well,
22 right? You have human services, you know, an
23 increase in the number of service levels that—that we
24 need for a particular vendor, and we'll amend the
25 contract accordingly, but the vendors will sometimes

2 work at risk while the—the agencies catch up with
3 procurement process. That is, you know, exactly why
4 we want to move these processes along much quicker,
5 which we think PASSPORT, of course, PASSPORT would do
6 that.

7 CHAIRPERSON EMERITUS BRANNAN: How would
8 PASSPORT improve modifications or extensions?

9 DAN SIMON: So, basically putting the
10 process in a fish bowl just like everything else.
11 So, you—right now we have a very manual, sequential
12 and paper based process. There are some internal
13 city systems that do some of the tracking, but not
14 very well, and so, it a system that has a vendor and
15 a city—that the vendors and the city working together
16 in the same—on—the same platform in the same space
17 looking at exactly the same things. It's—it's, you
18 know, there is no collaborative space for them to
19 work together right now, and nobody knows who is
20 responsible for what sometimes, and so being very,
21 very clear about what they—a vendor needs to do.
22 What documents or data they need to provide the city.
23 What the city needs to do will be made very clear on
24 both sides, and that will move things along much
25 quicker.

2 CHAIRPERSON EMERITUS BRANNAN: As it
3 stands right now, does the Administration have the
4 ability to determine if costs overruns on a contract
5 with the result of underbid-underbidding by a vendor?

6 DAN SIMON: So, it's-it's very difficult
7 because-so the bid that's coming in is-the-the
8 information used to establish that bid is known by
9 all the vendors submitting a bid, and so there's a,
10 you know, it's a-an objective process. If someone is
11 underbidding, there is also cost breakdowns that the
12 agencies ask for to ensure that the price is fair and
13 reasonable. We're happy to talk more about what some
14 of the drivers of what you think might be causing
15 that would be. It's certainly and interesting area
16 to focus on, but I don't-I don't-I don't know that
17 it's very easily detectable that a, you know, a-a
18 higher bid at the in the original contract would
19 result in anything different during the life of the
20 contract.

21 CHAIRPERSON EMERITUS BRANNAN: Can you
22 say if the Administration is opposed to making the
23 Local Law 18 reports available to the public? I know
24 they're-they're currently FOILable, but that adds an

2 extra step. Would you agree to voluntarily place the
3 Local Law 18 reports on -on the MOCS website?

4 DAN SIMON: We're submitting them to the
5 Council. So, I don't—I don't think we have any real
6 objection to them being public.

7 CHAIRPERSON EMERITUS BRANNAN: Council
8 Member Barron.

9 COUNCIL MEMBER BARRON: Thank you to the
10 chairs for holding this committee meeting. Thank you
11 to the panel for coming. I apologize. I was a little
12 late. So, we're now going to have the Release 3 of
13 PASSPORT? Is that correct?

14 DAN SIMON: So, actually Release 2 is
15 happening this weekend. PASSPORT will actually go
16 down late Friday and come back up Monday morning with
17 Release 2 Functionality Live if all goes well.
18 Release 3 will be roughly a year from now.

19 COUNCIL MEMBER BARRON: A year from now?

20 DAN SIMON: Yeah.

21 COUNCIL MEMBER BARRON: Okay.

22 DAN SIMON: Yes.

23 COUNCIL MEMBER BARRON: So, Release 2—
24 Release 3 is going to be for change orders, for
25 structuring and release of solicitations, management

2 and proposals and evaluations, and modifications.

3 What is Release 2 going to be doing?

4 DAN SIMON: So Release 2 is essentially
5 the supply chain of the city's requirements
6 contracts, and so the city has through DCAS and other
7 agencies has requirements contracts for mostly goods,
8 but there are some services there, and it's basically
9 a catalogue buying environment for DCAS' vendors to--

10 COUNCIL MEMBER BARRON: [interposing]
11 Catalogue buying environment for DCAS?

12 DAN SIMON: Yeah, so agencies will be
13 purchasing goods and some services, but mostly goods
14 through these requirement contracts in--in an online
15 platform, which will be PASSPORT Release 2.

16 COUNCIL MEMBER BARRON: Okay and how have
17 we found that comments from what might have been
18 stumbling blocks in Release 1 have been addressed,
19 and helped to make it smoother for Release 2 moving
20 forward?

21 DAN SIMON: Chair, I'll start and maybe
22 Ryan, you could take that. So, Release 1 for sure.
23 I think each release will build on itself like I
24 said. Release 1 you take lessons learned. Even
25 though it's different functionality, you're, you

2 know, they're—they're sort of staged purposely in the
3 way they are so that by Release 3, the—the—the real
4 main overhaul of procurement, we're getting it as
5 close to right and perfect as we possibly can.
6 Release 1 was a replacement of what was formerly know
7 and Vindex.

8 COUNCIL MEMBER BARRON: Uh-hm.

9 DAN SIMON: That clearly the benefit of
10 going online with a very arduous manual process has
11 reaped obvious benefits for the vendor community.
12 What used to take a month for just MOCS to process in
13 paper is now taking the vendor themselves typically a
14 day. It depends on the complexity of their corporate
15 structure, but it's—it's been reduced to a typical
16 online account maintenance type activity for them,
17 and so much, much easier. The other thing that we're
18 doing in Release 1 are using that information and
19 other data to do what's called responsibility
20 determinations. So, essentially a background check
21 on our vendor when we have awards, and so the—the
22 sharing of that information across agencies, which
23 was never done before, reduced that timeframe from
24 what used to be roughly seven weeks is now taking
25 typically seven days, and that's because agencies are

2 sharing information on vendors. They're sharing
3 documents that are requested of vendors, and other
4 city oversights, and that's drastically reducing the
5 time it takes to compile this all for scratch each
6 and every—for each and every award. And so those are
7 sort of essentially the—the—the core principles that
8 we see that are working, which is full transparency
9 and accountability of who has—who's responsible for a
10 particular task. Who has it next? What the full
11 process is, and how long is it taking and being
12 transparent about how long things are taking. That I
13 think has created a lot of speed, and we're taking
14 those principles into Release 2 for sure. Release 2
15 with the requirement contracts with DCAS was a—a
16 hodgepodge of some internally built city systems,
17 some manual paper processes, and so bringing that
18 into an online environment we expect the same type of
19 results. Right.

20 RYAN MURRAY: I think the—the two other
21 things I would add frankly is that what we've done in
22 Release 1 is establish our service model and
23 strengthen that a little bit more as and
24 organization. So, while the functionality is going
25 to be different for Release 2, there are thousands of

2 staff that use Release 1 to look up vendors and find
3 things. So, Release 2 is going to be about browsing
4 a catalogue, as the Director said, to find items and
5 be able to put them in a cart and so on, right. We
6 have a help desk, and we have a technology team that
7 is able to listen to and process user feedback. What
8 that results in is either direct support today. We
9 have shifts where people are responding to questions
10 all day, whether in writing or picking up the phone
11 and calling folks. So, I think the lesson from
12 Release 1 is really how we manage that process in
13 terms of providing support, and then finally our tech
14 team is—has processed over 800 different enhancements
15 to the system since we went live. That is a
16 concrete measure of how we're listening to other
17 agencies or the vendors whether it's a tool tip on a
18 screen or functionality just isn't working the way
19 that we intended, and we need to streamline workflow,
20 and then we up—make those updates, and we deploy
21 that. So, I think the enhancement process and our
22 support model is what we've taken a lot from Release
23 1. That will be something that we're doing for
24 Release 2 as a setup, and thinking about how that,
25 you know, will evolve for Release 3, which is not

2 just these requirements contracts. That's kind of
3 inside based upon on how e we order, but for
4 everybody else and that--and we have experience
5 obviously with human services providers and that kind
6 of support model of Accelerator, but we are expanding
7 how we do this for the entire city for all
8 industries. So, we--

9 COUNCIL MEMBER BARRON: [interposing] How
10 could I be able to have a hands-on walk through in
11 real time experience so that I could understand
12 directly?

13 RYAN MURRAY: Yeah, we're happy to host
14 it, at our office. Or come to your office, and show
15 you how the system works that what's currently live,
16 and then--

17 COUNCIL MEMBER BARRON: [interposing] And
18 who--who has the--whose--whose number, whose name am I
19 going fort that?

20 RYAN MURRAY: You--you can reach out to me
21 directly. I'll--I'll make sure that staff has my card
22 before I leave.

23 COUNCIL MEMBER BARRON: Okay, great and
24 then in terms of the legislation that's being
25 proposed today, in your testimony it says that you'd

2 like learn more about the intent of Intro 1450 and
3 how it will be aligned with current contracting
4 factors, budget and invoice structures and prompt
5 payment guidance. Then you said it's worth noting
6 that payments for human service contracts are
7 typically based on online reimbursement for incurred
8 costs. While we share that goal of ensuring on-time
9 payments, we do not believe that backwards looking
10 FOR interests requirements are the right tool to do
11 so. Could you explain to me what you mean by that
12 backward looking interests requirements?

