

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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HELD AT: Remote Hearing (Virtual Room 4)

B E F O R E: Ben Kallos  
CHAIRPERSON

COUNCIL MEMBERS:

Inez Barron  
Helen Rosenthal  
Bill Perkins  
Mark Gjonaj

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

Henry Garrido, Executive Director  
DC 37

Anthony Wells, President  
SSEU, Local 371, DC 37

Laura Morand, President  
Local 2627, DC 37

Joe Puleo, President  
Local 983, DC 37

Keith Kerman, Deputy Commissioner  
DCAS

Diane Jackier, Chief of Capital Strategic  
Initiatives  
Parks Department

Matt Drury, Director of Intergovernmental  
Relations  
Parks Department

Parmod Tripathi, Chief Contracting  
Officer  
Parks Department

Joseph Colangelo, President  
Local 246

Adam Roberts, Director of Policy  
American Institute of Architects New York



SERGEANT-AT-ARMS: PC started.

SERGEANT-AT-ARMS: Recording to the cloud  
all set.

SERGEANT-AT-ARMS: The backup is rolling.

SERGEANT-AT-ARMS: Excellent. Good morning  
and welcome to today's remote New York City Council  
hearing of the Committee on Contracts. At this time,  
would all panelists please turn on their video? To  
minimize disruption, please silent zero electronic  
devices and if you wish to submit testimony, you may  
do so at [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). Once again, that  
email address is [testimony@Council.NYC.gov](mailto:testimony@Council.NYC.gov). Thank  
you for your cooperation. We are ready to begin.

CHAIRPERSON KALLOS: Good morning and  
welcome to this virtual hearing of the New York City  
Council's Committee on Contracts. My name has been  
Kallos and I'm Chair of the committee. For those of  
you are watching remotely, please feel free to  
participate in this hearing by tweeting me  
@BenKallos. Before I dive in, I would like to  
recognize my fellow colleagues on this committee. We  
are joined by Council member Bill Perkins, Council  
member Inez Barron, Council member Mark Gjonaj. As  
we know, the Covid 19 pandemic has wreaked havoc on

the city. In addition to the health and economic crisis it is caused, it is also decimated our city's budget and, in order to close the nearly \$5 billion budget gap, Mayor de Blasio has called for a lot of different cost-saving measures, quote unquote. One such measure includes findings savings through reducing the city's workforce. The city is already shed 7000 positions through attrition and the Mayor is aiming for an additional 5000 city workers. The Mayor has announced a three to one hiring freeze, meaning for every three vacancies, the city will only hire one replacement. Now, I understand that there needs to be savings made to the city budget, especially at this critical point in time, but I question the actual value of these quote unquote labor savings that they will provide. While the fiscal 2022 preliminary plan that the Mayor just put forward projects attrition will save the city around \$350 million over this past fiscal year and the next fiscal year, New Yorkers are relying more than ever on city services. All told, the Mayor is also proposing another billion dollars in cuts that is seeking to make-- taking to take from our city employees, some of whom are paid near poverty wages.

We have already seen lines around the block at food pantry is and the need for housing for support, medical assistance, food assistance in the form of staff, and other assistant programs only expected to grow as this pandemic lingers. I am concerned that reducing the number of city workers will have a severe negative impact on New Yorkers trying to get the support they need and deserve. While the Mayor has focused reducing costs arising from city workers taking a deep dive into the city's contracts. What is clear to me is that the city still has plenty of money to outsource work and provide have to the overhead profits to our nation's largest corporations whose billionaire CEOs have only got and wealthier since the pandemic. When I got elected in 2013, our contracts budget was \$9 billion. Today it is over \$17 billion. During budget negotiations, I have proposed \$15 billion in cost savings, including cuts to contracts where we are paying consultants two, three, even four times more than city employees with the exact same titles. Local law 63 exists to bring transparency to the cities contracting process to ensure that the city has no other option but to outsource jobs and that we actually generate real

savings for taxpayers. The purpose of law is to clearly show that, if the city decides to contract for services and if city workers are displaced because of this contracting, then there should actually be the savings and that we actually do a cost-benefit analysis. I have looked through a number of RFPs, request for proposals, and honestly I don't see the city demonstrating the fiscal benefit of outsourcing work rather than relying on city employees. Maybe it is because of how obscure the budget process is which doesn't reflect exactly where cuts, especially to headcounts, are occurring. Maybe it is because of some of the requirements of local law 63 that are being honored almost in the breach and in a pro form away, whether it is a sentence that just says there won't be displacement which is clearly not in compliance or just a check mark she that people have where they just check a bunch of boxes to get around having to do the cost-benefit analysis. Either way, we are clearly unable to achieve the goals intended by a law. That is why will be starting with some of our brothers and sisters from our municipal labor unions, particularly DC 37 and Ask Me. I want to thank them because they

have been blowing the whistle on this issue for as long as I have been elected official. One of the reasons I was interested in becoming Chair of the facts committee is to take this very issue on. I was a person who has worked in the private sector, I have always found that the best way to save money on a budget is to bring as much work in house and avoid paying somebody else's profit. We will also be joined today by the administration. Particularly, we will be hearing from the Parks Department where we have had a previous hearing relating to the length of time and capital contracts where we have made some discoveries relating to headcounts, and the contractors being used to get parks capital contracts done. We also are joined by DCAS which manages our fleet and we are grateful to have them year. We will be hearing from President Joe Vallejo who has some information to share about our-- Before I invite our brothers and sisters to testify, to thank my Contracts Committee staff. Legislative counsel Alex Paul and all of who is now on paternity leave, which I couldn't be prouder and I believe every single city employee should have paternity leave and family leave, whether it is for a new baby or for caring for

a loved one acting legislative counsel Josh Kingsley, policy analyst Leah Scurpiat, finance unit head John Russell and financial analyst Frank Sarno for all their hard work of putting this hearing together. And just checking to see if we've got any more folks from the community to join us. Seeing nine, I will now turn it over to the moderator, committee counsel Josh Kingsley to go over some procedural items.

COMMITTEE COUNSEL: Thank you, Chair Kallos. I am Josh Kingsley, counsel to the contracts committee of the New York City Council. Before we begin testimony, I want to remind everyone that you will be on mute until you are called on to testify, at which point you will be on muted by the host. I will be calling on panelists to testify. Please listen to your name to be called. During the hearing, if Council members would like to ask questions, please use the zoom raise hand function and I will call on you in order. We will be limiting Council member questions to 15 minutes which includes time it takes for the panelists to answer your questions. Please note that, for the ease of the virtual hearing, there will not be a second round of questioning outside of questioning from the committee

Chair. All participants, again, should submit written testimony to [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). So, the first panel last to give testimony, has Council member Kallos indicated, our representatives from labor unions. We have Henry Garrido, Executive Director of District Council 37 followed by Laura Moran, president of local 2627, followed by Joe Puleo president of Ask Me Local 983. And then, if he is joining us, Anthony Wells, who is president of SEIU local 37-- 371. You all may begin, Executive Director Garrido. Go ahead.

EXECUTIVE DIRECTOR GARRIDO: Good morning, everyone. Good morning. Thank you Mr. Chair Kallos for convening this meeting. This important meeting. I want to start by sending a shout out to Sergeant Martinez. It is good to see you, brother. As well as my fellow Council members. Your colleagues, I should say. Council members Barron's, Perkins, and Gjonaj. It is good to see you all. There is one thing I would like to start with in this idea is I remember very distinctly when the indictments came from the city time scandal which, to date, remains the largest municipal scandal in the history of any city where a contractor stole over \$600 million that

it had to repay back to the city. I remember very distinctly folks saying, on the city side, well, we didn't know. We did not know. You know? I mean, for a period of time, that was the excuse. Now, we knew that, from the beginning, right, the city workers that we represent, that has a total of 115,000 city workers have been providing frontline services and continue to make the city run. During this process of the city time scandal, I remember distinctly how many times city workers in hearings like this one, probably personally, blowing the whistle and saying, there is corruption in city government and, particularly, all the contracts. They are killing us, right? They are outsourcing our jobs for pay that is requiring more and we need to do something about it. And city officials just merely dismissing it to say, that's just a part of government, right? We do procurement as we do purchasing of vehicles, as we do everything else until it was time to be, scandal. The result of that was the spark of a conversation between the unions, the public, that raised the issue and gave birth to local law 63. Now, let me be very clear. Local law 63 was never intended to protect city workers first.

It was intended to protect taxpayers first by, basically, defining the conditions by which a city could procure and let contractors coming to do services that are otherwise necessary in the city. I say that because there are times where, you know, this discussion turns into the city unions are fighting to preserve the jobs at a time where economic downturn is there. And we are and we are proud of it and I make no excuse of it, but we are fighting to also save the taxpayers' dollars. And that is an important component of this because, when we need to find local law 63, we understood that there was a history prior to local law 63 that involved local law 35. This created a similar provision of displacement and a similar requirement of cost analysis. Local law 35, which has been in place-- and I remember Council member Perkins from the first time around was participating, so it is good to see him there. In the discussion of what happens when a city worker is likely to lose their job as a result of outsourcing of other jobs by the city of New York. It requires a comparative cost analysis if displacement-- if a determination of displacement must-- is done at the beginning of the

contract. That was the law then. It is the law now. What we did in local law 63 with the discussion of the then speaker and some of the Council, similar to the ones that you have here, was to further define what displacement meant. And I want to talk about displacement because I think it is at the core of the issue. Displacement, under the law, is defined by a reduction in this is a quote directly from the law. A reduction in the number of funded positions included but not limited to the resulting of attrition, layoff, the emotions, bumping, and involuntary transfers to a new class, title, location, time-based reductions or reductions in the customary hours of work, wages, benefits of any city employee, and quote. That is in the law. And it took weeks for us to negotiate the language because we had experience that agencies, time and again, were simply making a check mark on the procurement process by saying that no displacement was taking place. When you have any agency where you have 100 workers and now you have 50 and you had 20 consultants and now you have 100 consultants, it doesn't take a genius to figure out who is doing the work. So, always said was, well, why don't we require the

agency that if such displacement what is going to take a fact, to do a comparative cost analysis. In our experience, we have found computer consultants were costing the city an average of \$250,000 at a most basic level. Help desk and things of that nature. At a higher level, where we are talking about system integration and we are talking about close to half of a million dollars per person. So, even if you included healthcare, it was costing the city more. So, it made no sense to us that the agencies that were strapped for funding were procuring services for contractors that are costing them twice as much as some of the city workers, particularly on the IT set. When we had conversations with commissioners, they said to us, well, look, Henry. I want to hire some of the city workers. In fact, I did civil service test. I know I have to comply with the law, but City Hall and OMB is telling me that I can't. But, on the other hand, my oh TPS budget, other than personnel services budget, is free to do what I damn please with. Excuse my language. Because that is the kind of travesty this is. If we don't have money to hire city workers, why do we have money to hire

consultants? And pay them twice as much? And so, I present to you that when that Mayor to the city of New York put the unions on notice that as that if I don't get \$1 billion of labor savings, I am going to lay off 22,000 city workers, that, by itself, should have triggered and end to displacement requirement on the local law 63. Now, ultimately, we were able to come up with an agreement that saved the workers, that gave the city substantial savings to the tune of \$164 million in order to not lay off the 22,000-- at least a portion of the 22,000 that were DC 37 members. Every union came through and did a similar agreement that gave the city a sufficient amount of money to not have to save city workers. That agreement ends on June 30 and unless we get \$5 billion in federal aid. The problem is this. If the city doesn't have money, as I said before, to hire city workers, how does it have money to hire consultants? Case in point: two days ago we saw the Human Resources Administration post solicitations at 1 o'clock, 2 o'clock, 3 o'clock in the morning for services of consultants that they bypassed the regular procurement. No cost analysis was done. No notification to the union or the city Council who

approves its budget, on their intent to continue to outsource the work of the processing of welfare work recipients, Medicaid services, and on the kiosk.

These are all requirements by law and they have made a mockery of both the city Council and the public that bypasses every single checked balances to bypass the procurement. And they did it as an inner government contract process for a contract that they use and that the state terminated five years ago.

So, I am baffled that HRA has been allowed to do this, this is the only example of egregious violation. He mentions city time. I mentioned the problems we had with city win. We mentioned at the time the failures of the 911 system that proves that not only cost is an issue, but also disruption of services. And one of the areas that we said on the [inaudible 00:17:35] of the law, Mr. Chair was simply this. City workers saw accountable. They are fingerprinted, they are background checked. They are checked to make sure that they can do the job. If they get arrested for doing some malfeasance, the system already flags them and removes them until an investigation is done. We have a process here where we have thousands of contractors in the city of New

York that are not accountable to anyone. That are not background checked, and not-- and having access to sensitive information on city workers. I use the example, for instance, of the fire department that has now hired attempts to do the evaluation for 911 victims meaning workers who are victims of 911 who are suffering PTSD and other evaluations who are applying for either unlimited sick time or applying for evaluations as a result of their suffering through 9/11, are being done by contractors who are evaluating city workers. Evaluating their medical condition, evaluating the backgrounds to make a determination on whether those people are eligible for it. These individuals themselves have not been background checked and I am concerned about the access to sensitive personal medical individual information by a workforce that I call the [inaudible 00:19:06] workforce. Unelected. Unchecked. Not background checked to be able to access. And, to me, that is one of the biggest travesties. Let me close with this, Mr. Chair. You have been a leader in talking about computer consultants in the city of New York and how, in many instances, those computer consultants take away jobs to the people in our

community. Why do we need to go and bring the contractor from all over the world to do a job that somebody here in Brooklyn or in Queens or in the Bronx could do. Some of our candidates that are graduating from CUNY have no access to those jobs. That is what the civil service system was supposed to do. It was to provide an even playing field so people can compete for those jobs and provide services to the city in spite of who they knew and the nepotism that we know occurs in city government. That is what the civil service was created for and what the city has done is make a mockery of the history of the corruption we saw through Tammany Hall by allowing a bypass of that process and hiring people as consultants and contractors to do the job for the city. Unelected, unbackground checked and for twice the cost. So I raise this question to you, Mr. Chair, and to your fellow members of the city Council. The mayor has announced that he would do a one to three hiring back of attrition because the city has no money. We know the financial woes of the city of New York and we are not here to dispute it. Is there such a same reduction to the contract employees? Are we doing the same that we are doing

to analyze the 17,000 contracts that we talked about? The \$17 billion-- I'm sorry-- of contracting budget that we have? In the past, there been measures that have been done in terms of reducing costs around contracting out. Are we doing the same? Are we holding the contractors to the same standards-- and clarify-- that we are of our very own? You know, this pandemic proved to the value again of the city employee. We lost 163 TC 37 members through Covid 19 and more are coming right now. I have several of them that are sick, that are intubated, that are in a coma right now. City workers who have sacrificed themselves, their safety-- the safety of their families to go in and provide services day in and day out when people were going out in order to provide services for those who are sick and who needed service. Where were the contractors then? Do you know where they were? They were home collecting their paychecks. So, is it fair to the heroes who sacrifice themselves who died to now be rewarded by not only the threat of a layoff, but also to see you contractor who never showed up to get the contract. So, some of them are doing the work from Florida remotely. In getting paid right here. Not adding to

our tax base and not adding to other benefits. Is it fair? Can I leave you with that, Mr. Chair. Thank you so much for listening and thank you so much to my colleagues in the unions who are participating in the hearing and looking forward to any questions you might have. Thank you, sir.

CHAIRPERSON KALLOS: Thank you, Executive Director Garrido. Do you have any time constraints or are we able to continue with the rest of the panel before we open to questions?

EXECUTIVE DIRECTOR GARRIDO: Not at all. I'm here for this. This is really important.

CHAIRPERSON KALLOS: Okay. I would like to acknowledge that we have been joined by Council member Helen Rosenthal. We have now been joined by President Anthony Wells and then we will turn it over to him next.

ANTHONY WELLS: Good morning. Thank you, Chair and thank you to the Council members on this hearing and thank you to my leader, my Executive Director. I think he laid it out pretty well. We do have to look at the relationship that the city has with contractors. Clearly our workers are doing better and it is not just in technology. There are

contracts all over the place. There are contracts in child welfare outside of the normal relationships that the city has. It is unconscionable, as Henry said. We talk about laying off workers while you have all these contracts. [Inaudible 00:23:43] exorbitant costs on them on work that can be done in-house. We also need to pay attention on what is going on in NYCHA in terms of contracting out. There are programs that are aimed at young people and city government. So, as we look at this relationship between the city and they use contractors, you have got to examine it in the context of where can real savings be had? And there is a difference. A civil servant has more-- first of all, is more accountable they usually dedicate their lives to this. People get jobs and those jobs become careers and they have the dedication to the citizens of New York that is not temporary. That is long term that contractors cannot get. So, I don't really have to get out a lot to what Henry has laid out. This is very important to us, not just in this pandemic. The city has done some work of in sourcing under Henry Garrido. You know, he is had some great conversations and some great successes and were getting some of the work

contracted back in, but in this time of crisis-- and as you said, all our members on the front line, you know, often times frontline workers are identified in a smaller chasm, which it should be, but they are our frontline workers who were serving the citizens of New York in these job centers and doing our facilities and hospitals. They are not doctors. They are not EMS, but the city services are continuing because of these workers, as Henry said, have risked their lives by going to work and servicing the citizens of New York every day during this crisis. This is not an us against them issue. This is an issue about, Juan, how do we become more efficient in the city government? How do we erase waste? How do we make sure that the people who are getting the services are also securing their family and the ability to feed their family? So, I think you, Chair Kallos. I thank you, all city Council people. We have done well together in this pandemic, but we can do better and every plan for going forward we need to have an idea of how we could ensure that these everyday heroes-- from cops, firemen, to custodians to teachers to child welfare workers done this work-- they have the ability to put food on

their family's tables while we create a new world because there is no going back to what was. We have to create what is. Thank you for the time. Thank you, Council members. And thank you, Henry.

CHAIRPERSON KALLOS: President Laura Morand?

LAURA MORAND: Thank you. Greetings, everyone. Happy new year and I want to thank you for this opportunity for me to present my thoughts and things that my members have brought to my attention on consultants. Consultants have, ever since I worked for the cities-- for the city of New York, the fire department and now as president I am hearing other members through the Bruce's that are going on that management is doing in order to hire consultants. They do it to displace and to avoid utilizing the civil service system because a lot of the managers, they hire their friends and cronies for these jobs and a lot of them don't know how to utilize the civil service system and they want to avoid it because they don't understand it and they are not willing to learn it. Management definitely needs to be trained on how to better utilize the system because it's definitely cheaper than hiring

consultants. Consultants tend to pay much more than my members are paid. In fact, my members are trained in consultants. How is it that a consultant is hired and don't know how to do the job or are they have very little qualifications and then they have to turn around and train these consultants to do the jobs? I know for a fact that FDNY Help Desk has been outsourced since before 2002 when I started working for the city and it continues to be outsourced and that consultants who work on the help desk make more than if they were to hire a computer-aided or a computer associate to do that job or a computer service technician is paid, on average, 60,000. It is those consultants who are working at that helpdesk are making over 90,000. So, how is it that FDNY is allowed to keep continuously renewing that contract? That should be an entry-level job for a college student to do helpdesk. So, but, yet, they have people who have been doing helpdesk for over 15 years, if not longer. Excuse me. I know for a fact that HRA is using capital projects in order to avoid having to answer questions about displacement so that they cannot avoid having to be forced to hire a civil servant which would be a member who would have a

vested interest in the future of the city instead of just getting whatever they can out of it and moving on or just sitting there milking it for what it's worth. 22 Century consultant collects over 10% of their consultant salary and those consultants get little to no benefits. Pru Tech [sp?] Is currently the helpdesk-- the company that is being outsourced to handle the helpdesk at FDNY and, like I said, a lot of times my members are the ones who have to train them how to do their job and show them how to use the programs and so forth. And another thing that we see is the city is paying for these consultants to be trained, not just by city workers, but when they have companies, and to do training or they also said consultants out for training that my members don't get. A lot of times my members don't even-- they don't even know that training is available to them to improve their skills. That is what our local offers training in DC 37 offers training because a lot of my members can't get training through the other means, but yet consultants are sitting in training class says that the city is paid for that my members should be sitting in. And also another thing we have come to learn is that

consultants, their background checks are not good. I know of a couple instances that is consultant was hired and had is criminal or violent criminal background that did not come to light until after he had threatened several employees, including a couple of my members and it was at that point in time that the consulting company did a more thorough background and pulled that consultant, but that consultant was there for over a year and allow them to do Lord knows what because they get all kinds of access. They get access to certain files that city employees don't always get access to. And my members go through a 10 year background check when they are hired all the civil service list, but these consultants don't go through that and then 10 year background check is not done by the agency. It is done by DOI, Department of Investigation, which is very thorough and they will not hire a person who is unqualified or has the violent background, but, yet, consultants are slipping in under the cracks and having access to a very sensitive data. And then I know for a fact there has been contracts that some management have a vested interest in that they secretly own interest in consulting companies that they are pushing to work

for the city which is double dipping. It is a conflict of interest, but there is no looking into that. So, it's definitely a lot of these contracts are failing because management has a vested interest in it and it's a conflict in there looking to get and put their own pocket. So, there is a lot of corruption in that. So I do know there is a high percentage of IT contracts that fail. FDNY tried multiple times to get rid of their mainframe system not for the-- for that EMS CAD and the Fire CAD and they have yet to succeed in being able to get rid of those old antiquated systems and update it because the contracts, we see these companies come in and put in the use bids in the milk as much money out of it. In the contract, whatever they provide and was woefully-- it does not meet with their guidelines or the milestones and they do not act all the priorities that the contract is supposed to meet and, therefore, the money is-- a lot of the money is wasted on the project and whatever's left is not what the agency needed, not what the management needed, not what the members or the employees or the city workers need. It's always something that is far less than what was needed and my members are capable of doing a much

better job than most of these consultants. The city claims that manage-- that the work they need, my members can't do, which is not true. I have members who have PhD's. They have a lot of-- a lot of my members have Masters degrees. A lot of my members, they go and they are anxious to get training. We are paying for training, like I said. We reimburse them for certifications because the city is not willing to train them. They don't want to deal with the civil services. They don't want to educate themselves on learning how to navigate it which is the best way because at least you hire people who care and work and live in the community who have a vested interest to be there to support these systems once it is done. Once it is rolled out and they are there to maintain it. Not to have a consultant, and, do whatever they do, and then handed off to a city worker and then the city workers got to fix it because that happens a lot, as well. I also know that some agencies take-- some consulting companies have members or people that are working, especially temps-- I've seen it happen with some of the clerical temps and some of the IT temps. They come in. They worked 10, 15-- I know a lady. She was a consultant for 25 years. 25 years

she was a consultant working for the fire department and then when she got too old and not able to keep up, she was terminated with no benefits and if she would've been hired as the city worker, at least she would've had a penchant and some benefits to fall back on. But, nope. Because she worked as a consultant and she did not know how to navigate and how to become a city employee, she just continued working and dedicating herself and then, at the end of 25 years, she has nothing to show for it. So, it is just unfair to the workers, as well, because a lot of the consultants I've reached out to me and they would like to be able to work. I encourage them to take the civil service exam which a lot of them have. But the city is always looking to try to-- they claim they are saving money, but there actually spending much more money than they would have if they would've just hired from a civil service list and utilized to the civil service system. And another thing I also realized is there are a lot of consulting companies that are not based in the United States. I knew for a fact that there was a contract with the Office of-- the office that deals with the morgue. I'm sorry. I'm drawing a blank. They had a

manager who had a consulting company who used his family name-- so, used his family name which is different from his name in order to have the consulting company, and work for that agency and they took about \$6 million and the work never got done in the money ended up overseas in India and, unfortunately, that is not the first time I've heard of something like that happening. So I just pray that you will look better into these contracts and stop the city and stop the management appetite for contracts and consultants because it is not what is best. The taxpayers of New York deserve much better because city workers, my members care and love-- my members care and love their jobs. They are there. They are vested. And their background checks come back clean and they're willing to do the work and they are willing to be trained, but management rather deal with something that is quick and fast and easy and they want people to jump when they say jump-- not to say that my members don't jump, but my members know their rights and they also know the system a lot better than a lot of these managers to and management doesn't want to hear them. Management has their own agenda changes each time there is a new mayor. We

understand that that is the prerogative of the mayor, but my members know what needs to be done. They have been there. They're going to be there and they know how to do the work. And, please let the city workers do their job and stop having consultants, men then try to circumvent and go around the civil services. Thank you.

CHAIRPERSON KALLOS: Thank you, President Morand. I am fighting for you and I wouldn't be holding this hearing if I wasn't and you know you are near and dear to my heart as the software developer. We're going to just-- if President Puleo will give us a moment, were going to just ask Executive Director Garrido a handful of questions and then we will go to you if that is acceptable. Great.