13 RYAN MURRAY: Yeah, I—I think what
14 you're—what the—so as we—I mean we'd love to hear
15 more from the Council as well to make sure we get
16 this right. That's that we are willing to work with
17 the Council to figure this out. I think what you're
18 saying here in the legislation, if we understand it
19 correctly, is that there are interest payments based
20 on a deliverable schedule that is established in the
21 contract. As the Director shared in the testimony,
22 our note there is to say that in human services
23 particularly, you don't often have a deliverable
24 schedule that's in the contract, right. What you're
25 doing on a monthly basis is taking your invoice for

2 costs incurred, and you're submitting that to the
3 city agency. The issue that we have here with prompt
4 payment in--in the way you're thinking about it is
5 that the contract is not registered yet. So, the
6 thing we need fix is speeding up registration. It
7 isn't--it isn't about the interest payments based on a
8 schedule because we were late in paying. We were
9 late in registering, which didn't allow us to pay.

10 COUNCIL MEMBER BARRON: Okay. Okay,
11 thank you. So, have you spoken to directly with the
12 sponsor about that particular aspect?

13 DAN SIMON: We're happy to. Yes.

14 COUNCIL MEMBER BARRON: Okay, great.
15 Thank you. Thank you, Mr. Chair.

16 CHAIRPERSON EMERITUS BRANNAN: Thank you
17 Council Member Barron. Just a point of clarification
18 with something earlier. Is it--is a new
19 responsibility determination required for
20 modifications or extensions?

21 DAN SIMON: So, responsibility
22 determinations are required on every award
23 essentially. Sometimes they take a lighter--so it's,
24 you--it'll sometimes be called an RD light in--in an

2 amendment scenario, but at each award you are
3 determining a vendor responsible.

4 CHAIRPERSON EMERITUS BRANNAN: Okay.

5 Some of the late payments and registered contract
6 stuff. Would MOCS be willing to create an
7 unregistered contracts division like the one proposed
8 by 1448?

9 DAN SIMON: So, as we said in our
10 testimony, essentially what you're describing is what
11 MOCS will be in a future state. So, upon release of
12 Release 3 and the ability to have a full 360 view of
13 the procurement system in New York City, that would
14 be our role. We are looking to take ourselves out of
15 the sort of—the critical path of looking that, you
16 know, ensuring that every box is checked, right. So,
17 right now in a manual process we have to make sure
18 that the box checked is the right box that is
19 checked, but in a future state we're building a
20 system that will sort of to some extent fool-proof
21 that the rules are being followed, and allow agencies
22 and procurement staff to be far more strategic.
23 Right now, there's a heavy focus on ensuring that
24 every regulation, every law, every, you know, every
25 sort of statute is followed in the procurement

2 process, and MOCS plays a day-to-day role of ensuring
3 that they did that correctly. What we're trying to
4 do is to streamline the process is take some of that
5 sort of decision making to the extent that it can be
6 standardized, and formulated in a system that then
7 takes the human element out of it a little bit. And
8 so what that frees agencies up to do is be more
9 strategic with their procurement. It allows MOCS to
10 be more strategic as well meaning we can now focus
11 more on what the system data is telling us instead of
12 being such a heavy compliance agency. We'll still do
13 compliance oversight for sure, but we'll be—we will
14 be able to do it differently. But our—our goal with
15 a system that sort of encompasses the entire
16 procurement process will allow us to focus on
17 retroactivity and payment issues constantly.

18 CHAIRPERSON EMERITUS BRANNAN: Do you
19 have a number of how many retroactive contracts are
20 currently pending registration?

21 DAN SIMON: I can get back to you with an
22 exact number. It's sort of—I mean it—I would just
23 come back with a more specific--

24 CHAIRPERSON EMERITUS BRANNAN:
25 [interposing] What's--what's--

2 DAN SIMON: [interposing] Which contracts
3 you'd be looking for whether that's City Council
4 discretionary or are we talking about amendments or
5 just base contracts? We just—we could come back with
6 it.

7 CHAIRPERSON EMERITUS BRANNAN: I think—
8 yeah, anything that's retroactive that's—that's still
9 the curve (sic) is still blinking on it. What—what
10 does currently do to—to coordinate speedy
11 registration of these contracts? How is PASSPORT
12 going to help that?

13 DAN SIMON: Well, PASSPORT will help
14 for the exact reasons that I laid out around sort of
15 why MOCS' vision is aligned with one of the
16 interests. But what we're doing currently is to the
17 best that we can identify retroactive items for sure
18 ,and we are—we have got—we're speeding up some
19 accountability tools blasting that out to the
20 agencies, letting them know exactly where they are or
21 how many they have left, how many they have, how many
22 they have left to go, how many are registered with,
23 you know, sort of timeline goals to—to get across the
24 finish line on these things, and so those are sort of
25 MacGyvering the—the, you know, the—the oversight

2 process retroactivity to—of the best we can .
3 PASSPORT in the future will, these things will be
4 sort of obvious not only to us, but to any user of
5 the system particularly vendors. They'll understand
6 exactly where their stuff is, but we're also—we also
7 instituted a renewal and extension policy that forces
8 agencies to start the renewal and extension process
9 much earlier than they do—than they have done in the
10 past to ensure that, you know, for a July 1
11 registration they're starting the process early
12 enough so that they are registered on time.

13 CHAIRPERSON EMERITUS BRANNAN: Okay. Is
14 anyone here from EDC? Okay, I have some EDC
15 questions. I'll put them to you see if it's
16 something MOCS can answer. The—the city's Returnable
17 Grand Fund offers bridge loans to qualified vendors.
18 Is there something similar do we know currently
19 offered by EDC, and would EDC be willing to implement
20 the proposed language in 1449? [pause] No one is
21 here form EDC, right? No one is here from EDC,
22 right.

23 DAN SIMON: I don't believe anyone is
24 here from SBS or EDC is here. We know of the—the

2 loan funds at SBS and EDC, and can take the questions
3 back.

4 CHAIRPERSON EMERITUS BRANNAN: Okay.

5 Yeah, I mean that's definitely having EDC support
6 something similar to the RGF would be--would be very
7 helpful. If not, we'd love to know what changes they
8 think need to be made sort of broadly speaking.

9 Aside--I mean, do you know the Administration via SBS
10 or other agencies do they currently offer bridge
11 loans for--for-profit businesses seeking to d business
12 with the city?

13 DAN SIMON: So, SBS has the--the Contract
14 Financing Loan Fund. You know, we can speak to its
15 existence, but I think detailed questions would--
16 should be better left to SBS and EDC.

17 CHAIRPERSON EMERITUS BRANNAN: Okay.
18 Council Member Rosenthal, do you have anything else.

19 COUNCIL MEMBER ROSENTHAL: Just real
20 quickly--

21 DAN SIMON: Yes.

22 COUNCIL MEMBER ROSENTHAL: --to follow up
23 on a point you were making former Chair Brannan, and
24 that is about expediting some of the contracts. I
25 think the fundamental issue that we're all grappling

2 with, and I know you are, too, and we're looking for
3 a little help here on how we can all help really the
4 human service providers get paid faster, and I think,
5 you know, fundamentally what we're trying to get at
6 here is an award is made, but then it takes a lot of
7 time award and contract registration. Do you have a
8 sense, and what—what we're trying to do is shine
9 light on it, right so that, therefore, we can, you
10 know, identify where the problems are and—and then
11 try to take care of those problems. Like what you
12 just brought up where you found something that had
13 take seven weeks, and now it takes a week or
14 technically seven days, but we want to find all those
15 because, in fact, the vendors aren't being paid until
16 six months or a year, 18 months after they were
17 awarded the contract and started work. Are there—and
18 I—I see how PASSPORT will be helpful. Do you have
19 sort of SWAT teams now where there are, and this gets
20 to the Intro I think 1448. I'm not seeing it right
21 in front of me, but do have SWAT teams now where you
22 know something—yeah 1448. Can you having been
23 Director of MOCS for so long, are there certain
24 contracts where you know ahead of time, oh, these are
25 going to be some of the ones where there vendor

2 doesn't get paid for eons until after they started
3 doing the work? How do you shine a spotlight on it,
4 or how are you addressing that now? It's meant to be
5 a softball question.

6 DAN SIMON: Yes, so we--so we are--we have
7 spun up some accountability tools to put agencies on
8 notice, and make them very much aware of the
9 situation at hand, and so we have a tracker on all of
10 the retroactive items. A gain, it's--it's not every--
11 it's not every contract, and we can sort of come back
12 with other contract data that you're requesting, but
13 we have a sort of retroactive contract tracker that
14 we're working with right now. As you know, the Mayor
15 recently committed to reducing the backlog of
16 retroactive items, and so we are working very hard to
17 make sure that agencies are well aware of where of
18 how they'd doing with respect to those retroactive
19 contracts, and we see that bearing some fruit. You
20 know, putting folks in a fish bowl like we talked
21 about with PASSPORT the sunlight helps, and it--and it
22 moves people along much quicker than they otherwise
23 would particularly when the process is manual. In a
24 future state when the process is digital, and open
25 and transparent, right, you don't have to use those

2 same tactics because everyone is aware of where
3 things are, and where they stand, and reports are
4 easily obtainable to understand. But in the current
5 manual state, we—we have to spin up these tools , and
6 we're—we're certainly working on that. The other
7 thing I would just add, and I'm not trying to
8 minimize the—the impact of the—the issue whatsoever,
9 but this is a—an unintended consequence of so much
10 investment in the human services sector, and there
11 are thousands and thousands of amendments that have
12 been processed and registered, and I think we are at
13 the tail end of that wave, and—and so and fully
14 committed to getting across finish line. There will
15 always be amendments, but we're trying to make a—a
16 real surge and push the final tail end of all the
17 investments that the Administration has made.