UNIDENTIFIED: Yes. Thank you.

CHAIRPERSON KALLOS: And we are going to open up questions to the whole panel. I just wanted to get some questions into the Executive Director. So, first, I just want to thank you and all the members for risking your lives, your health, and many who actually ultimately paid the price. I know that when the Mayor and the Governor were telling people

to work from home, DC 37 members were being told to go into work each and every day. And so I have about three or four questions for you and we-- so, the first on is, executive director Garrido, just to be clear, did you testify that agency had to-- facing hiring freezes told you that they just outsourced those jobs and, if you can just explain what the difference between the person-- PS and OTPS lines are and what that accounting trick is.

EXECUTIVE DIRECTOR GARRIDO: Well, I did testify to that because we have seen a flare up on contracting opportunities by the city of New York. We monitor the procurement policies. DCAS sends, very often, the ability to, you know, outsource. Local law 63 requires agencies to put forward a procurement plan and, for the sake of transparencies, say here's how many contracts we're going to have. Here's a value of contracts. Here's the city workers who may or may not be impacted by this. The agencies have made a mockery of this by simply putting an excel sheet and putting the contracts that they find convenient and doing, basically, that. And what we have begun to do is ask those agencies that place the procurement plans in the Mayor's Office of Contract,

inconsistent with the [inaudible 00:39:18] we are monitor to see, A, do we have a demolition of positions, as I testified before, and, B, is there a reason why they are doing that? And this accounting trick that OMB sent an email, right? A memo to the agencies with the PEP [sp?] program, a program to eliminate that gap that had specific targets and they had a hard hiring freeze on it. Originally, there was no backfill and then it was a one to three backfill, as the Mayor announced. At the same time, no such hiring freeze is taking place with contractors. So, other than personal service budget is something that they still can hire people from, but they are not hiring them as city workers. They're hiring them as contractors.

CHAIRPERSON KALLOS: Along those lines, in conversations before this hearing, the administration contends that their definition, their legal definition of displacement only occurs when budgeted headcount is reduced. For example-- this is a real example-- if parks have had Council of 117 people in a division, but leaves 50 positions unfilled, then hires contractors to do the work of those 50 people, the administration contends that

does not meet the definition of displacement,  
therefore they don't need to do a cross benefit  
analysis for outsourcing those jobs. Do you agree?

EXECUTIVE DIRECTOR GARRIDO: Of course not.

The administration is wrong and I am going to tell  
you, if you don't want to hear my testimony of them,  
we took the matter to arbitration and prevailed. We  
have an actual arbitration decision that defines  
displacement pretty quick-- pretty broadly and very  
specifically. And look at the law itself. Don't  
listen to my testimony. Look at the law itself.  
Displacement shall mean a reduction in the number of  
funded positions that is directly from local law 63,  
including but not limited to, resulting from  
attrition, the motions bumping and voluntary  
transfers to a new class, title, or location and  
time-based reductions. That couldn't be any clearer.  
That is in the law. So, whether you want to hear my  
opinion on this, of the law of the department's legal  
opinion or somebody at City Hall's legal opinion, let  
us look at the law and the facts. And the fact is  
displacement is very well defined and, if the  
administration wants to go that way, then we have no  
option but to take legal actions to enforce the law

and we will do so if we need to get to that point.

We were trying to avoid that because this was supposed to be a union friendly administration. A labor friendly administration. But I always said, if you don't hold your friends accountable, what moral ground do you have to those who oppose you to hold them accountable? So, I respectfully disagree with the administration in that place and that definition of displacement.

CHAIRPERSON KALLOS: And just to clarify, if arbitration says that this is the reading of the law, that arbitration is binding?

EXECUTIVE DIRECTOR GARRIDO: That is correct.

CHAIRPERSON KALLOS: Local law 63-- So, just to take it back a big step, all you, all the other presidents have said and what we will hear from another president is that we want to say here's taxpayer dollars and we want to make sure that, if we are going to take the drastic step of outsourcing, we want to make sure that that action saves taxpayer money instead of costing taxpayers more. Local law 63, the city can still outsource. All they have to do is a cost-benefit analysis. And I'm not even sure

if the law requires the cost-benefit analysis shows that the city actually saves money. It just requires that they have to do it and, when they do it, I get to hold the hearing if I disagree with that. How many times has District Council 37 received one of these cost-benefit analyses since local law 63 became law or even in the past-- since the term has started?

EXECUTIVE DIRECTOR GARRIDO: In the last seven years-- well, eight years since the implementation of the law, but do you see 37 has received three comparative cost analysis. Three. \$17 billion of annual contract three times as the union and all of those analysis has been because the union has filed an objection with the Comptroller on the registration of the contract. It has demanded that the analysis be done. In those three analysis, all three analyses were fundamentally flawed. We have received analysis on the cost comparison of 311 with the expansion of the contract during the Brooklyn Navy Yard. We found that the cost analysis was flawed because they were comparing the main [inaudible 00:44:24] to a Brooklyn Navy [inaudible 00:44:26], among other things, over inflating the

costs of pensions, over inflating the cost of health insurance for city workers, and, on the reporting, the cost of procurement for contract workers. We receive a comparative cost analysis on a potential contract that was supposed to go on DOE at our request and, in fact, proved that that comparative cost analysis was inappropriate and inaccurate and we received a comparative cost analysis on some of the social services. In all three instances, we not only proved the cost analysis was wrong, but we managed to approve, and the city agreed, to in source the work. Reverse it. There is a reason why they are not providing you cost analyses because they have to show the cost of this and the analysis going on. But there is no analysis taking place right now. This is just an account gimmick to say, we are reducing the headcount for city workers as part of our savings as opposed to a real thorough analysis that should be taking place on that alone.

CHAIRPERSON KALLOS: The city Council is also supposed to receive these cost-benefit analyses. Our records indicate that we have not received one of these and any cost-benefit analysis, since I have been Chair of the Contracts Committee since last

year, nothing this term since January 1, 2018. Is that your experience?

EXECUTIVE DIRECTOR GARRIDO: That is correct. All of those three instances that I mentioned were beginning of this term.

CHAIRPERSON KALLOS: Executive Director Garrido, I understand you may have some time constraints. I see that Council member Barron has a question and so does Council member Rosenthal. Are these four specifically Executive Director Garrido and I don't know if Executive Director Garrido can remain.

COUNCIL MEMBER BARRON: Yes.

COUNCIL MEMBER ROSENTHAL: Yeah. Very quickly. Thank you.

COUNCIL MEMBER BARRON: Yes. Okay. Thank you so much for the entire panel and my questions will be very pointed. I'm trying to understand--

CHAIRPERSON KALLOS: [inaudible 00:46:37] for Executive Director Garrido. We will open it up to the rest of the panelists and is we excuse him.

COUNCIL MEMBER BARRON: Okay. May I proceed?

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2 CHAIRPERSON KALLOS: Yes. Sorry to  
3 interrupt.

4 COUNCIL MEMBER BARRON: Okay. Can I  
5 continue?

6 CHAIRPERSON KALLOS: Yes. Yes.

7 COUNCIL MEMBER BARRON: Thank you. Thank  
8 you all for what you do and that your members do.  
9 You talked about 250,000 to up to 500,000 more to  
10 have work done by contractors than by your workers.  
11 Are you talking specifically about that IT contracts  
12 or were there others that were included in that?

13 EXECUTIVE DIRECTOR GARRIDO: Right. No.  
14 We were talking about an analysis we did about 1500  
15 IT consultants, but the same analogy has proven to be  
16 true on architects, on engineers, and project  
17 management where highly technical skills are done and  
18 where you have security issues. We saw the Russian  
19 hackers, right? Trying to attempt a lot of that.  
20 So, the city was paying a lot for the cybersecurity  
21 consultants that have very specific skills when we  
22 needed them on a permanent basis. So, those were  
23 closer to that half \$1 million difference. And the  
24 sad part of it is it's not the workers who are  
25 receiving the money. It is the companies that are

charging exorbitant markup over rates for providing a worker and, in many instances we say, if you like that worker so much, hire him or hire her and provide them service and a pension and, in reality, the city found out that in the contracts, a lot of the companies have a trick to prohibit the city from hiring their employees without a penalty and so they were unable to do so even when they wanted to.

COUNCIL MEMBER BARRON: And, quickly, is there an opportunity, then, for our labor unions to say, okay, you don't need to put out this RFP, this contract, because our workers can do that work and to demonstrate that you have that capacity so that it doesn't-- how can we prevent those contracts going forward when you have a body? What do you need to demonstrate that you have got the personnel already in place to do the work that the contracts then don't have to go out?

EXECUTIVE DIRECTOR GARRIDO: Well, that is what local law 63 was supposed to be which is to provide notification so the city Council and to us and then we can say, here is a better way to do the work. But since the agencies are not complying, then it is hard for us to know--

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2 COUNCIL MEMBER BARRON: Okay.

3 EXECUTIVE DIRECTOR GARRIDO: the  
4 contractors are already in place and the person has  
5 been employed.

6 CHAIRPERSON KALLOS: Council member  
7 Barron, you will get 15 minutes later. I want to let  
8 Council member Rosenthal ask one question--

9 COUNCIL MEMBER BARRON: Thank you. Have to  
10 go to another hearing. Thank you to all the--

11 EXECUTIVE DIRECTOR GARRIDO: Thank you,  
12 Council member.

13 COUNCIL MEMBER BARRON: panel. Thank you.

14 CHAIRPERSON KALLOS: Okay. Over to  
15 Council member Rosenthal. One quick question.

16 COUNCIL MEMBER ROSENTHAL: Sure. Sure.  
17 Great to see you always, Henry. You are amazing. Is  
18 there any department that is-- I appreciated your  
19 listing the titles, the position titles that are, you  
20 know, sort of disregarded. Are there any agencies in  
21 particular that abuse local law 63?

22 EXECUTIVE DIRECTOR GARRIDO: Yes. Fire  
23 department, HRA constantly, DEP only on the capital  
24 construction side, obviously. DO you was supposed to  
25 be part of the consideration that they have not quite

gotten there, right? And they have agreed to in source, but DOE is not fully covered by local law 63. Only peripherally. That is something I think we need to work on--

COUNCIL MEMBER ROSENTHAL: Yeah.

EXECUTIVE DIRECTOR GARRIDO: Because DOE is responsible for over half the size of the contracts in the city of New York. But certainly fire department and HRA are at the top of our list and concerns. And TLC. I'm sorry.

COUNCIL MEMBER ROSENTHAL: NTSC. Okay. Great. It is Do It in there? I only say that because of the IT and just--

EXECUTIVE DIRECTOR GARRIDO: No. It's interesting because the mayor named Do It as the citywide procurer of Do It services.

COUNCIL MEMBER ROSENTHAL: Yeah.

EXECUTIVE DIRECTOR GARRIDO: But Do It doesn't do it. Not pun intended. The agencies are procuring something in spite of Do It's recommendation not to outsource the contract. So, we made a deal that Do It would provide services to the agencies and back charge those agencies in order not

to displace people. Sort of like a roving team that could service.

COUNCIL MEMBER ROSENTHAL: Yeah.

EXECUTIVE DIRECTOR GARRIDO: and Do It is not in the knowledge. So, my conversations with the Commissioner, she is not aware of what these agencies are doing because the agencies act unilaterally and they [inaudible 00:51:35] officers, the chief contract offices are going forward with these procurement in violation overall.

COUNCIL MEMBER ROSENTHAL: Under Bloomberg he had that-- I'm trying to remember the name. The technology development Corporation or something where they did. It was like a private public partnership.

EXECUTIVE DIRECTOR GARRIDO: It failed because it had no legal standing with the agencies and, again, the agencies did their own doing. So, that is why it failed. But, I mean, I think the Mayor's Office of Contracts has a responsibility.

COUNCIL MEMBER ROSENTHAL: Yeah. And then just a last point because I know you're trying to get somewhere.

EXECUTIVE DIRECTOR GARRIDO: Yes. I'm sorry. I have another meeting that I have to go to and that is actually, but I appreciate the question.

COUNCIL MEMBER ROSENTHAL: Absolutely. Last quick question. Do you think it would be fair to separate out the contracts with the nonprofit agencies to the contracts with more IT, goods and services, construction, etc.? Is that fair so we can pluck out 6 million, 6 billion?