18 COUNCIL MEMBER ROSENTHAL: Is it
19 possible—maybe we'll talk more offline on the
20 technical process of how amendments work with the
21 hops of not having that unintended consequence. You
22 know, we're talking about the fact that the City
23 Council urged the Mayor to put in, you know, \$50
24 million this year, \$100 million another year, \$100
25 million another year for various aspects to add

2 funding to various aspects of-of the contract to
3 bring them closer to what actual cost is for the non-
4 profit providers, but perhaps there's some way. Will
5 PASSPORT help with contract amendments?

6 DAN SIMON: For sure. Yeah, it is
7 intended to cover all of that. We're-we were in
8 design sessions early this morning talking about the-
9 the, you know, the transparency aspects particularly
10 around contract amendments and what vendors will be
11 able to see immediately. Once a contract-once an
12 amendment is sort of created, every-all parties sort
13 of understanding what are the steps to get this thing
14 done. Who, you know who is responsible, you know.
15 What the vendor is responsible, what the agency is
16 responsible for, and tracking progress efficiently.

17 COUNCIL MEMBER ROSENTHAL: How many
18 contracts are in the Retroactive Contract Tracker
19 right now??

20 DAN SIMON: I can-I can get that number
21 to you. I don't have it right at my fingertips.

22 COUNCIL MEMBER ROSENTHAL: I'd like
23 follow up on that.

24 DAN SIMON: Sure.

2 COUNCIL MEMBER ROSENTHAL: Alright, thank
3 you so much. Thank you, Chair.

4 CHAIRPERSON EMERITUS BRANNAN: Okay. I'm
5 going to hand it over to Chair Kallos.

6 CHAIRPERSON KALLOS: Thank you to my co-
7 chair for—Chair Emeritus for helping out, and to
8 Council Rosenthal for spending the entire day with me
9 so far between being in two hearings at once. I just
10 want to do a follow-up question on—on PASSPORT. This
11 I think follows up on a question I asked a year or
12 two ago just around with the new PASSPORT rolling out
13 is it something that folks will be able to access
14 from home and from their mobile phones or whatever
15 devices they may have?

16 DAN SIMON: So vendors can certainly log
17 into their accounts from home. City staff need to be
18 on the city network or some other VPN option. It's—
19 we're—so I value it as the product that PASSPORT is
20 built on. There are some pieces of it that are sort
21 of mobile friendly. IVALUA. I-V-A-L-U-A.

22 CHAIRPERSON KALLOS: Is it—what—what is
23 the—it's a C-M-S?

24 DAN SIMON: It's an off-the-shelf
25 eProcurement system.

2 CHAIRPERSON KALLOS: Okay.

3 DAN SIMON: There are—we can—I can
4 provide more information about IVALUA, if you'd like.

5 CHAIRPERSON KALLOS: Yes, please.

6 DAN SIMON: Yeah, sure.

7 CHAIRPERSON KALLOS: And—and so I guess
8 the question is will be people be able to just look
9 things up from home or from wherever somebody is
10 watching and is curious about even the contract for
11 PASSPORT, would they be able to pull that off?

12 DAN SIMON: A vendor for sure.

13 CHAIRPERSON KALLOS: No, a member of the
14 public. We're joined here by multiple members of the
15 press. Will they be able to just pull up the
16 contracts and do it? I view the press as a co-equal
17 branch of government.

18 DAN SIMON: Uh-hm. So, we can talk more
19 about what the public will have access to. There are
20 various laws that make—that compel us to provide data
21 in our public setting, and we can certainly talk
22 about that. I don't know that—you know, we're—we're
23 not established at the current—in the current state
24 to have public access to the IVALUA tool itself.

2 CHAIRPERSON KALLOS: Okay, we'll—we'll
3 discuss it more. Section 4-12, the Procurement Board
4 Policy Rules addresses late registration of city
5 contracts and requires MOCS to review each agency's
6 performance twice a year. Are you prepared to
7 discuss agency performance pursuant to this section?

8 DAN SIMON: 4-12 of the PBP Rules has a
9 provision at the end that says that if the city is
10 providing an interest free loan to human service
11 providers, that interest is not required to be paid.
12 We view the ability of the-of the Returnable Grant
13 Fund as meeting the obligation to provide that
14 interest free loan to city providers. And so, while
15 we agree categorically that the city should do a
16 better job in terms of registering contracts that are
17 retroactive, we—we do feel that the availability of
18 the Loan Fund sort of meets that obligation that we
19 would have to otherwise pay interest on those
20 contracts.

21 CHAIRPERSON KALLOS: How large is the
22 Loan Fund?

23 DAN SIMON: So the—the Loan Fund is
24 roughly \$68 or \$70 million.

2 CHAIRPERSON KALLOS: How much of it is
3 encumbered every year and repaid every year?

4 DAN SIMON: I—we can come back. We've
5 reported to this committee on the—the amount that's
6 loaned out each year. Happy to get you those details
7 but I think to date we've loaned over \$100 million to
8 the fund. I think there's been \$112 million or so
9 that's been requested. We've—we've loaned—this
10 estimating here we've loaned about \$100 million.

11 CHAIRPERSON KALLOS: Uh-hm, and that's
12 been over the last year and half or—of the--?

13 DAN SIMON: It's just the 19 to date.

14 CHAIRPERSON KALLOS: Okay, so you—you've
15 gone to roughly \$100 and--?

16 DAN SIMON: It's a—it's a revolving fund.

17 CHAIRPERSON KALLOS: Right. So, you've
18 gone through about 130% of—of the loan balance in the
19 past year.

20 DAN SIMON: So, what I would say is it's
21 revolving loan fund, and so it's meant to bridge the
22 gap to registration, and so it's a loan to a vendor.
23 Once the contract is registered, then the loan fund
24 is repaid.

2 CHAIRPERSON KALLOS: Have you ever had to
3 reject an application because you had insufficient
4 funds in the—in the Loan Fund?

5 DAN SIMON: No. We have, you know, we
6 have at times sort of spaced out So some vendors
7 will come and ask for three months worth of their
8 contract, and we think that the contract will be
9 registered in one month, and so we will sometimes
10 adjust the approved amount to account for the
11 registration timeline, but no. We wouldn't—we
12 wouldn't reject an application. We haven't rejected
13 an application because of availability.

14 CHAIRPERSON KALLOS: How much have the
15 city agencies paid in interest pursuant to this
16 section?

17 DAN SIMON: Well, generally again I think
18 that the—the premise that we're operating under is
19 slightly different. The city has paid I believe in
20 Fiscal Year 18 about \$150,000 in interest, but again
21 interest being calculated from the point of
22 registration on the contract. I think the issue that
23 we're trying to address here is the retroactivity of
24 contracts, which is resulting in what we're
25 perceiving as late payments.

2 CHAIRPERSON KALLOS: And I guess which
3 agencies have been found to be in substantial non-
4 compliance meaning that they submit contracts for
5 registration in and untimely manner?

6 DAN SIMON: That's information that we
7 can get back to you.

8 CHAIRPERSON KALLOS: Later today?

9 DAN SIMON: It might take a little longer
10 than later today, but we can certainly follow up with
11 more information about that.

12 CHAIRPERSON KALLOS: Tomorrow?

13 DAN SIMON: [pause] We can go back and
14 look at it and come back with a timeline for when we
15 can get it to you.

16 CHAIRPERSON KALLOS: Next week? I'm just
17 looking for a date certain. It could be 10 years
18 from now. It could be next week, but I just need
19 something by which you—you know that you can—that
20 there's 80 agencies in the known universe.

21 DAN SIMON: We can come back later today
22 with what a timeline could be.

23 CHAIRPERSON KALLOS: I'm going—I'm going
24 to call it two weeks. We're going to have another
25 within at least the next two weeks and please make

2 sure you have some---have what we're asking for in
3 hand. [pause]

4 CHAIRPERSON EMERITUS BRANNAN: Okay,
5 we're going to call up our first panel. Thank you
6 very much, guys. [pause] We have Allen from
7 Catholic Charities; Catherine from Homeless Services
8 United; Carlyn from CPC; Michelle Jackson from HSC.
9 [background comments/pause] I'm just mad you didn't
10 bring me one. [laughter] Okay, Allen, do you want to
11 start? Thank.