EXECUTIVE DIRECTOR GARRIDO: I think that is fair, but I also think that, if the agencies were doing their part in complying with requirements, notification, cost analysis, we wouldn't have to do that because routinely it would be part of the agencies mode of operation and that is the part that hasn't been happening. So, thank you, Council member. Thank you to the Chair and everyone else and I appreciate it, but I'm sorry. I have to attend another--

CHAIRPERSON KALLOS: Executive director Garrido, you are excused. Thank you for joining us. We are going to go to President Puleo for his testimony and then we will begin the round of questions for the remainder of the panel.

EXECUTIVE DIRECTOR GARRIDO: Thank you.

JOE PULEO: Okay. Thank you, Chair Kallos, and city Council people. Thank you for your services and, as Henry said, he was very well in articulating the importance of local law 63 and how it impacts us, along with my other colleagues, Laura and Anthony. Which they really, really hit to the core. I'm just going to say-- I am going to emphasize my experiences with contracting out. You never get the level of dedication as you do with a city civil servant. You know, the use of our people that came in, most of them, out of poverty. You know, but it has become a gateway into the middle class. These are people who take these exams in order to make a career. Now, as Henry has said, in the past, with these contractors like city time, in particular, there were billions of dollars that were stolen from the city of New York. It becomes a breeding ground for corruption. All city employees, like Laura has emphasized, have to go through a background check. Okay? So, that they are evaluated. You know, there is crystal clear transparency. You can find out anything about a city employee. You can find out how much money they make.

You know, you can find out where they work. How do you find out when you have a corporation that just hires that will people and fires them? You know, what the operation is really like? And what are their estimates? You know, they talk about a certain amount of money to go into a particular project, those things never really fulfill what they originally say what the costs are. So, again, I mean, we have to go to the core of this civil services created thousands of years ago in China. Why? Because of corruption. You know, that is why they said get the best person to take an exam who qualifies who does not have any connection with anyone else in city government. Take the opportunity and we get the best qualified candidate. Now, are we going to go backwards with this? Are we going to go back to the Tammany Hall days? Are we going to go back to, you know, when people, you know, just give each other jobs just to exploit the coffers of the city? I mean, that is the direction I feel we are going when we start doing these projects. And, again, yes, people do give up their lives, you know? I have had three people lose their lives. One is, in particular, was driving homeless people. While

everybody else was told to go home or, I mean, work from home, this person was told to pick up homeless people along with their belongings and, as a result, died of Covid. So, I don't know if you are going to get this type of dedication anywhere else and that is, basically, all I have to say. Everything else was said. And, again, we would like to thank all of you for having me here to express my opinion and on behalf of my members. Thank you so much.

CHAIRPERSON KALLOS: And just a quick follow-up, if you could share testimony about mechanics and any of the relationships between the people maintaining the cities fleet of vehicles and consultants doing the same work.

JULIO: into the mechanics and how these repairs are done, at one time the Parks Department had a fully functional repair shop. We had mechanics and I knew the person's name. I would call them up. His name was Mr. Pickle, by the way, right? And he would tell me what was wrong with the car, when it would be fixed, when it was ready. So, I had this personal-- And then everyone else, too, and Parks. And, you know, you knew that you would get the vehicle back. And he had an obligation and he felt

obligated to make sure that you were safe and that vehicle. Now we have these private companies who contract these services and then we find out that, when the check engine light is on, the simplest way to correct it is to clip the wire to the light and now you don't have the check engine light on. They put the vehicles back into service just as bad as they were before. Sometimes even worse because they do shabby jobs with it. When we have-- Again, when we had the fleet serviced by oil workers the mechanics, we didn't have these kind of problems. You know? It costs the city more money. I'll give you another example. The one time the city employed a tire shop that would go out and replace tires for your vehicle. So, that would mean if I had a flat tire one of my cars, right, that was driving for the city of New York, they would come out and they would do a great job. They would come out and not only would they replace that flat tire, they would replace all four tires whether or not they needed it or not because, why? The city would pay for the four tires. So, these are just, you know, simple examples and probably on a much smaller scale of what really happens out there. You know, I mean, what they do.

The city worker is under constant scrutiny. I mean, you can call 311 right now and make a complaint about a city worker and it is going to be investigated. Do you get that level of responsibility with the contractor? I don't even know who to call. You know? And, you know, how the investigation is going to be conducted. I don't know how much we individuals are that are getting paid for this. If I want to find out, we can go through See Through New York and find out all of our salaries, you know? So, the accountability is there. The system is not broken. Why break it is, you know? Can we had, it our city's history, a darker periods that times, you know, when politicians were running amok earlier, you know, in our history. Do we want to go back there? And that's the direction this is taking us, unfortunately.

CHAIRPERSON KALLOS: Thank you. I'm going to jump into questions. So, I'm going to ask questions about President Morand and then I will come back to President Julio. President Morand, in your testimony, you share that there is any contractor, 22 Century consultants. So, you are testifying here today that, even though the city is paying

extensively a consultant-- let's just call it if they are paying 100,000 year to that, quote unquote, consultant, that consultant doesn't even see that 100,000. They are seen 88 because we are paying \$22,000 that is even half of her even two thirds of the city employee just for 22 Century-- I guess is that--

LAURA MORAND: [inaudible 01:00:35]

CHAIRPERSON KALLOS: [inaudible 01:00:36] you testified?

LAURA MORAND: Yes.

CHAIRPERSON KALLOS: What is 22 Century doing for \$0.22 on the dollar?

LAURA MORAND: Just they provide a body to just do the work. So, they, themselves, the only thing that they are doing is they are refining these people who they claim to be qualified, which is not always the case, and then they just placing them there to work and do the work. So, they do also-- and they also have been a have supervisors. They have a consultant there that supervises the other helpdesk people and that person does report and is supposed to report back to FDNY management. But, like I said, they are making money off of all these

employee they placed there, as well as the person that is there to supervise the rest of the helpdesk analyst. So, they just, more or less-- it's more or less like a job placement company, but they still continue to reap the benefits because they don't pay benefits. Those people don't get benefits like-- they may get the five days which I think has increased to seven days for sick leave now because of the city mandate, but if it wasn't for that, a lot of those people got nothing.

CHAIRPERSON KALLOS: You testified that the city is paying to train consultants. So, just to be clear, local Law 63, the agencies says, we don't have anyone with this experience. We don't have anyone with this expertise, then they hire a consultant to technically have the expertise and then, as soon as they come in, the city then pays for their training.

LAURA MORAND: Yes. I've sat in Oracle classes that FDNY when I was doing Oracle database administration. And I've sat in classes where the instructor comes and has a class that trains certain aspects of Oracle. And there was consultants sitting in those classes with us. And there's been-- I know

for a fact that I have seen consultants, when we have been sent out to be trained on certain things, consultants are sitting on those classes, as well. And I mean being sent to a training facility.

CHAIRPERSON KALLOS: So, we are paying for expertise that is that there and then we are paying people to train them with the expertise that they don't have.

LAURA MORAND: Exactly. I have also seen consultants, and then we have to train them how to do the work and they work side-by-side with our members trying to troubleshoot and fix and do the work and they get trained and one time there was even a case where they tried to have a consultant supervise a couple of staff members and I had a fit. I was a shop steward at that time. And I had a fit. I said, that person should not-- my members are not supposed to be reporting to a consultant. So, they change the dynamic after I complained about it. But I am pretty sure-- I bet you it is going on still.

CHAIRPERSON KALLOS: Weight. I am confused. They are not supposed to be outsourcing-- they shouldn't be hiring a consultant to do a job

that one of your workers is doing without doing a cost-benefit analysis.

LAURA MORAND: Uh-hm.

CHAIRPERSON KALLOS: So, for the jobs where you see consultants sitting side-by-side with your members, are those jobs getting a cost-benefit analysis to see if it is cheaper to hire a consultant to do the same work as one of your workers who makes 1/4 or half what they are making?

LAURA MORAND: Well, I don't have access to that information. Henry has more access than I do on that, but I do know for a fact that the helpdesk analysts that work for the helpdesk were making 90 some odd thousand where is if you hire a computer aid, the base starting salary for a computer aid in my local is 40 something thousand a year and you are going to hire-- it's computer aids. So, it is data entry, there is light troubleshooting. So, it is not a high-level position helpdesk.

CHAIRPERSON KALLOS: President Morand, the city is going to say that, at this 46,000, that it is somehow cheaper to hire a consultant for 90,000 because of fringe benefits and health insurance and a pension and a retirement.

LAURA MORAND: Fringe benefits is usually no more than 30 percent of an employee's salary. So, even with 30%, that is still not 90,000.

CHAIRPERSON KALLOS: I think you are right. I think you're right. I think that a cost-benefit analysis would show that if you are paying somebody \$90,000 and you are paying somebody else 46, even with all their benefits all in, that that isn't right and there needs to be a cost-benefit analysis. It seems strange to me that consultants actually get trained by city employees to do city employee work.

LAURA MORAND: And don't get me wrong. There are some consultants that come in, that know their stuff, and they do high-level work, but those consultants are separate from the consultants who I've seen on a contract, in particular, contract with what they call a Fire Prevention and Inspection Management System at FDNY and, in particular FPIMS, they call it. They hired-- they wanted to get rid of the mainframe for fire prevention at FDNY and they hired a company-- I forgot-- I can't remember the name, but they were supposed to be an integrator to move over to a new-- a [inaudible 01:06:18] off the shelf computer product to customize it to FDNY's

needs and they brought, literally, these kids straight out of college, I mean, from India-- and that's another problem. Consulting companies hire people who they bring them over on special visas who cannot work-- even if the person has the qualifications and can do the work, the city can't hire them because they, were on a special visa and can only work for that consultant company. And then so they bring over a lot of these young kids who don't know what they are doing and I am sitting in meeting after meeting and then there is a language barrier. So, when you're dealing or doing analysis phase of an IT project, the English, a lot of these young people is so bad that the people who are-- the employees who are trying to do the knowledge transfer so they can customize the project can't understand what the consultant is saying. So, that's another issue.

CHAIRPERSON KALLOS: In terms of training, you mentioned that some of your employees have a Masters degree. Some of them have PhD's.

LAURA MORAND: Yes.

CHAIRPERSON KALLOS: Is there anything out there were you, as a union president, would say,

no. You may not train my workers to do this advanced technology work?

LAURA MORAND: No. Never. Now way. I mean, if it is IT related and the title specifications, we will never get in the way of our members getting training. In fact, we-- like I said, we do reimburse for training and certifications that help our members to prosper and move up the career ladder.

CHAIRPERSON KALLOS: Thank you, President Morand. And then, I guess, last piece. We will hear the administration argue that they want to use consultants where you only need a short term need. You only need somebody for a couple of months. Maybe you need them for a year, but eventually that project is going to end. You testified that there was somebody who was a consultant for 25 years. Never got their pension. Never got their city benefits and when they are able to retire, they got nothing. How does somebody consult for 25 years? Why not just bring them person in as an employee?

LAURA MORAND: Your guess is as good as mine, but I've seen a lot of times consultants who the city finds value in who is helpful who is able

and capable of doing a decent job. The city will keep them and not hire them. Unless the person learns through other means how to take tests-- because quite a few of them have been picked up off the civil service last, but quite a few have not. And I know, and that particular case, the woman, she did not know to do so all service exams and so therefore she just continued working as a consultant and it ended up being terminated when she took Ellen couldn't work no more. And it's very-- yet. It is horrible. But I also know consultants who, because of visa and not being a citizen and not having work authorizations, that they are tied to a company, but they have excellent skills in the city wants to hire them, but they cannot be hired and, therefore, they work for a consulting company and the consulting company is taking a large chunk of negation Re: and the city will hire them and actually pay them what they are worth, but they can't because of the visa situation and only the consulting company they can work for. So--

CHAIRPERSON KALLOS: That is despicable and thank you for sharing your testimony. I also want to share that some of your members have

reached out. I have had the pleasure of meeting with your union. Some of them have even blown the whistle and we reported people at city agencies who have retaliated against your members for blowing the Russell because--

LAURA MORAND: Yes.

CHAIRPERSON KALLOS: I have relationships between city employees or managers, actually, who were trying to steer work towards specific consultants and that I have reported that situation to the Department of Investigations and I will continue to work with you and TC 37 to make sure your members are protected and that anyone who wishes to blow the whistle who is hearing what you are saying, the truth that you are speaking to power, they can email [contracts@BenKallo.com](mailto:contracts@BenKallo.com). We will work with you. We will go through each and every contract. Everyone has specific knowledge of and do our best to fight alongside you not just because I love my city employees, but if we are paying people \$40,000 a year that we would otherwise pay a consultant twice as much, 90,000 a year, it sounds like we could save billions of dollars and avoid a

lot of cuts. I would like to ask President Joe Puleo some more questions.