12 ALLEN WOLENITZ: And press it? I'm
13 sorry. [background comments] Now you got me? Got me
14 now? Yes. Good afternoon members of the Council
15 past and present. My name is Allen Wolenitz. I'm
16 the Chief Financial Officer of Catholic Charities of
17 Brooklyn and Queens. For those of you that may not
18 be familiar with our agency, I'll give you a brief
19 profile. We are a not-for-profit entity. We're
20 under the auspices of the Diocese of Brooklyn. In
21 2018, we serviced close to a quarter of a million
22 clients throughout Brooklyn and Queens. We provide
23 services to some of the most vulnerable residents of
24 the city, the poor, the elderly and the immigrant
25 populations. [coughs] Excuse me. These services are

2 provided because of—in regards to a person's race,
3 ethnicity or religion. Specifically, our programs
4 revolved around integrated health and wellness, which
5 include behavioral health clinics and services,
6 family services including senior centers, early
7 childhood programs, and we're also a major provider
8 of affordable housing. I'm here today to lend our
9 agency's support for the three bills 1448, 1449 and
10 1450 that are currently before the committee. That
11 issues that dealt within the bills, which include
12 expediting city contracts valued more than \$1 million
13 requiring agencies to provide grid phones on an as-
14 needed basis, and requiring the city to pay interest
15 on late contract payments are all vital to an agency
16 like ours. We currently have 60 city contracts with
17 the value of \$57 million. By definition, there's no
18 profit margin in these numbers. The \$57 million is
19 spent in its entirety in providing contract services
20 to our clients, and any gap between funding and
21 meeting our financial obligations clearly create a
22 hardship for the agency. We have no way—leeway in
23 meeting its payroll to the employees who are charged
24 with servicing our clients. I'm sure the committee
25 understands that managing cash flow in a not-for-

2 profit is not an easy job, and a very difficult
3 process. We feel that these three bills take very
4 substantive steps towards creating a more formalized
5 methodology for streamlining the flow of funds
6 between city agencies and its contracted providers.
7 We at Catholic Charities appreciate that these bills
8 on the hearing today, and hope they will soon passed
9 by the City Council. Thank you for giving me the
10 opportunity to speak.

11 CHAIRPERSON EMERITUS BRANNAN: Thank you,
12 Allen. [background comments]

13 CATHERINE TRAPANI: Good afternoon. My
14 name is Catherine Trapani, and I'm the Executive
15 Director of Homeless Services United, and I want to
16 express my gratitude to the Council Committee on
17 Contracts particularly Chairs Brannan and Kallos for
18 calling this hearing today, and in absentia I'd also
19 like to thank Council Member Levin for his steadfast
20 support of the homeless services sector, and thank
21 you for the opportunity to testify. HSU is a
22 coalition of approximately 50 non-profit agencies
23 serving homeless and at-risk adults and families in
24 New York City. The agency provides advocacy,
25 information and training to member agencies to expand

2 their capacity to deliver high quality services. We
3 advocate for the expansion of affordable housing and
4 prevention services, and for immediate access to
5 safe, decent emergency and transitional housing,
6 outreach and drop-in services for homeless New
7 Yorkers and more. Agencies—member agencies operate
8 hundreds of programs including shelters, drop-ins,
9 food pantries, home based outreach and prevention
10 services, and the bulk of our work is funded by
11 government contract. It is via the non-profit sector
12 that the city is able to uphold the right to shelter
13 for thousands of homeless New Yorkers, and it is via
14 the work our sector that we have successfully brought
15 over 2,000 individuals off the street via our
16 outreach efforts. We have been seeking support from
17 DHS, and testifying before this Council since at
18 least 2015 regarding the harmful impact of delayed
19 contract registrations of payments to non-profits. In
20 response to the crisis, we established a joint
21 committee with our members and leadership from the
22 Departments of Social Services, Finance and DHS
23 budget teams to workshop bottlenecks with the
24 registration process to take responsibility for our
25 providers' roles in ensuring cooperation with the

2 contracting process, and appropriately managing our
3 workflow. The committee has proven extremely helpful
4 in resolving major cashflow issues individual members
5 in real time as well for helping members struggling
6 with closeouts, invoicing and audit concerns, and so
7 I want to publicly thank DSS and DHS for their
8 partnership, and the progress that we have made to
9 date. We had hoped that through this partnership and
10 implementing process improvements that we can rectify
11 the delays that we've been discussing this afternoon,
12 gut out patience is wearing thin. Despite our best
13 efforts, 98.9% of all DHS contracts are registered
14 retroactively and in Fiscal Year 2018. Compounding
15 the challenges associated with delayed registrations
16 is the inability to register amendments because of
17 this backlog. This has added additional financial
18 pressure to non-profits. When a contract is not
19 registered, the city cannot add the funding necessary
20 to implement new initiatives to improve services, and
21 the provider must wait until their underlying
22 contract for baselined services is registered before
23 monies can be added for new initiatives touted by the
24 city as part of their turning the tide against
25 homelessness plans. Examples include the Model

2 Budget Initiative from 2018, which was meant to
3 bolster services, improve shelter conditions, and
4 appropriately compensate staff. Because the
5 amendments deemed to pay for these enhancements are
6 still not registered, non-profits are in the position
7 where they're counting (sic) money to pay for these
8 initiatives, implement COLAs, hire social workers,
9 improve maintenance and the like without any
10 compensation from the city for months and in some
11 cases years. In other cases, non-profits have
12 delayed implementing the announced improvements for
13 lack of funding, and services the clients and
14 performance has suffered as a result. The good news
15 is is that we are in a substantially better position
16 in the current Fiscal Year when compared to last but
17 still the last update I got was on January 30th of
18 2019, which was halfway according to the Fiscal year
19 10% of its current year contracts were still not
20 registered, and regarding the amendments, the last
21 progress report I go was in October, and it was even
22 less promising. At that time, there was still over
23 400 contract amendments still pending, and the lack
24 in this means that we're still relying on lines of
25 credit to meet the expenses. In many cases non-

2 emergency repairs are not getting done, and we're
3 hiring and retaining staff. It's still a challenge.
4 Until the full backlog of contract amendments is
5 addressed, conditions and services are not going to
6 markedly change. The city has informed us that they
7 aim to clear the backlog by May of this year.
8 However, we have heard from our part-partners at MOCS
9 who just left and the NRC that DHS continues to lag
10 behind its sister agencies in terms of progress
11 towards clearing the backlog, and achieving timely
12 registration in time for FY20. At a recent NRC
13 meeting, contracting officers from several city
14 agencies presented in the status of their efforts to
15 ensure timely registration. DHS at that time had
16 only sent out 20% of the upcoming Fiscal Year's
17 contracts to providers by the target date set by
18 MOCS, which was a key metric of whether or not they
19 had given themselves enough time and runway to get
20 agreements back from providers, and do the necessary
21 due diligence to ensure registration prior to the
22 start of the next fiscal year. All of the other
23 agencies of reporting were substantially further
24 along. The next lowest progress report noted has
25 sent out 50% of their contracts compare to DHS's 20

2 and most others were at or near 100%. It continues
3 to be a grave concern that DHS has been unable to
4 resolve the backlog despite concerted efforts from
5 our community to do so. It is, therefore, HSU's
6 belief that additional tools are, in fact, necessary
7 to ensure timely contract registration. In the event
8 hat timely registration cannot be achieved,
9 additional support for the non-profit community is
10 also necessary to help providers appropriately bridge
11 the gap in government funding, continue to provide
12 quality services on which our clients rely. DHS has
13 committed to providers that all of this funding will
14 be in place soon as the procurement schedule
15 normalizes, and they are able to better plan for
16 future fiscal years. We are hopeful that once the
17 baselined budgets are in place the fiscal health of
18 the sector will improve enough to allow for more
19 investments in comprehensive service rich programming
20 that will able our clients to recover from
21 homelessness more quickly and support their
22 transition to permanency. In the meantime, we're
23 very thankful to the Council for your advocacy and
24 support in helping us get there, and specifically we
25 appreciate this spirit in which offer Intros 1448, 49

2 and 50, calling for increased oversight, access to
3 loans and funding for interest payments resulting
4 from the delayed registration. We cannot continue to
5 shoulder the burden of subsidizing the city by
6 providing core services without compensation. We
7 look forward to continued work with the Council and
8 the Administration to improve the procurement, and
9 thank you very much of the opportunity to testify,
10 and I can answer any questions.

11 Good afternoon and thank you very much to
12 Chair Kallos and Chair Emeritus Brannan for the
13 opportunity to testify today. My name is Carlyn Cowen
14 and I'm the Chief Policy and Public Affairs Officer
15 at CPC, the Chinese-American Planning Council. CPC
16 is the nation's largest Asian-American social
17 services agency providing critical human services to
18 over 60,000 Asian-American and Pacific Islander
19 immigrants and low-income New Yorkers throughout all
20 five boroughs each year. We're pleased to be here
21 today to testify in support of Intros 1448, 49 and
22 50, which will bring much needed oversight, bridge
23 loans and interest payment support to the human
24 services sector. CPC's programs are fairly well known
25 throughout New York City. You might be familiar with

2 our Adult Literacy Program in which we make sure that
3 New York-immigrants to New York have the access to
4 English language for workforce and education and
5 navigating. You might be familiar with our Senior
6 Services Program where we provide meals and other
7 important programming for senior or perhaps our Early
8 Childhood services where we provide culturally
9 competent and dual language support for our youngest
10 New Yorkers, but maybe one of the programs of ours
11 that you don't know is one of our biggest, but maybe
12 least popular programs, which is subsidizing the city
13 of New York for providing human services that are
14 mandated to be provided by the city that CPC carries
15 out every year. In this program, we do different
16 activities like filling the gap between the indirect
17 rate on our contracts between what is reimbursed to
18 us and what it actually costs to provide these
19 services. At about a million dollars per year that
20 we're subsidizing the city. In this program we also
21 wait for the city to pay us on the services we're
22 already providing, and try to track down late
23 payments by work with different agencies and with
24 MOCS. Currently, CPD is waiting for almost a million
25 dollars in money owned to us from New York City on

2 services that we are already providing. In this
3 program another thing that we do is pay interest on
4 those late payments. Last year, CPC paid \$157,000 in
5 interest that we had to take out in loans in order to
6 fill the gap while waiting for those payments, and
7 that's money that until now we didn't have
8 opportunity to get back, and that money has a real
9 impact on our community members. That \$157,000 could
10 have been used to provide a full year of after school
11 education for 50 young people. It could have been
12 used to deliver over 1,500 meals to our homebound
13 seniors who might not get nutrition otherwise, or it
14 could have been used to provide adult literacy
15 classes to nearly 150 New Yorkers that need that
16 support in order to have dignified lives in their
17 communities. So, in conclusion thank you very for
18 your leadership in this and continually fighting to
19 ensure that the full cost of doing human services in
20 New York City is covered. I'm happy to answer any
21 questions you may have.

22 MICHELLE JACKSON: Good afternoon. My
23 name is Michelle Jackson. I'm the Deputy Executive
24 Director of the Human Services Council. We're a
25 membership association of about 107 human services

2 organizations in New York City both direct providers
3 and coalition groups and we work on city and state
4 particularly procurement areas. So first, I want to
5 welcome Chair Kallos to the wonderful world of
6 government contracting in your face already.

7 [laughter] It speaks to your joining the storied
8 company of past Chairs Rosenthal and Brannan who, you
9 know, who really have taken on these issues, and so
10 we hope to not scare you too much, but I'm going to.
11 [laughter] So, first I want to thank the Council for
12 including a hundred--

13 CHAIRPERSON KALLOS: [interposing] I don't
14 scare easy.

15 MICHELLE JACKSON: Right.

16 CHAIRPERSON KALLOS: I don't know if you
17 noticed.

18 MICHELLE JACKSON: Good. Okay, good.

19 [laughter] So, first I want to start with a thank
20 you to the Council for including \$106 million for
21 indirect funding, and for \$89 million for Early
22 Childhood Salary Parity in the Council's Budget
23 response. I think those are two really important
24 areas I have testified about before particularly the
25 salary parity. While Early Childhood is only one

2 part or the human services sector, I think it speaks
3 to the movement in terms of paying human services
4 fairly for their work. So, I want to start with a
5 thank you and then move onto Groundhogs Day. I've
6 done this testimony for--I-I think it hasn't changed
7 that much in 11 years. I have a cool new shirt, but,
8 you know, I think that's--the rest of it is just--
9 [laughter]

10 CHAIRPERSON KALLOS: I-I-I've been
11 admiring the shirt. Can you tell us what it says,
12 and did you get it printed just for this hearing or
13 are you--you think it's accurate?

14 MICHELLE JACKSON: [laughter] So this
15 says: No Procurement, No Teeth, and this is the
16 rallying cry of [laughter] Council Member Brannan,
17 and so this is for this hearing, but we will be
18 carrying the movement forward. [laughter]

19 CHAIRPERSON KALLOS: Do you have one in
20 his size at a value less than \$50?

21 MICHELLE JACKSON: We do and he will be
22 getting it--he will be receiving it after this
23 hearing, and it is definitely valued at less than
24 \$50.

2 CHAIRPERSON KALLOS: If I can get one,
3 too.

4 MICHELLE JACKSON: Absolutely.
5 [laughter] We will initiate you into the group. So,
6 I think first I want to say that, of course, we
7 support the bills to pay interest on late payments
8 and also the development of a SWAT team because that
9 sounds cool, and also because it's really necessary.
10 These are issues that we've—the problematic
11 procurement process is well established. I think
12 you've heard direct providers, and I feel you'll hear
13 from about—they can tell you more clearly how those
14 issues impacts their organizations, but one of the
15 things is we just released today is our Gov Greater
16 and Gov Greater this is the second time we've done
17 this survey and it's a survey of city and state
18 government agencies by non-profits who contract them.
19 So, it's kind of like Yelp for—for government
20 agencies. The—the city this year went from a B
21 minus, which was their score last year to a C. The
22 state said the same, but the city went down a whole
23 grade. Every agency under the city went down except
24 ACS, which I actually think speaks to what we know,
25 which is our providers have said that ACS is an

2 organization that they like working with and that
3 they feel like the staff really understands their
4 needs. Providers and the comments expressed clear
5 frustration with the delays that they have said over
6 and over to us this year are the worst that they've
7 ever seen. In addition to that, they're really
8 struggling with confusing information management.
9 They feel that the city agency staff don't have clear
10 direction and are asking for things they haven't
11 asked for before leading to a lot of confusion and
12 the Gov Greater it still qualitative information, but
13 it's the same things we complain about, and I bring
14 to you, but it's a way of us saying this is sector
15 right issue, and the results I think really speak to
16 what we've been talking about. I also would like to
17 point out that a C seems average, but no one in New
18 York really wants to use a C restaurant, and so it's—
19 well, it's a passing grade. It's not doing great, and
20 also non-profits don't have another restaurant to eat
21 at. They have to eat at the city government
22 procurement table, and we want them to. If they took
23 their business away, we would have a really big gap
24 in the—in the city in terms of how we would procure
25 services, organizations like CPC and Catholic

2 Charities in Brooklyn and Queens that they gave up
3 their contracts, which more organizations are moving
4 to do. They are looking at closing down levels of
5 service in certain programs that because of the
6 delays and also because they don't enough in order to
7 do the services, and you don't want the. We don't
8 want that to happen. I'd like to point out I think
9 when Dan Simon testified that there's a couple of
10 things, the NRC, the Non-profit Resiliency Committee
11 is doing good work, and we think that PASSPORT will
12 be a great asset to the procurement environment and
13 help change things, but it's also—it's just not
14 enough. I think the NRC something like the Cash
15 Advance Policy, it only kicks in once a contract is
16 registered. So, if a contract takes six months or a
17 year to register, that cash advance doesn't do a
18 whole lot for you. So, something like interest is
19 really important. The state has a prompt payment law
20 as well, but it's problematic for its own reasons,
21 but once the state was really focusing on that, and
22 realized how much it was paying in interest every
23 year, it got a lot of public attention, and so while
24 it doesn't make organizations whole, and it doesn't
25 solve all the issues, it does show how much money

2 we're wasting, and I think that that's really
3 important. PASSPORT will show where things are in
4 the process, but it doesn't have someone who is
5 designated to move it along, and that's the problem
6 now is that there isn't someone, which is why we
7 support a bill around it for, you know, increased
8 oversight. There needs to be somebody who is
9 mandated to make sure that these things are moving
10 along in a timely way, and we can't wait. While some
11 of these Initiatives are great and we need action,
12 and we also need something that will last beyond
13 administration. I can't come back. We can't restart
14 our advocacy efforts. As PASSPORT does great,
15 Accelerator was a great fix for two to three years
16 and now there's other issues, and so similarly like
17 we want things that will last, and so this—these
18 pieces of legislation will help that so that we're
19 not restarting advocacy efforts and waiting until
20 there is, you know, a critical mass. I also just
21 have to point out one thing is that the Loan Fund
22 does continue—is a great thing, but it's also a Band-
23 Aid. It's not a cure for this issues. We have had
24 providers report not being able to access the Loan
25 Fund. It has been maxed out in previous years. We

2 have organizations who are owed, \$40 and \$50,000
3 Million, and so the idea that the Loan Fund is, you
4 know, \$60 million means that there are people who
5 don't have access to it, and they also can't access
6 it for the full value of what they're owed. They can
7 only access it for certain portions of their
8 contracts and so it's a Band-Aid. It's not a
9 permanent solution to the problem. So I'll stop
10 there. I'm happy to answer any questions that you
11 have, and I also want to take a moment to thank
12 Council Member Brannan for your really great work on
13 this committee. It's been a lot of fun, and we'll
14 definitely miss you, but you won't, you know, you
15 won't be going very far. [laughter]

16 CHAIRPERSON EMERITUS BRANNAN: I don't
17 think I've ever asked you guys and as—as candidly as
18 you can be on the record I guess if you think
19 PASSPORT is going to be the panacea that the
20 Administration thinks it's going to be. I mean my
21 concerns are exactly yours, which is I like obviously
22 the—the fish bowl aspect, and shining a light on it,
23 but just being able to see that the system is
24 dysfunctional is—we're all going to say yeah that,
25 you know, we knew—we knew this already. Now I can

2 see it in a cool--- [laughter] Yes, I think. So, I
3 think that that's always been my biggest concern as
4 they sort of tease this, you know, this--this
5 blockbuster movie that's coming out. If once it's
6 here just being able to see things move along at a
7 snail's pace is not going to make anybody happy.