LAURA MORAND: Thank you.

CHAIRPERSON KALLOS: Do we have enough mechanics to service the current fleet of vehicles?

JOE PULEO: Definitely not. I'll give you another example. In Prospect Park, there was a big story about garbage not being picked up. The reality of the was not because we didn't have the manpower. It was because we didn't have the vehicles. We did not have the container truck vehicles to pick up the containers. We had 20 cubic yard containers. They go down to the dump. If the truck does not work, let pics of the container to take it to the dump, guess what? It stays in the park. And when it stays in the park, it piles up and you get rats and you get all sorts of infestation of insects. It becomes, you know, a horrific scene for people that want to take their kids during Covid to go play in the playgrounds. So, when the story was reported, I don't think it was reported accurately. He made it seem as if there wasn't people to do the work. The people were there to do the work, but the vehicles were not there to fulfill the assignment.

So, this is happening now. The vehicles are not in the best of shape. If they are not properly maintained and, as we all know, maintenance, right, is the key to this. If you don't change the oil in your car, you are not going to get a life expectancy of the vehicle. That does not happen on a regular basis the way it should be. The inspections are not conducted-- I mean, we can go through the list. And, again, I'm not a mechanic. Maybe Joe Colangelo, who is the mechanics local presidents, can go into further detail in the future on this. He can give you specifics because those are actually his members that we are losing as a result of this. He has had, you know, and impact on all of us. You know? My members, all the people in the city that, you know, use the parks or, you know, use, you know, any of these recreation centers. Beaches. If this stuff is not properly maintained, it costs the city millions upon millions, each year as a result of this.

CHAIRPERSON KALLOS: In terms of the arts projects, it can take years to fix the park, update a park. What is the impact for just the delays in parks improvements and maintenance on your members?

JOE PULEO: Well, again, I think you probably said on some of these hearings, too, that is cost somewhere-- I don't know what the latest figures are for a park back home. What is it? Upwards of \$12-\$14 million now. Something that outrageous. Again, even projects like these capital projects. We have the workforce to do it. You know, we have our APSWs, our Associate Park Service Workers, right, who could operate, you know, the machinery necessary if they are properly trained to do so. You know, we could build stuff like this. We don't need to get these contractors out on these outrageous prevailing wage assignments that never really, you know, fulfilled their completion dates. And, you know, it's not just that. You know, the project like, I believe it was one of the parks in Brooklyn by the courthouses where they had to do repaving of the pavers. You know? They hired a contractor to do that that our workers could definitely do, as well. So, the use of our current examples of how much money is being spent on these contractors and how we could have saved. If you want to expand on this, the genie is really going to be unleashed. You know? I don't know if we will be

able to put the genie back, to be quite honest with you, once it gets to a certain point where there is no more control. And that is why I thank--

CHAIRPERSON KALLOS: We have lost your sound. Your sound is back now.

JOE PULEO: Okay. We are back? Okay. I'm sorry. I guess I had a brief interruption phone call. But, yes. I mean, these projects do cost a lot of money where we can do the work ourselves in sourcing it.

CHAIRPERSON KALLOS: Thank you very much to our brothers and sisters. Seeing any questions from Council members who may wish to add additional questions. I know we asked a bunch up front. Seeing none, we're going to excuse this panel. We want to thank you for your testimony. You're welcome to stay. You're also welcome to catch up on the livestream or watch it on Facebook. We want to thank you for your testimony. Thank you for your courage. I will turn it over to my committee counsel.

COMMITTEE COUNSEL: Thank you, Chair Kallos. The next round of testimony will be delivered by the administration. This will be Keith

Kerman who is deputy commissioner of DCAS, Diane Jackie year who is the Chief of Capital Strategic Initiatives at the Parks Department, Matt Drury who is the Director of Intergovernmental Relations at the Parks Department and Parmod Tripathi who is the Chief Contracting Officer the Parks Department. Before we begin testimony, I will administer the oath. If any individual in the administration and please raise your right hand and I will call on each of you individually for a response. Do you affirm to tell the truth, the whole truth, and nothing but the truth before this committee and to respond honestly to Council member questions? Deputy Commissioner Kerman?

DEPUTY COMMISSIONER KERMAN: Yes.

COMMITTEE COUNSEL: Thank you. Ms. Jackier?

DIANA JACKIER: Yes.

COMMITTEE COUNSEL: Mr. Drury?

MATT DRURY: Yes.

COMMITTEE COUNSEL: And Mr. Tripathi?

PARMOD TRIPATHI: Yes.

COMMITTEE COUNSEL: Thank you. And you may begin.

MATT DRURY: I will be reading some brief testimony sort of on behalf of ourselves and DCAS. Sorry. Good afternoon, Chair Kallos, and members of the Contracts Committee. My name is Matt Drury. I serve as Director of Government Relations at New York City Parks. Joining me are some of our agencies staff. Diane Jackier, Chief of Capital Strategic Initiatives, and Parmod Tripathi, agency Chief Contracting Officer. We are also very pleased to be joined by our colleagues at the Department of Citywide Administrative Services, including Keith Kerman, Deputy Commissioner and NIC Chief Flea Officer. Regarding the topic of today's oversight hearing, I am pleased to report that New York City Parks is in full compliance of the section 312 of the city charter as updated by local law 63 of 2011. In accordance with that law, city agencies submitted annual procurement plans detailing the agency's anticipated contracting actions, over \$200,000, for the fiscal year which is available on the Main Office of Contract Services website. New York City Parks has reported, segmented into two portions, which outlined the contract activities related to both our operational expenses and capital project

expenditures. In accordance with the charter, as amended by local law 63, before the issuance of a contract for standard or professional services. The agency determines whether such contract is the result of or would result in displacement of city employees within the agency as defined by a set of criteria established within the charter. Might be helpful here to briefly provide some context for the city's contracting process from our perspective. Generally speaking, New York City Parks seeks to secure a standard or professional services contract when the services required are of a highly specialized or technical nature and the agency doesn't have the appropriate in-house expertise to provide those services. In a few unique scenarios, the services required represent a volume that the agencies existing employee workforce don't have the staffing capacity to provide, which necessitates the use of a standard or professional services contract. For a variety of reasons that have emerged over the past year, New York City Parks is actually undertaken significant reductions to many of our standard or professional services contracts in consultation with the Mayor's Office of Management and Budget wall

retaining a consistent funded staffing level of in-house agency employees. Though broader dynamics might vary by agency, depending on the circumstances of a given fiscal year, we believe that the reporting, which is compelled by local law 63, represents our administration shared commitment to transparency and openness regarding city contracting activity and compliance with the city charter's requirements is an undertaking we take very, very seriously as an agency. Thanks for affording the opportunity to testify today. If there will be testimony from the public following our portion, though it seems that may have already taken place, we have staff that will be reviewing the Councils live stream. We are no happy to answer questions you might have.

CHAIRPERSON KALLOS: Thank you and that is testimony on behalf of the administration as a whole?

MATT DRURY: That's correct.

CHAIRPERSON KALLOS: We had a hearing with you shortly before the pandemic which feels like a lifetime ago on November 12, 2019. At that hearing, with the subcommittee on the capital budget

now chaired by Council member Helen Rosenthal, Commissioner Silver, and Deputy Commissioner for parks, Teresa Braddock testified that design division was operating with 50, five zero, vacancies. To the best of your knowledge, have these vacancies been filled?

MATT DRURY: We will have to double check with our personnel as to the exact number of vacancies on the capital designed side. My understanding is it is considerably less than that at this stage.

CHAIRPERSON KALLOS: So, as of 2019, the headcount was 117 despite the fact that there was 50 less than budgeted in terms of headcount. With the mayor's hiring freeze, this three to one hiring freeze, does this mean you will not be able to fill these budgeted positions or will you be able to fill every single budgeted position?

MATT DRURY: coming, the funded positions, the levels of funded positions remains consistent and has been-- and represents a really significant increase over the course of this administration, compared to the capital designed headcount that existed previously. So, the number of funded

positions has actually increased over time. There are some-- you know, there are some existing vacancies that exist like in any other corner of city agencies at any given time. Those are sort of fractional pieces of point and, you know, as of broader dynamics about, you know, broader citywide hiring practices, you know, it is hard for us to speak to that individually in a vacuum, obviously. That is something that you need to discuss with OMB or entities of that nature.

CHAIRPERSON KALLOS: if somebody from your team, while we were talking, can look up the specific number of vacancies, I know that this is something that we flagged ahead of time and wanted to continue our conversation from 2019. So, to be very clear and specific, if the number of funded positions is still 117 and if there is still an open headcount of vacancies of 50, will Parks, through this budget, higher all 50 of the rope may need headcount or will you not because of the hiring freeze?

MATT DRURY: I can assert-- I can clarify that the number of funded positions is considerably higher than-- you cited 117. So, on the Bundle designed side, it is considerably higher than that.

Closer to 180 or so in the headcount, the vacancies are considerably less than what you cited. You know, I will not be able to provide all those precise numbers other than to characterize them as I just have.

CHAIRPERSON KALLOS: Will you fill every single vacancy?

MATT DRURY: Working with OMB, we hire whenever and wherever we can. You know, I think it is important to note that, you know, in the course of any activity, you know, our capital design folks, we have the best architects and engineers in the world, we believe, that are creative and really make, you know, these parts really special places.

No, it can, you know, take time to fill vacancies, even outside of this environment.

Obviously, urine Covid, you know, as the Mayor has discussed, there are, you know, sort of hiring practices and protocols being put into place, but, you know, broadly speaking, I think we need to defer to the Mayor's Office of Management and Budget on those dynamics.

CHAIRPERSON KALLOS: Commissioner Drury, forgive me for-- I'm looking for the simplest

possible answer. So, you said that there is a budgeted headcount of 180 and so I'm asking if the Mayor's hiring freeze, his three to one hiring freeze or anything else he is talking about in the scope of the budget, whether that will prevent you from hiring the full 180 headcount.

MATT DRURY: Again, I think it is a matter-- the specifics to how the three to one hiring practices being put into place is hard for me to speak to, but, you know, as I understand it, the funded positions remain in place are the funded positions. You know, as that hiring, you know, is discussed and approved by OMB at various points in time, so, you know, I think it is-- I don't think it's a question of if, but when.

CHAIRPERSON KALLOS: Okay. So, you can testify that it is the intention of the Parks Department to fill any and all budgeted headcount?

MATT DRURY: Certainly. I think that is, you know, every agencies-- within every agencies interest. Sure.

CHAIRPERSON KALLOS: Thank you. That means a lot. Coming into this hearing, I was under the impression and, perhaps, wrongfully you so that

agencies were leaving their budgeted headcount unfulfilled in order to generate cost savings. So that one was a misunderstanding?

MATT DRURY: I mean, sure. I don't want to speak to what you may or may not have believed.

CHAIRPERSON KALLOS: I am asserting my belief. I am telling you that if you got budgeted headcount of 180, you are going to fill those positions to the best of your ability.

MATT DRURY: I mean, I will speak specifically for parks, though I believe most agencies would agree that, like the of the best workforce in New York city and we have plenty of work to go around. We keep our employees very, very busy. They need to an amazing job and we hire when we can, you know, as we can then, you know, obviously, you know, this is a very specific for the school environment that is difficult for everyone. New Yorkers and including governmental agencies, but, you know, I can't really speak to those broader dynamics.

CHAIRPERSON KALLOS: So, we discussed that Parks had delays of up to 12 months before capital projects could even get into design at times and there were these open positions. Has the delay

been reduced from 12 months at all since we last had our hearing?

MATT DRURY: I will say that I, you know, you are using the word delay and we wouldn't characterize it that way whatsoever.

CHAIRPERSON KALLOS: Your right. We spent 15 minutes to half an hour negotiating and arguing about what the term delay meant. So, however you want to characterize is, there was a 12 month something.