8 MICHELLE JACKSON: Yes

9 CHAIRPERSON EMERITUS BRANNAN: What else
10 do you think needs to--needs to happen?

11 MICHELLE JACKSON: So, I think that we--I
12 especially knowing the team that's providing
13 PASSPORT, and I think I said this before that I have
14 faith in that group. They design age-specific
15 salaries (sic)

16 CHAIRPERSON EMERITUS BRANNAN: The same
17 here. Yes.

18 MICHELLE JACKSON: And so, I do think
19 it's going to do what they say that it will do, which
20 is show where things are. That's--so in that sense,
21 it is a panacea, and I think it will, you know,
22 greatly improve things. At the same time I complexly
23 agree. It doesn't--I'm not sure it's going to solve
24 the real problem, which is that depending on who is
25 in the management seat, a different--whether it's city

2 agencies or oversight or whatever it is or where the
3 priorities are, that a lot of this stuff gets lost in
4 the shuffle, and I think we noticed that when there
5 were all of these contract amendments, which are good
6 things to have these modifications because money was
7 invested. That's not new. I mean the amount of them
8 was, and we're doing it for indirect not just COLAs,
9 but COLAs aren't new. We've seen them before. We've
10 seen them go out the door quickly, and not so quickly
11 and I think that that's what we're worried about is
12 that what is the sequencing of making, you know, once
13 we can see where things are, what's the step of
14 putting timeframes on them, which I think is a big
15 thing where our recommendations to the Charter
16 Commission are to establish timeframes to make the
17 payment of interest, and to force management reports
18 to come out that show where the retroactivity is
19 because that's a big gap that we have seen is that
20 not being able to point to where the retroactivity is
21 means we have to wait for it to be crisis before it
22 gets addressed. So, I think that those are the pieces
23 that I think are lacking in PASSPORT, and need to be
24 there is that there needs to be someone in charge,
25 and there needs to be real consequences for when

2 those things aren't moving because just being able to
3 see where they are and working in goodwill works, but
4 it depends on who's in the driver's seat, and we're
5 not always going to know who it is.

6 CHAIRPERSON EMERITUS BRANNAN: You guys
7 all serve on the same page there.

8 CATHERINE TRAPANI: Yeah, what—that
9 Michelle said, they did that a lot.

10 CHAIRPERSON EMERITUS BRANNAN:
11 [interposing] Yeah, I know, yes.

12 CATHERINE TRAPANI: Yeah, the—the
13 accountability like for instances is—is what's
14 missing and I think that, you know, in some way it
15 can be a motivating factor, but it certainly will
16 depend on which partners are sort of in control at
17 any given time. So—so I think that it just needs a
18 little more teeth. Yeah.

19 MICHELLE JACKSON: I would just say, too,
20 that sunlight is a great thing, but it's—I mean this
21 is not like the sexiest issue under the sun. So,
22 when even like the Comptroller's Report comes out and
23 it shows a 98 or a 99% activity rate.(sic) What does
24 that matter when we're looking at kind of bigger
25 issues in terms of the political space and like how

2 much capital is being dedicated to that, and so
3 sunlight helps to a certain extent, but it's
4 somewhere in a very shady corner [laughter] and not
5 a, you know, really bright light that's pointing at
6 that kind of attention.

7 CHAIRPERSON ADAMS: With regards to
8 PASSPORT, I'm an attorney. I'm also a software
9 developer. When I built software with the Federal
10 and State governments, not this one, but others we
11 did something called User Centered Design where the
12 users actually got to say what the product did. Have
13 your organizations been involved in the design of
14 PASSPORT?

15 CATHERINE TRAPANI: So, we were given
16 demonstrations, so not involved in the design, but
17 they did have a couple of demo sessions where they
18 showed us what the functionality was, and did to
19 their credit also some feedback on reporting
20 functionality and other sort of things that can be
21 customized, but I—I don't think it's fair to say that
22 we were integral to the design, although they did
23 make an effort, and I want to give them credit for it
24 to—to sort of have listening sessions. I don't think
25 those were--

2 MICHELLE JACKSON: And I—I would add that
3 Accelerator was built from that perspective of user-
4 centered and us being the end user.

5 CHAIRPERSON KALLOS: HHS Accelerator or-?

6 CHAIRPERSON EMERITUS BRANNAN: Yes, HHS

7 MICHELLE JACKSON: Yes, HHS Accelerator
8 was still in that way. Like we spent an entire
9 summer. A lot of non-profits came and went, sat with
10 MOCS and went through every single screen, and
11 realized that PASSPORT is not just human-for human
12 services, but we haven't had that plain experience,
13 but we have been given previous and been told where
14 we—where things are doing along the way, but it's not
15 user centered.

16 CHAIRPERSON KALLOS: Is HHS Accelerator a
17 product that you like?

18 MICHELLE JACKSON: Yes. I mean I think
19 our—I think it's much, much better than the system,
20 more of a lack of system that existed before, and it's
21 certainly sped things up and streamlined processes.

22 CHAIRPERSON KALLOS: And have any of you
23 heard about the new benefits at API that we rolled
24 out yesterday? [pause]

2 CHAIRPERSON KALLOS: Okay. So, this is
3 something I've been working on for about ten years,
4 but basically, you're going to be able to submit all
5 of the information you have on clients to a benefits
6 API, which will allow you to get answers on the 40
7 different human service benefits people may be
8 qualified for in your system. Do you have
9 infrastructure-technology infrastructure that would
10 allow you to work with H-you already have systems
11 that work with HHS Accelerator?

12 MICHELLE JACKSON: Uh-hm.

13 CATHERINE TRAPANI Yes.

14 CHAIRPERSON KALLOS: So this would allow
15 you to pass information through the benefits
16 screening API. So, we would update the
17 qualification. What kind of impact do you think that
18 might have with some of your clients and workflow?

19 CATHERINE TRAPANI: To direct to the
20 providers as a--

21 MICHELLE JACKSON: [interposing] Yeah.

22 CATHERINE TRAPANI: --as an umbrella
23 organization, it's hard for that decision. (sic)

24 CHAIRPERSON KALLOS: Okay.

2 MICHELLE JACKSON: Yeah, I would say that
3 we have worked previously on H to just connect and-
4 and the public benefits screen that I just said there
5 and that I think--so, I would just compare the two
6 because it sounds like this is a better version of--of
7 some of that, and, but--

8 CHAIRPERSON KALLOS: [interposing] It's--
9 it's made--it's exposing the back end so that your
10 client relationship management tools can directly
11 interface with the city without having to go through
12 paperwork.

13 MICHELLE JACKSON: Yes, so that sounds
14 great.

15 CATHERINE TRAPANI: Sounds great. Yes.

16 MICHELLE JACKSON: Yeah.

17 CATHERINE TRAPANI: So, absolutely.

18 MICHELLE JACKSON: Yeah, I meant I think
19 that's--any time that our providers can give more
20 easily accessed information, and plug in without to
21 read plug-in client data is obviously a huge win for
22 them.

23 CHAIRPERSON KALLOS: And I guess the only
24 other piece I'd mention is I would say there is no--
25 this isn't barring stuff. There's nothing greater

2 than the work that you do, and I look forward to
3 working with you to tell that story. To Council
4 Member Rosenthal to—

5 COUNCIL MEMBER ROSENTHAL: Just a quick
6 question piggybacking off of what Council Member--

7 CHAIRPERSON KALLOS: The Fellow Chair
8 Emeritus.

9 COUNCIL MEMBER ROSENTHAL: There we go.
10 [laughter] What the Chair is asking about being
11 user-centric. So did--PASSPORT in its first
12 iteration my understanding was that they just pulled--
13 used the same facing-forward facing tools that
14 Accelerator had. Is that accurate?

15 MICHELLE JACKSON: Uh-hm.

16 COUNCIL MEMBER ROSENTHAL: So, everything
17 that was captured in Accelerator is now being
18 captured in PASSPORT?

19 MICHELLE JACKSON: Yes.

20 COUNCIL MEMBER ROSENTHAL: I just wanted
21 to make sure I understood.

22 MICHELLE JACKSON: Yes.

23 COUNCIL MEMBER ROSENTHAL: Thank you for
24 that.

25 CHAIRPERSON KALLOS: Thank you.

2 CHAIRPERSON EMERITUS BRANNAN: We have
3 one more panel. Thank you guys so much.

4 MICHELLE JACKSON: Thank you.

5 CHAIRPERSON EMERITUS BRANNAN: John
6 McIntosh from SeaChange and Kaitlyn from Live On.
7 [background comments/pause] Hi, guys. Start whenever
8 you're ready.

9 KAITLYN HOSEY: Alright. So my name is
10 Kaitlyn Hosey. I'm here on behalf of Live on New
11 York. I'm the Director of Public Policy, and
12 admittedly, I got the title wrong on my testimony,
13 but next time I will have the correct Chairperson in
14 there. [laughter] So, Live On New York is a
15 membership organization that represents over 100
16 community based organizations that serve over 600,000
17 older New Yorkers each year. The majority of these
18 organizations hold Department for the Aging
19 contracts, including senior centers, NORCs, case
20 management, home delivered meals, and the gamut of
21 Department for the Aging services that are provided.
22 We are here strongly in support of Intro 1450 and
23 Intro 1448. Live On New York is appreciative of the
24 measures as an important step to compel the city to
25 make timely payments to providers while also making

2 them accountable for any delays. Delays in
3 registration as well as complex contracting processes
4 overall exacerbate contracting issues, and there
5 needs to be immediate attention and resources devoted
6 to solving these concerns. Live On New York would
7 also like to take the opportunity to thank Speaker
8 Johnson and the entire City Council for including
9 \$106 million to bring indirect funding rates up to
10 12% in your Preliminary Budget Response, which is
11 crucial funding to help close the gap between what it
12 costs to run a program and what the city actually
13 pays, which comes back to a lot of why these
14 contracting issues are so important. The non-profit
15 human service sector suffers from cash flow problems,
16 and chronic underfunding largely due to the fact that
17 government contracts rarely cover the true operating
18 cost, and payment is often late and unpredictable.
19 Contracts and grants must fully cover indirect costs
20 such as information technologies to allow them to use
21 HHS Accelerator and such, Compliance building
22 contracts, and include costs escalation causes that
23 can accommodate increases in the cost of doing and/or
24 allow for the surrender of contracts when they become
25 unsustainable due to unforeseen circumstances. This

2 city must work closely with this sector to determine
3 what it actually costs to run a successful program.
4 The new Health and Human Services cost policies and
5 Procedures Manual, which was developed as part of the
6 Non-Profit Resiliency Committee lays our standardized
7 indirect costs for a sector. However, without
8 increased funding to address the gap, this manual
9 displays in our contracts, the fiscal crisis we are
10 facing remains unaddressed. Based the numbers
11 provided by OMB, \$250 million would cover the cost to
12 fully implement this manual. We are greatly
13 appreciative of the \$106 million in Council's
14 Preliminary Budget Response as the first step towards
15 this goal. It's important to emphasize that delayed
16 and underfunded contracts have a detrimental effect
17 on both the organizations themselves and a
18 community's basis. I know that this is a point that
19 is well known to you all. As time and energy spent
20 worrying about how to make payroll, our finite
21 resources that could be better spent both during our
22 community. With 89% of Human Services contracts
23 arriving at the Comptroller's office after the start
24 date, providers are forced to consider the situation
25 of starting work without a registered contract, or

2 not providing services to the communities in which
3 their mission compels them to serve. I also want to—
4 I know we're talking about a lot of wonky issues
5 today so I wanted to like take a step back a little
6 bit and talk about what are the services that are
7 being put at risk by all of this. Within the
8 Department for the Aging the majority of these
9 contracts are going to nutrition services for older
10 adults provided through the senior center or home
11 delivered meals system. These services, the
12 majority—for the majority attendees the meals that
13 they receive at a senior center makes up one-half or
14 more of the daily food intake or nutrients for the
15 day. Hunger affects 1 in 6 seniors nationwide, the
16 risk of hunger is not equal among all populations.
17 As seniors with disabilities, African-Americans and
18 other minorities are more at risk. When we speak of
19 late and underfunded contracts, this means vital
20 nutrition services is what the city is truly putting
21 at risk, and it is a risk that the non-profit
22 community can no longer bear the burden of
23 shouldering. Live On New York looks forward to
24 supporting these bills that were aforementioned and
25 the \$106 million investment that was proposed this

2 year and supporting your work to make New York a
3 better place to age. Thank you.

4 CHAIRPERSON EMERITUS BRANNAN: Thank you.
5 John.

6 JOHN MCINTOSH: Great. Chairman Kallos
7 and Chairman Emeritus Brannan and Rosenthal. Thanks
8 for having me again this year. I'm John McIntosh,
9 Managing Partner of SeaChange Capital Partners.
10 SeaChange is a non-profit, which makes loans to other
11 not-for-profits, helps them understand and manage
12 their risk, and we also a red phone, which rings when
13 non-profits are in distress. So, we have seen first
14 hand the real burden that-that even the best run
15 organizations have in managing their cash given the
16 city is generally late, and always unpredictable
17 procurement and payment process. So, as a result, we
18 support the bills that are proposed around agency
19 oversight process for large contracts, around bridge
20 loans and around interest. I should say in passing,
21 we also support the Comptroller's recommendations
22 around agencies have a fixed deadline to complete
23 certain tasks and for some sort of publicly available
24 tracking system. Last year, we did a spellbinding
25 report called New York City Contract Delays. The

2 facts, and just for you released hot off the press
3 not even in the public domain until tomorrow. We
4 have New York City Contract Delays Volume 2, and I
5 think the analysis serves to emphasize the importance
6 of what you're trying to do here. So, last year
7 based on data for contracts registered in Fiscal
8 2017, if you compare that to the new analysis based
9 on contracts registered in Fiscal 18, the situation
10 is a little bit worse. Just a little. So, in-in
11 Fiscal 18, the 2,534 contracts registered by the city
12 Social Service agencies or issued by city Social
13 Services agencies, and registered in Fiscal 18 were
14 an average 221 days late. Only 11% were registered
15 on time. Organizations had to wait about a year to
16 be pretty sure their contract had been registered.
17 I'm going to say that's 80% sure and they had to wait
18 almost two years, 623 days to be really sure and
19 that's up, and-and our best guess, our best guess is
20 that the total burden imposed on non-profits because
21 of those registration delays was about \$740 million.
22 Okay, so things haven't gotten better. I'd like to
23 spend a moment on three things that-that I'd like to
24 suggest you should keep in mind if you really want to
25 change the way procurement works. Discretionary

2 contracts, renewals and battleship organizations.
3 So, if you look at the data, about 40% of the
4 contracts are discretionary items even though they're
5 only three percent of the spending, and there is such
6 a gap between how many contracts there are and how
7 much spending they are because they're so damn small.
8 The—the median contract is less than \$80,000. Even
9 though they're only 3% of the spending, they're close
10 to 20% of the financial burden because they're so
11 late. Only 10% were registered within six months.
12 Non-profits had to typically, so median wait time was
13 300 days and it was almost two years to be really
14 sure those contracts had been registered. I used to
15 think that these contracts were ridiculous. They
16 were a nuisance that in a better world would just be
17 abolished. Having looked more closely at the data, I
18 don't think that any more, but the truth is that
19 they're the only way that the city touches quite a
20 lot of non-profits. If you look at the data, the
21 discretionary items went to about 500 organizations,
22 but 70% of those didn't get any other support from
23 the city. They're what I'll call discretionary only
24 organizations. Most of those organizations are
25 pretty small. Our best guess is that half of those

2 organization a million dollars or less, whereas, for
3 non-discretionary items, only 10% of your vendors are
4 a million dollars or less. So these—these are
5 important grants to small organizations that
6 generally otherwise not supported, which, of course
7 makes it particularly galling that they have to wait
8 so long. On the other hand, I think SeaChange is
9 pretty sympathetic to agencies because these awards
10 are only decided at the very, very end just before
11 the fiscal year starts, and they're so small and, of
12 course, people wait to do the contract by contract
13 negotiation around the scope of work because they've
14 got bigger fish to fry. And so, we respectfully
15 suggest that you consider doing three things: Make
16 the smaller discretionary items, make them—make sure
17 that they're granted against some pre-defined scopes
18 of works so the agencies don't have to negotiate
19 contract by contract. I think you could come up with
20 a couple of templates and just—just make sure that
21 every discretionary grant is already in effect
22 assigned a template so the agencies don't need to do
23 the work. Number 2: Just recognize that you're
24 never, ever going to get these registered on time,
25 and perhaps make loans against them or number 3,

2 outsource the whole discretionary procurement process
3 to a separate agency of government or maybe even to a
4 third party. Because these are really small—they're
5 really hard and—and that's what I think we should we
6 do. Chairman, do you have a questions? Is there
7 something I can help you with? You look confused.
8 My reports can be confusing. I apologizer.

9 CHAIRPERSON EMERITUS BRANNAN: Just
10 wishing there was more to the report.

11 JOHN MCINTOSH: More? Why we can do
12 more. Okay, number 2--

13 CHAIRPERSON KALLOS: [interposing]
14 Actually he's—he—he knows me too well even—even
15 though he's been in the Council for a year and a
16 half, we worked together before building pre-K seats
17 in my district. We're up to 14. Sorry, we're up to
18 1,100, but so, yeah, I was just—I was trying to find—
19 you—you didn't have data sources cited in there

20 JOHN MCINTOSH: This—this is all—this is
21 also the—this is—I would say it's not functionally in
22 the public domain, but all the data that—that we
23 receive from the Comptroller's Office is—is the same
24 data that's in Checkbook, NYC. So this is—the
25 contract level data is in the public domain through

2 Checkbook NYC, but we've just been able to analyze it
3 in a way that is difficult because you'd have to
4 spend a long time going through Checkbook NYC, but
5 this is all from the Comptroller.

6 CHAIRPERSON KALLOS: So, I'm a data
7 person. I-I believe in trust to verify not to-not
8 to--

9 JOHN MCINTOSH: [interposing] Absolutely.

10 CHAIRPERSON KALLOS: --and so to the
11 extent you are comfortable sharing some of your
12 analyses, I'd be interested in seeing the original
13 source material along with the annotations so that I
14 can see-see for myself and see what other can be
15 extrapolated.

16 JOHN MCINTOSH: Not only would I be
17 comfortable, but we all make mistakes, and there's a
18 thing with the back that says, you know, we did our
19 best. So, I would-I would welcome a second set of
20 eyes.