MATT DRURY: Yeah. So, every agencies goal and, you know, at least over the course of this administration, is to begin Park capital work in the same fiscal year in which that project becomes fully funded. That has become our goal and we have been remarkably successful at it. That is, you know, because we can get, you know, several hundred fully funded projects in a given year-- and I will use, you know, metaphor we like to use fairly often here. You know, if you have an airport, if you have 150 planes, they can all take off the runway at the same time. At the end of the day, you know, we have amazing capital design staff, but it is a finite number and, therefore, you know, you can't start

every single project on day one of the new fiscal year. So, there is sort of a project flow. A queue, if you will, and we do our best to sort of take a look at sort of the citywide-- you know, which projects are, you know, related to health and safety. You know, which projects sort of fit the various, you know, skill sets of our in-house staff and proceed accordingly. And so, but that, you know-- by definition, some capital projects, in the course of that fiscal year, will start before others, but it is still very much our commitment and we have been remarkably successful at this, is beginning those capital projects within that fiscal year.

CHAIRPERSON KALLOS: In your testimony, your written testimony and what you just shared, you indicated challenges related to volume that have led you to hire people who are doing the similar jobs to what your city employees are going were the best-- and I appreciate that. Is that correct? So, you have a certain-- you these 180 folks that are trying to deal with these hundred capital projects and, in order to achieve your goal of getting these moving forward within the same fiscal year, you are hiring

consultants to do the same work as the city employees would be doing. Is that correct?

MATT DRURY: It depends on the fiscal year and it depends how many projects get fully funded. But in the last several years where we have seen from, you know, the Council discretionary funding and, you know, we have seen our volume of projects in each given fiscal year really actually increasing pretty significantly over the last couple years, this year I do have to note that the agency has undergone an effort, in consultation with OMB, to essentially-- you know, to bring as much work in-house as possible. So I think that it is important to note that we are keeping our in-house design staff very, very busy and they are rising to the challenge for sure.

CHAIRPERSON KALLOS: That is tremendously great news. You heard it here first, so in the procurement plan that you published, I think you had several dozen consulting contracts for that. Just because it is in the procurement plan doesn't mean you will actually put that out to procurement or it is just a plan and that you can deviate from it?

MATT DRURY: Yeah. Well, in accordance with the city charter, you know, it is an anticipated

plan, right? So, the agency-- and we're receiving this guidance from MOCS and OMB and others. You know, we do our best. It is a snapshot in time and it happens, you know, generally speaking, at the beginning of the fiscal year. So, it can be really hard to determine with true fidelity exactly which, you know, projects will end up going out. So, you know, we are on the inside, obviously, been open and being overly transparent, if anything. And so, there is, to a great degree, there is often the case where we are able to bring many of those projects sort of back in house, if you will.

CHAIRPERSON KALLOS: How many contracts that were in your local law 63 do you plan-- anticipate bringing back in house?

MATT DRURY: You know what? We'll have to check with our team on the exact numbers. You know, a good-- anecdotally, I can say it is a good percentage, but I'll have to get back to you with a more precise number.

CHAIRPERSON KALLOS: Similar to what we talked about with IT, you have to local law 63 reports. One that involves new procurements and then you have wands where they are renewals. Some of the

renewals have been renewed multiple years. I think you have already answered it, but just why not bring all those contracts that have been renewed for one, two, three, four, five years in house because, ostensibly, we have got the bandwidth and we've got the projects coming in and we just need that bandwidth guarantee?

MATT DRURY: Yeah. That is a-- Thank you for the question. I think it's, and many of those cases and, most often, those services often reflect sort of technical expertise that doesn't exist, you know, and our current-- our staff are the greatest, but there are times that that needs to be supplemented with external efforts. And so, by and large, even if it is intermittently throughout the course of a given year, you know, maybe several years in a row even, but there are certain, you know, practices that do require really specialized technical expertise that, you know, isn't currently represented by our employees' staff, as amazing as they are.

CHAIRPERSON KALLOS: Do you believe that training-- that education or training can give somebody expertise that they don't currently have?

MATT DRURY: Yeah. I mean, I understand. I appreciate the question, but I think we're getting into sort of a philosophical like discussion about like, you know, a city's workforce and I really have to defer those kinds of questions to the Office of Labor Relations and, you know, the Mayor's Office of Contract Services. I appreciate the heart of the question, but I'm not prepared to kind of speculate on sort of, you know, the, you know, the philosophy behind city employees. I am one. Everyone in this panel is one. Many people in this panel are one. You know, we are proud of the work we do so, but, you know, it's hard for me to speak to those broader dynamics.

CHAIRPERSON KALLOS: I appreciate it. Is anyone else on the panel able to speak to the question of whether or not education and training can help give somebody in expertise?

MATT DRURY: I will sort of say-- and, you know, this is sort of ancillary to your question, but I will say that, you know, our agency is certainly extremely dedicated and, you know, provides a, you know, really robust set of, you know, trainings and then-- you know, because we like to

see people-- you know, this is the type of agency where people spend, literally, decades going from, you know, a park ranger to, you know, Commissioner of the agency. Like that has been known to happen, so we are extremely proud of that. In terms of our professional development here, when it comes sort of highly technical specialized, you know, services, that is a really interesting notion. You know, conversation. I think it would come down to the specifics of how and when those services are implemented and, you know, whether a full-time employee is the right fit. You know, those are all considerations that are sort of bigger than any single agency.

CHAIRPERSON KALLOS: Let's take the definition of delay, the definition of displaced. Actually, sorry. Executive Director Garrido defined the definition of displacement based on an arbitration decision to be broader than previous conversations around the text of the law. Where is the administration on their definition of displacement? How would you define the definition of displacement?

MATT DRURY: Well,, I will simply note that I am not-- you know, I apologize, but I'm not familiar with the arbitration that was referenced earlier in the previous panel and I don't believe my colleague saw her. You know, we are happy to hear more about that just internally just from our perspective. I will say, you know, the Executive Director Garrido did also mentioned that the law is pretty clear. You know, it reads displacement shall mean a reduction in the number of funded positions. You know, the law says that. So, you know, I think there are-- there is guidance that has been-- has evolved over time, you know, that is provided to all the agencies. I think at the front end of when this law was-- and so, how that gets interpreted, you know, I think it is relatively pretty clearly laid out in the bill.

CHAIRPERSON KALLOS: If we could set aside disagreements around the definition of displacement, given the fact that Parks is trying to get as many capital projects that is possible, we Parks more than ever before because of the pandemic. I will say thank you to Parks, if I have it before, because we were able to get a playground-- ground

broken to open in 14 months. It was about, I think, a two or 3 acre playground. I have been there with my daughter. She was there playing on the same equipment as I was for a time and her time and now she is playing on brand-new equipment and it is a destination playground. Could Parks Department benefit, irrespective of whether or not they were required from local law 63 to do a cost-benefit analysis of bringing specific positions in house in spite of the hiring freeze because it will say?

MATT DRURY: I mean, I guess just broadly speaking I think, you know, the agency is always looking at ways to maximize its resources. So I think whether it is a formal cost-benefit analysis were just, you know, general, you know, sort of assessment on an ongoing basis, I think we are constantly looking at ways to kind of, you know, take our existing resources, be it workforce, be it budget, you know, and maximize it. So, I think, in general, you know, again, our employees are fantastic. We keep them very, very busy and they do fantastic work, as you noted, thank you. And we are glad to hear your daughter is enjoying it. You know, I think, you know, there is always-- we are always

open to kind of considerations of how the agency can, you know, use taxpayer dollars most wisely and most efficiently and deliver, you know, the best results for New Yorkers.

CHAIRPERSON KALLOS: I will say that my daughter won't play on the equipment that is for her age. She only goes to the equipment that is for much, much older than her and she gets scared because it is pretty high up, so then I end up on that same equipment. So, I enjoy the equipment with my daughter. It sounds like Parks has made a commitment to start to bring some of the consulting jobs in because you are recognizing that there is higher volume and I am just-- it sounds like that is something that was either just recognized as a-- Was that something that you recognized as a value or is it something where there was actually some sort of cost-benefit analysis or decision mama or something that Parks stated that you can possibly share with other agencies? [Inaudible 01:37:44] or other agencies?

MATT DRURY: I am not aware that it was the result of the specific work product, per se. I think these are just, you know, sort of dynamics have

evolved, you know, over time, specifically, you know, facing some really unique challenges right now, for example, so I think these are, you know, just-- I think it is a testament to the fact that the agency is constantly being as flexible as it can be and maximizing the resources to the best degree possible.

CHAIRPERSON KALLOS: Thank you. So, I need to put out a protocol question. I don't know any-- So, first, I just want to say to Parks, thank you for coming. Thank you for answering questions forthright and honestly. And there are some numbers that we are still going to want from 2019. Can you commit to reconciling the numbers from 2019 and the headcount and just I think I have you on the record that if there is a headcount, you will be hiring for it. We would probably want to make sure we have an agreement with what your headcounts are and what your actuals are. When you share your budget versus actuals along with whether or not the jobs are posted?

MATT DRURY: Yeah. Sure. Were happy to get you an update on those.

CHAIRPERSON KALLOS: Okay. Because my contention, I guess, if you were to agree or not--

You tell me. Would you agree that if there is a vacancy where the job isn't posted, that that might fall into my-- my belief that if you have a vacancy and you are not posting the job, that you have no intention to fill it or a person has no intention to fill it?

MATT DRURY: Yeah. I mean, this is just a, I mean-- only because I am not as involved in sort of the details of how and when, you know, jobs, you know, get publicly posted and how that works, I don't know, sometimes it is for periods of-- because, again, related civil service titles, it may be that there are certain windows that they are posted for. So, position may need to kind of, up and down at various times, so I think that is kind of getting into some pretty personnel specific details that I think we need to talk to, you know, Management and Budget and the Office of Labor Relations and some other folks. I don't want to speculate in terms of the details of how and when and for how long various positions get posted.

CHAIRPERSON KALLOS: we heard from Executive Director Garrido that agency heads-- and I will just say myself I have heard from people in

agencies that, when there is a hiring freeze, that there is a freeze on just the personnel services budget line and when there is not a corresponding freeze on other than personnel services-- So, technically humans on one side, staplers, phones, desks and other than personnel services that they can still spend for humans out of that OTPS. They just have to call them a consultant and that they-- that is still a practice that happens. Is that something that you are familiar with that you have heard of or that Parks has ever engaged in?

MATT DRURY: I can only speak to a couple different-- I can't speak to one dynamic and, broadly speaking, our agencies reliance on external contracts has been reduced drastically. So, the notion that there is, you know, moving chess pieces around-- So, that is just a broad statement of impact. It is not as if contracting and, you know, for some of these subsets are going up. That is not the case in our work, at least-- but, you know, for our agency.

CHAIRPERSON KALLOS: Are you-- We've had serious difficulties with local law 63. In many cases, folks are complying, but something that the--

we have heard testimony on it is that we know what the headcount was. We know it is 180. Do you have a headcount of consultants? The consultant headcount of project managers, architects, engineers.

MATT DRURY: In terms of active contracts, we would need to talk to our budget team and get that again. I'm actually not sure. I wouldn't have that--

CHAIRPERSON KALLOS: Are you willing to collaborate with us and just try to find a better measure? Because I would love to be in a position where, if the mayor is saying I want to reduce the city employee headcount by 5000, that we could say also we have contracted 1099s employee headcount of acts and we can do that and have something to measure by other than by the number?

MATT DRURY: Yeah. I appreciate the question. I don't know if those contracts are linked to individual bodies or a headcount in that manner. I don't know. Because it is usually a dollar value for service. I don't know that it is always necessarily-- you know, because it is dependent on the contractor to provide said service and the number of actual individuals that it might take to provide

that service might very, that we are kind of getting into some of the details and I would have to refer to our, you know, contracting, you know, team and MOCS and other entities to kind of speak to that.

CHAIRPERSON KALLOS: We have shared a bunch of the questions. We will send a letter with those questions, as well as any follow-up. Are you able to get us answers in writing in the next two weeks?

MATT DRURY: You know, we will take a look at the questions. You know, I will obviously do our-- as always, we will be as responsive as we can be and get you the information as quickly as we can.

CHAIRPERSON KALLOS: Okay. For DCAS, I want to thank them for coming. I need to, as a protocol question, just apologize. In our rush to prep for the hearing, I picked up the phone and called one of my brothers and sisters in labor who is that it is One Mechanics Union and inadvertently called the wrong mechanics Union. We are now joined by Pres. Joseph Colangelo , local 246. I had originally intended to have him on the first panel. So, I know that DCAS Deputy Commissioner Keith Kerman of Fleet has still not had a chance to respond to any

questions. I have not directed any questions. I will not do a back-and-forth, but would Deputy Commissioner Keith Kerman allow us to break the typical protocol of allowing President Colangelo to testify and then we will ask follow-up questions for him and then direct any questions to you? There will be no back-and-forth. We will not put him back up after he has completed his testimony. Let the record reflect-- The audio did not come through for Deputy Commissioner--

DEPUTY COMMISSIONER KERMAN: Sure.