21 CHAIRPERSON KALLOS: But we-we will
22 definitely be-I will be sending over datasets for you
23 to crunch--

24 JOHN MCINTOSH: Okay.

2 CHAIRPERSON KALLOS: --to double check on
3 my corrections.

4 JOHN MCINTOSH: Two other quick things:
5 Renewals. So renewals are great in one way I mean
6 36% if renewals are registered before the start date,
7 and on average organizations only need to wait two
8 months to get their contracts registered, but there's
9 still a lot of pain because there's a long tail of
10 renewals that takes some time to register, and--and I
11 just want to say that even the toughest minded not-
12 for-profit cannot delay and should not delay or stop
13 services under renewal until the contract is
14 registered because unlike a new contract you'd have
15 to be turning services off for vulnerable New
16 Yorkers, which I don't think any of us want them to
17 do, and so our-our thought there would be that--that--
18 that if a contract is a renewal, even if it hasn't
19 been registered, if the not-for-profit is providing
20 service at the start date, they should be able to get
21 an advance. The final thing, and it makes people
22 uncomfortable, but I think it's a fact. We think
23 procurement should recognize the importance of what
24 I'll call the battleship non-profit vendors.
25 Something like 85% of the city's social service

2 vending goes to 100 vendors. Vendors with do have
3 multiple contracts with the city, and generally
4 speaking, do business with the city year in, year
5 out. In fact, just as a math exercise, the average
6 grant to each of those 100 vendors \$48 million is
7 equal to the smallest 600 discretionary grants
8 combined. And so, our thought there is that more of
9 the city's procurement resources go towards making
10 sure that those battleship vendors have the
11 organizational characteristics that we want, that
12 they're well governed, that they're free from
13 conflict of interest, that they have appropriate
14 financial and accounting and—and programmatic
15 policies in place, but if you're able to deem that
16 that's so, that you then spend less time on contract
17 level minutia, and maybe even for those battleships
18 consider more flexible master contracts because it
19 seems odd that for groups that are well known to the
20 city that get very small contracts, there's no
21 difference in process than for the smaller groups
22 that you see once in a while through a one-off
23 discretionary grant. Finally, I'd just like to say
24 that at this moment time, we see that the city needs
25 healthy non-profit partners more than ever, and I

2 recognize that it's very, very thorny politically to-
3 to pay them more. There's only so much money to
4 around, but for many organizations getting paid
5 promptly and predictably is just as important as how
6 much you get paid, and I'm really, really excited
7 that this finally seems to be a moment where because
8 of the bills you've proposed, real procurement reform
9 is possible. Thank you very much.

10 CHAIRPERSON EMERITUS BRANNAN: Council
11 Member Rosenthal.

12 COUNCIL MEMBER ROSENTHAL: Thank you so
13 much—I—and to both of you for one for bringing to
14 light the consequences of these late payments. I
15 really appreciate Live On, and its ability to do
16 that, and secondly for these suggestions. I mean the
17 one thing that I would ask you to—I really appreciate
18 all of these suggestions. One thing to keep in mind
19 is that the city is guided by state law, which does
20 not allow the city to advance money to a non-profit.
21 So, even in the case of we're in a new role (sic) or
22 the battleship organization, state law prohibits the
23 city from making advancement unless there's a
24 registered contract. So, the notion of a master
25 contract that is registered might be a workaround,

2 but, you know, our hands are tied by the state to
3 some of these ideas. So, I'm trying to--yes if you
4 could keep up the idea.

5 JOHN MCINTOSH: [interposing] But the
6 point making I think if you look at the New York City
7 Acquisition Fund, if you look at even at the
8 Recoverable Grant Fund, I--I do think--I understand
9 complexly what you're saying, but the possibility of--
10 of-the city working in some way with private finance,
11 maybe philanthropic foundations to find in the best
12 sense of the word a work-around. I'd opt--I'd be
13 optimistic that that could happen, and there was--I
14 can't remember, four or five years ago the idea of
15 the Resilience Fund, which never really got off the
16 ground that--that the fund for the city of New York
17 and NFF, and a number of the foundations in town were
18 interested in participating in. So, I--I think there
19 may be a way to use a relatively small amount of--of--
20 of city capital in some way to attract third-party
21 capital to make the advances that as you rightly--
22 right said the City can't make or its because of
23 state law.

24 COUNCIL MEMBER ROSENTHAL: So, I will
25 just articulate it back to make sure I understand

2 what you're saying. You're suggesting that an
3 organization like Robin Hood, right or-or some
4 foundation might be willing to pony up money to
5 advance to a vendors to a JASA or a UJA provider, a
6 charities provider for a service, and that fund would
7 be replenished when the non-profit got the money from
8 the city.

9 JOHN MCINTOSH: Right. If you-I mean if
10 you look at the New York City Acquisition Fund and-
11 and I have these numbers roughly right, so don't hold
12 me exactly to them. Something like \$11 million of
13 first loss capital from the city supports a revolving
14 loan fund of-of about \$150 million from third-party
15 providers to-it's a really important part of the
16 financing infrastructure for affordable housing in
17 the city. And so, I think if you-if you-if you think
18 that economically these contracts will ultimately be
19 registered, and that the real risk is actually quite
20 low, it's mostly around timing, I believe that if the
21 city were able to find some amount of-of what I'll
22 call first loss capital, you-you might be able to get
23 the Robin Hoods and others to come up and match that
24 many multiples to-to help make advances that-that the

2 city cannot make from under-under-under state
3 regulations.

4 COUNCIL MEMBER ROSENTHAL: Okay, thanks.
5 Thank you very much. [pause]

6 CHAIRPERSON KALLOS: So, I look forward
7 to--so I'll just send all the data. Take a look and I
8 really appreciate it. I've--I have it down. I do
9 exports from Checkbook NYC occasionally, and I'm also
10 hoping to get the budget side of things and units or
11 appropriation to get to places so that I work with a
12 small company that does financial. It's called
13 Intuit--

14 JOHN MCINTOSH: Yes.

15 CHAIRPERSON KALLOS: --and they're a
16 foundation, a small foundation, a small company, and
17 so I'm looking forward to building a tool that can
18 tie spending to budgeting suspending. It's been a
19 head project for quite a while. I have a question
20 for--I think we already went back and forth. I have a
21 question for Live On New York. In terms of the
22 issues with hunger, one of the reasons I've been so
23 focused on it is actually a report you put out about--
24 I'd say five years ago at this point or longer--that
25 said that of all the SNAP recipients in the city, and

2 all the SNAP eligible seniors, my district had the
3 most, 91% of the seniors who qualify for SNAP
4 according to our research don't get it in my
5 district. It's the greatest number in the city. Do
6 you have any updates on those numbers and—and how are
7 these—how are these delays affecting SNAP uptick?

8 MICHELLE JACKSON: So, I don't have an
9 update on the numbers, but I do have a solution that
10 we would love for you to join us in advocating on the
11 state level. There's something called the Simplified
12 Elder SNAP Act, which would make the procedure for
13 seniors to enroll in SNAP significantly easier given
14 that seniors' income doesn't vary significantly once
15 you are on a fixed income it doesn't go into the area
16 as much. Various states have piloted it. It was in
17 the Governor's Budget this year, but it did not make
18 it into the final budget, and we would love for your
19 support in advocating for that. I do think that in
20 terms of hunger and SNAP recipients whether or not
21 they're using senior centers, and how they're meeting
22 their nutritional needs. We're seeing a significant
23 uptick in food bank usage among seniors, and senior
24 center usage among seniors, of seniors requesting a
25 six—a weekend meal, a meal that they could take home

2 potentially. So the hunger, the needs of hunger among
3 the older adult population are consistent year-to-
4 year if not growing, and it's something that these
5 contracts certainly exacerbate the difficulty for
6 providers to provide a quality meal. When you're
7 being underfunded, the first thing that you're going
8 to have to do is cut the quality of the ingredients,
9 and it's certainly affecting how providers can offer
10 a meal that's culturally competent that is meeting
11 the needs of the communities they serve.

12 CHAIRPERSON KALLOS: We've been working
13 with Albany since I got elected on something called
14 Integrated Eligibility, which would be the
15 replacement for all of our management system, which
16 would actually allow us to build automatic benefits,
17 which would actually hopefully get us even past even
18 having to do an elder SNAP application, but literally
19 just like we have information. Here is your SNAP
20 card. Conservatively meaning states or you do this?
21 They already mail people their SNAP cards prefilled.
22 I-I mentioned with the other panel we now have a
23 benefits API where any client relationship management
24 tool that you manage-use to do case management will
25 be able to pass information about your clients to the

2 city. Given the initial eligibility determination,
3 would that be help to you in the work that you do.

4 KAITLYN HOSEY: So, Live On New York has
5 a Benefits Outreach Team, and I'm excited to go back
6 and tell the Director of Benefits Outreach about
7 this, and I know she'll be thrilled to hear that are
8 people thinking of ways to make her life easier
9 because it's the small changes that can a big
10 difference in your ability to serve clients.

11 CHAIRPERSON KALLOS: Yeah, my goal is to
12 get the amounts of time doing paperwork for both
13 benefits processing and also just getting paid to do
14 the work you're doing down as far as possible to-to
15 zero percent if possible or one percent so you can
16 spend your time whether it's social workers or others
17 just focused on helping people with their problems.

18 KAITLYN HOSEY: Absolutely.

19 CHAIRPERSON KALLOS: I want to excuse
20 this panel. I want to thank Chair Brannan for his
21 amazing work on this committee. I will just take an
22 exception to note there's been a lot of turnover and
23 a lot of committees in the time that I've been in the
24 Council, but rarely have advocates come out in such
25 strong support, and it-it-I am glad we will be-you

2 won't be going far, and that you're a friend and we
3 will continue to work together and what I'll say is
4 just that there's a lot that this committee can do,
5 and we will definitely hold folks accountable,, and I
6 think the goal is to have as wide attempt as possible
7 to help as many as possible, and also to just broaden
8 the scope so that we—we have—contracts are
9 everybody's issue no matter what you care about.
10 With that said, this is—and thank you to the staff
11 for this amazing prep work. This meeting is hereby
12 adjourned. [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 May 17, 2019