CHAIRPERSON KALLOS: Thank you. I appreciate that. I think the parks folks are free to go and leave their folks from staff to pay attention. I want to thank DCAS Deputy Commissioner Kerman for his being here and just allowing this change in protocol. President Colangelo, please accept my sincerest apologies for the mix up and I wanted to, if you wish to give some testimony about local law 63 and outsourcing in particular with regard to maintaining our city's fleet.

JOSEPH COLANGELO: Thank you, Chairman Kallos. You know, I know there was a little mix-up and, you know, with all the zoom stuff going on and

the invites going back-and-forth in the cancellations, so, I appreciate it and I thank you for the call this morning. I will just start off by saying I have a long history with the city of New York. I started back as an auto service worker back in 1981. I have a long history also with the local. I was selected trustee and shop steward in 1991 and a trustee in '93. Subsequently became a vice president in 2002, President in 2004, and that is where I currently hold the position today. When it comes to regards to the outsourcing of, you know, specifically my members work, the auto mechanics work, there is a long history of sort of a disagreement with the past administrations on not only the effectiveness, but the savings, if any, that occurs when we need to outsourced work. What I would say is the fact that, you know, outsourcing started probably back in 1995. Commissioner Kerman is well aware of that. We have had our differences over the years, I would say, Keith, with that. So, that being said, when it came to local law 63 when they first instituted that, the specific language about that when an agency outsources the work, that they have to, essentially, sign off and say that no employee disruptions will

occur. Now, my argument always is the fact that it always occurs. How does it always occur? It occurs through attrition. When you make a statement on a particular contract that is going out to a private entity-- I talk most recently, it's probably-- it's got to be 10 years, maybe. Or close to it. The parts contract where they by their parts through a third-party vendor. One of the things in that contract-- and it was after local law 63 was put into effect-- was that particular language. I argued at the time that just making a statement that we are not going to displace any employees is not factual in the sense that, through attrition, people will lose their jobs. You know, when it comes to outsourcing and what you just spoke about with when it comes to budgeting, there is a hiring freeze. But, yet, the capital budget doesn't seem to be impacted. So, we have seen a large-- my local, my members have seen a large increase in outsourcing over the past few years on repairs in particular agencies that we have never seen before, particularly in the Department of Sanitation. Department of Sanitation headcount went down. Department of Sanitation had a huge issue with space in buildings

and things that impacted their ability to perform the work, so, because of that, they had to turn to sending vehicles out, which they never did before.

Like I said, I have been here 39 years. Department of Sanitation, we never sent work out. And then they started to send work out. When it comes to the Parks Department which there is a long history of, I would argue for the fact that when the work goes out to a private entity, specifically with mechanical repair, that some of that work comes back and it's not the same as when my members would do it and we wound up fixing the equipment twice. So, you know, there was always a lively debate that would go back and forth with this and there is always an argument on management side for the reasoning behind why they need to-- whatever the contract might be, why they need to use a private entity, whether it be particularly too upscale, you know, maybe do that work in-house or all of those arguments that we hear back-and-forth over the years. But I would always-- you know, and then again, I represent, you know, hard-working members that fix and keep [inaudible 01:49:04] for one of the largest nonmilitary motor fleets in the world. You give it to our members to

fix it and we fix it. Whether it be-- we represent also the machinists that work at DEP. DEP had an outsourcing contract that went to Viola [sp?], Right? Viola contractor was under the Bloomberg administration and it was in the millions of dollars. You know, what were they doing? They were extending the maintenance contract on equipment to say that you didn't need to service this equipment every three years. You could do it every five years. Now, what is the history of Viola? Yeah. You save money on the maintenance, but what do you pay for in the end? You've got dilapidated equipment that needs replacement. Now, Viola also came in with Health and Hospitals Corporation. And I know it is a separate entity, but I will just state is this. Viola came in and they made a recommendation to Health Hospitals Corporation under the Bloomberg administration that where are we going to save money? We are going to cut 50%, five zero-- 50% of the in-house staff of the carpenters, electricians, sheet metal workers. What did that too? So what recommendation did they take? Yeah, you are right. We should cut the workers. They didn't take anything else, but we should cut the staff. What did that do? The

hospitals and now we are in the middle of the pandemic. You know what kind of disaster you have because what are you doing? Now you are outsourcing to work with who? Who are these people who are coming into the hospitals? We always made the argument that, even when you are bringing people in, I need a background check as a city employee. You've got to fingerprint be. You've got to do all of this and other stuff. But, yet, when we bring in a private entity, who signs off? The owner the company says, oh, no. My employees are all good. You know, listen. You obviously know where I come from, right? I come from the labor side. I mean, that is quite apparent in my presentation here. And I know that there will be discussions on management side for their reasoning why they need to do the things that they do. I would say that, when it comes to accountability, and when it comes to asking somebody who is responsible, when you have city employees, we take the brunt of that. We are always responsible. I always use this line and, you know, it was meant as a joke, but it is factual in a sense, that when I fix the sanitation truck-- I was a mechanic for the Department of Sanitation for close to, you know, well

almost 20 years before I went into the office, right?  
I would say-- you know what I would say to the  
sanitation worker when he took the truck out? You've  
got a lifetime warranty on that because if you break  
it, I'm going to fix that. Okay? That is the fact.  
That is what a city employee does. You know, we  
don't point fingers and say that, oh, no. It was his  
fault. It was their fault. No. We fix it. We fix  
it. I am proud of my membership. I am proud of the  
work that they need to and I will defend to them to  
no end. I will just leave it at that and I am open  
to questions from anybody.

CHAIRPERSON KALLOS: Well, you just got  
an applause from Council member Perkins' team.

JOSEPH COLANGELO: I see it. Thank you.

CHAIRPERSON KALLOS: I guess the first  
question is do we have enough mechanics to maintain  
the city's fleet of vehicles and what contracts are  
vehicles being outsourced for repairs on?

JOSEPH COLANGELO: I would answer  
wholeheartedly no. We gave a full presentation. I  
believe I might have emailed it to your office. We  
did a city Council hearing back in January where we  
presented our findings based on the amount of

equipment, based on the industry standard of how many mechanics you need for the size of that fleet. We showed in the Department of Sanitation alone the optimal staffing level and, of course, it is, you know-- it goes up for discussion. You would need 1000 mechanics and we currently have under 550. The equipment, the size of the fleet and sanitation department increased exponentially over the years with the new purchase of snow equipment and different types of snow equipment and the agency was not able and didn't have the ability to hire more mechanics. We have seen an increase in the shortage of mechanics just in that one particular agency. And, you know, it goes into fleet consolidation. There are all other factors that are factored into that. And what did it do? In this time of crisis and even in the Department of Sanitation, that is what I spoke about earlier. The equipment is going out to the private vendors for repair. I have a real problem with that. You know, I understand-- go ahead.

CHAIRPERSON KALLOS: What's the contract? Who is getting--

JOSEPH COLANGELO: Well, what happened-- Okay. There is a city-- there is a contract that is

state contract to which is ARI which means that, you know, and it is administered through DCAS. They prequalify a vendor to do work for the city so now the city has a list of vendors that they can send the work to because they are prequalified. So, when there is a need to send equipment out in that particular case, regardless of the agency, they can use that ARI contract, which is a state contract, to send equipment out. The vendors are all over the city. There is a couple-- I don't know the names off the top of my head. There is a couple that have been used for probably well over 20 years or more. Probably 25 years and those vendors actually, in and come out. There are certain types of repairs that we might not have the ability to do, but what I've seen lately is I have seen repairs going out that we can do in-house. They are now being done by outside vendors because of the shortage of staff.

CHAIRPERSON KALLOS: We haven't heard it from the administration-- well, we have heard it briefly from Parks, that there are some expertise that just may not be available in-house on some of their contracts. Is there-- I am a computer guy. You hand me a computer and I am going to fix it. I

am not a mechanic. I am not good with cars. I did not have that at my high school, but is there any type of car-- is there some sort of expertise that your members are lacking in fixing sanitation trucks or police cars or other items like that or is it something that, if it has got four wheels are more, you can fix it? Or even to wheels?

JOSEPH COLANGELO: We fix everything. I will give you one specific example that I am proud of. When the Prius this first came out-- remember the first electric cars was the Prius, right? The police department purchased those Priuses. Now, for the police department, they needed to have specific equipment on that vehicle. Light packages and all this other stuff and the computers inside and everything that goes along with that. My members installed that equipment where the manufacturer was like, wait a minute. You can't do that. You know, it wasn't designed for that type of equipment. The charging system won't be able to do-- all these kinds of stuff. Guess what? They did it. You get the Police Department on here. I have been in the shops. We rebuilt those entire vehicles specifically for the police Commissioner. The only thing that we

outsourced-- in years ago we used to do that-- what is the ballistics installation to make the vehicle bullet proof. But if you got-- you know, I don't want to use that term, but I will use it anyway because-- if it's got four wheels and it operates and it's got a motor on it or whatever you want to put on it, electric cars and whatever, we can fix it. That is what my members do. Everybody comes in with five years' experience. They are called journeyman. They can fix anything and I would challenge anyone to say that my members can't fix a piece of equipment. I will give you one more because I could go on for days. The fire department have apparatus that cost over \$1 million. City ambulances cost \$300,000. Do you think we know what we're doing? Fixing pieces of equipment that cost over a half a million dollars or more. So, when it comes to a discussion about can my members fix that, absolutely. And they have proven it time and time again.

CHAIRPERSON KALLOS: I think I just-- We could go on and on all day on this. I want to be respectful to Deputy Commissioner Kerman who was very polite about letting us preach protocol here. So, I think--

2 JOSEPH COLANGELO: Thank you.

3 CHAIRPERSON KALLOS: I will just try to  
4 converge them into one last question which is just  
5 have you seen the lifespan of sanitation trucks or  
6 other fleet vehicles reduced as a result of the  
7 outside contractors and if a person who is in your  
8 union doesn't make the repair properly, attitude they  
9 see disciplinary your other consequences that are not  
10 found with contractors?

11 JOSEPH COLANGELO: Okay.

12 CHAIRPERSON KALLOS: And that is my  
13 final question and I will end your testimony and move  
14 back to DCAS and thank folks for their indulgence.

15 JOSEPH COLANGELO: Yeah. I want to thank  
16 people for allowing this change. There was an  
17 increase in the lifecycle of equipment that directly  
18 impacts the ability of that equipment to perform its  
19 duty. What does that mean? There was a rose  
20 lifecycle of seven years on sanitation trucks meaning  
21 that after seven years or, you know, I go actually  
22 before up into the eighth year, that that equipment  
23 needs to be replaced. So, you always have a cycle of  
24 purchasing new equipment based on the age of the  
25 fleet. There was a change by adding one year to that

lifecycle. That additional year to the lifecycle on paper, I would argue, looks-- produced a huge amount of savings. But what that effectively does is now you have bolder pieces of equipment out there that don't perform as well and, like you are anybody on this call with no, the older the car gets, the more problems you have. Then, in addition, I'm just going to talk specifically about sanitation equipment. We used that equipment for snow removal, for refuse removal, and we use that equipment all year round and we use that because sometimes three shifts, triple shifts. So I would argue that an increase in life cycle has been detrimental to the equipment having the ability to perform what it is designed to do and, of course, that would increase the cost as far as the maintenance goes of that equipment. You know, and the older the equipment gets, you're going to need more people to fix it. So, there's a kind of give-and-take without argument. I would think that that would be something that could be argued or debated both ways. I would argue and I would just leave it at this. The savings that we saw by the increase in lifecycle, a portion of that should have been used to

hire more mechanics to maintain the equipment. I will leave it at that.

CHAIRPERSON KALLOS: Thank you, President Colangelo. Thank you for being so gracious. I am seeing if any Council members have questions. Thank you. So, we will now go back to DCAS. And so, when I heard from President Colangelo about this, I flagged it for the administration out of this hearing. I guess the particular question I have for DCAS, having been previous Gov Ops Chair, we have kicked the tires over at fleet. We have gone through all the vehicle sales. We have done a lot to do oversight on DCAS fleet and you run a very tight ship there, especially before a lot of the vehicles that are coming. Just again, thank you for the protocol. The question that came up for President Colangelo that was concerning is just the notion that we don't necessarily have enough mechanics and that, when things are going out to the ARI contractors, that they are coming back still in need of repairs or getting unnecessary repairs. So, I wanted to bring that to your attention and see what is there because that would be the opposite of cost savings for our taxpayers.

DEPUTY COMMISSIONER KERMAN: First of all, thank you to Joe. We, you know, representing, I guess, management and labor for three decades, we have done our dance and will always-- the nature of this is we will always have issues that we are working through. But the truth is the New York City fleet program, the 1400 mechanics, is one of the great fleet programs in the world. It is a testament-- you know, I am a permanent civil servant. I am a manager, but I permanent civil servant of 27 years. It is a great program. I have worked with city mechanics for my whole adult life and so, you know, while we are going to discuss some issues here and there, I mean, it should be said-- especially this year, you know, this has been an incredibly challenging year. Covid 19, we actually serviced rates that were lower than ever before despite these challenges. We did more preventative maintenance as tracked in the fleet system. We lost mechanics and supervisor mechanics who really gave their lives and, you know, show that mechanics for first responders, including one of the-- my deputies at DCAS. This was not just people in the garages. One of my deputies also was one of the first city

employees to lose his life due to Covid. So, we have all kind of been through this year. So, I do want to just say-- and I'm going to answer everyone your questions-- but the fleet program, the mechanics, is a terrific program. It is one of the great fleets. We are doing sustainability and safety and emergency response. And so, you know, I just want to say that up front and thank you Joe and happy to sit in here.

CHAIRPERSON KALLOS: I'm sorry for your loss.

DEPUTY COMMISSIONER KERMAN: Thank you. And also for-- and I won't go through all the names. That's not appropriate, but a number of city mechanics and supervisory mechanics who have really, you know, sacrificed and their families have sacrificed. So, all right. So, a little bit about the fleet program. First off, citywide, we are mostly an inhouse program. So, we and we are going to discuss that, but it shouldn't go unsaid. We are mostly, about 95%-- 93 to 95 percent an in-house program. We have 1400 mechanics. We can always debate on a number of mechanics that we are allowed to hire. I have never refused the hiring of a mechanic, but I don't make those decisions and I have

to do represent and argue a case to OMB and to the city and we try and do that, but that doesn't fall to me. And I will say, obviously, since the Covid situation, the city's attrition situation, that is-- but we have been increasing, through fiscal year 20. We have been increasing the number of mechanical staff, not decreasing them. So, in this administration, through fiscal year 20, we have added 200 mechanical staff, supervisory mechanics, mechanics, auto service workers. So, you know, we have not been in a reduction situation. We have been increasing. And the contract we are going to talk about has been around for a long time. They are not new contracts in any way, shape, or form. And just one of them went through the local 35 process. So, where do we contract? So, we contract absolutely-- and Joe mentioned the state ARI contract. DCAS uses that for the client fleet and that has been used-- or it predates me and I've been around for a long time. Probably about 30 years now. And that is for the 3000 or so light duty vehicles that offer of all of these small agencies. You know, they are big agencies, but small fleet agencies. Right? So the Department of Buildings, the Office of Emergency

Management, the Department of Labor Relations, city Council itself. We have anywhere from two to a few hundred vehicles. And they are in unusual disbursement because the offices are all in lower Manhattan and downtown Brooklyn, but the vehicles are everywhere. So that program has-- you know, I inherited it. I've been at DCAS 10 years. I inherited it. That program uses that ARI contract. There is no DCAS garage. Joe might know. I believe there was a citywide garage, but it goes back. I think I was still living in Massachusetts back then. And so that goes back at least 30 years. And so I've never seen it or heard-- I know I have heard what existed wants, but we don't have that now and I don't know that anyone is going to give us garage space in lower Manhattan. So, but we do you city mechanics to inspect that work. To go into the quality issues that Joe Puleo had brought up and that can come up, we use city mechanics and we were able to, even in the last year, increase our inspection groups. And we actually added the city mechanic. Actually, when I started this job, we had three mechanics. We now have five and we were able to add the city mechanic to that inspection group very

recently. So it is contracted, but it is also inspected by city mechanics. If there are quality issues, we are happy to take that up. We are supervising repairs every day. We actually have an additional mechanic doing that. Someone came over from the fire department and has taken that role recently. And we use, you know, Kelly Book and other standards to make sure that we are getting reasonable costs through the ALI through the state contracts. And that's the DCAS contract and we also have body shops, glass contracts. You know, we don't have body shop that-- we don't have a garage. Then every agency-- these are actually agency contracts, but under the general fleet rubric. Every agency uses ARI, as well. And then agencies will have some of their own contracts. Parks has one set of contracts. Some agencies have fuel service contracts. Others specialize in equipment contracts. And what are those used for? So those can be used for emergency situations where you need to scale up for a short period of time. After Sandy we had some of that. During some of the worst parts of Covid we had some of that. Right? At one point we were estimating being only about 65% in-house fleet capacity because

of illness and quarantine. So, you know, that becomes your emergency scale up. We do special projects and you mentioned those. Yeah. I'll give you one that, you know, it's part of that ARI budget. Hazmat cleaning of vehicles through Covid. And so, through the ARI contract-- it's actually in MWBE vendor who was referred by the Commissioner of the Mayor's Office of Peoples for Disabilities. And they have been doing that hazmat cleaning and we spend a lot of money on that because that's-- but that is a very specific service. It is, obviously [inaudible 02:09:29]. It's a time specific one. But that is through the ARI service contracts. Truck side guards were mostly done through-- so it is a one-shot retrofit program, mostly done through the ARI service program in that is actually where a lot of money went to that. But that had a dual purpose. We are, as you know, right-- you know the program. We are also trying to create that industry, right? So, we don't want just truck side guards for city vehicles. We want truck side guards on all vehicles. No one had ever heard of a truck side guard, so we created the private sector industry that we hope now will be able to outfit private trucks all over the city. And

there are a lot more of those. So, those are the kinds of examples of projects that we do throughout servicing. Body shop in glass, as well. So, you know, just a kind of sum up, most of our work is in-house. We have been increasing staff. We do try and prioritize increases to specialty equipment. Sanitation, fire. DOT just opened a new facility. The Bruno facility that we are really still focusing on outfitting. One other things I will say, and Joe knows this, as well, that it isn't about expertise. City mechanics fits everything. We have no disagreement about that, but we, you know, there are issues of facilities, right? Facility projects are very involved, time-consuming projects. We just opened this new facility where the Department of Transportation out in Brooklyn. We still have a lot of outfitting to do from it. I have been working on that project for six, seven years. One garage. And so, we are- and, of course, the CRS has a whole big capital project for repairs, the main sanitation garage. So, you know, we try and prioritize on the most important investments. The most important investments where most of the work gets done is specialty and heavy equipment and emergency equipment

in the city fleet. So, you know, we can talk about light duty cars and we maintain a lot of light-duty cars, but light duty cars are not the bread-and-butter of this fleet. Some of these side services like fuel site services are not the bread-and-butter of the fleet. The bread-and-butter of the fleet is heavy and specialized equipment and that is done in-house. And that is where we try and focus hires and facilities.

CHAIRPERSON KALLOS: Okay. I was a lot. I remember the truck side guard rails. I was something that was important because we have a garbage dump in a residential neighborhood that the Mayor Bill and we wanted to make sure that--

DEPUTY COMMISSIONER KERMAN: I am your neighbor in that neighborhood with two children. I know.

CHAIRPERSON KALLOS: Well, the purpose of the side guards is to keep people from getting trapped under that. So, that was important. You preempted my question about why outsource that instead of just doing it in-house and we developed legislation to require those side guards on all of the commercial vehicles, too. So, it makes it harder

for me to argue against. So, we have heard from to labor meters that vehicles are coming back from ARI contracts still in need of repair. If that happens-- because right now folks-- I don't know where I would report it and if somebody is watching at home for one of Joe Colangelo's members and Joe Puleo's members, if they get a vehicle back, where do they report that the vehicle wasn't fixed? That somebody just clipped to the check engine light or what have you?

DEPUTY COMMISSIONER KERMAN: Well, each agency has an agency fleet coordinator or a fleet director who would be the point of contact for their agency, but we have the city mechanics to go to the shops. That is what they do. That is their full-time job is they live it though shops overseeing work. So, if there are examples-- and we can follow up in terms of the Park Enforcement Patrol in the previous testimony, you can reach out to my office and we can go look into these-- I mean, we keep five city mechanics, this is their job anyway, but we can absolutely look into these. We want-- you know, these vendors, by the way, you know, the ARI network-- and I think Joe brought this up. These are not big, national chains. These are local

businesses in New York City for the most part, right? These are not big Goliath chains at are doing the ARI state contract work. These are local businesses in the city mechanics who are 246, local 246 members who work for DCAS, that is their job to inspect that work. And so, we are happy to take up any issues that is part of what that is set up for. And, look, we always have issues, right? The fleet repair business has issues every day. Right? No one thanks you for a vehicle that works on any given day. They just have things they want that are broken and you need to fix them. So, we are always dealing with service issues. That is what we do. But we are happy to take up and look into any issue. Then if a vendor doesn't to work properly, we won't pay them or we will tell them to fix the work until we pay them or we will get rid of them.

CHAIRPERSON KALLOS: I am concerned that there are five mechanics doing oversight on the ARI contract. It sounds like-- are those five also doing oversight on the other members to see if they did a good job or is it just on the ARI contracts and outsource?

2 DEPUTY COMMISSIONER KERMAN: Their main  
3 focus is the ARI servicing. But that is the  
4 majority-- the DCAS client, that is most of what we  
5 do.

6 CHAIRPERSON KALLOS: And that is 1400  
7 light-duty vehicles?

8 DEPUTY COMMISSIONER KERMAN: That is 3000  
9 light-duty vehicles.

10 CHAIRPERSON KALLOS: Is five mechanics  
11 enough to make sure that the repairs are better being  
12 outsourced or properly being done?

13 DEPUTY COMMISSIONER KERMAN: We have a  
14 whole system. It predated me here. I started with  
15 three mechanics in this role. Like I said, we now  
16 have five. Obviously, we will always take more, but  
17 we have to argue their case. I do think they are  
18 doing a good job. We have a pretty involved system  
19 on how we inspect. You know, a lot of work,  
20 especially a light-duty nonemergency vehicles which  
21 is, I mean, you know, the Prius. You know, we have  
22 3000 Priuses. So, a lot of it is fairly standard  
23 work. Right? So, if you are doing a higher  
24 replacement on a Prius or you are doing an oil change  
25 on a Prius, it is not-- you know, this is not highly

2 difficult to monitor. The mechanics really spend a  
3 lot of time, when we have more complex repairs, when  
4 we have any bill over 500, they have to inspect  
5 personally. So, I think we are doing a very good  
6 job. They are very committed. They know what they  
7 are doing. You know, we have just made an argument  
8 to get an additional mechanic and we got it though  
9 well, but these are tough times.

10 CHAIRPERSON KALLOS: So, what does  
11 that inspection entail? So, any time something goes  
12 out and it costs more than to repair, it has to be  
13 inspected by one of these previously three, now five,  
14 mechanics?

15 DEPUTY COMMISSIONER KERMAN: Yeah. In  
16 person. So, they will go get the estimate. They  
17 will go to the shop. Anything over \$500 and then  
18 anything we want if-- I mean, is there some reason  
19 that a \$200 repair we think needs to be looked at, we  
20 will do it. But anything over 500 which is really--  
21 again, under 500 is going to be your tire. The tire  
22 replacement can be \$200. You know, basic motor  
23 vehicle inspection is, what? \$35. Anything over  
24 \$500 we get an estimate and we will get multiple  
25 estimates from vendors. They will go inspect the

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2 work and inspect the estimate both before and after  
3 and they approve it or they approve it with our unit.  
4 They are essentially approving the work. And then--

5 CHAIRPERSON KALLOS: How many vehicles  
6 are out on the ARI contract at any given point? Is  
7 it like dozens? Hundreds? Thousands?

8 DEPUTY COMMISSIONER KERMAN: It's dozens.  
9 It's a large universe of vehicles. Light-duty  
10 vehicles have a much, much lower out of service rate.  
11 It is a 2% out of service rate, then have read trucks  
12 that can be had a 10% or 15 percent, right? There's  
13 much less that can go wrong on a Prius. And,  
14 frankly, Priuses are very low maintenance vehicles.  
15 So, it is dozens, not hundreds in any given day. I  
16 think the out of service might be 30 or so and  
17 [inaudible 02:17:53]. It is reasonable scale. And,  
18 of course, we did it for many-- for most of my time  
19 at DCAS, we did it with three mechanics and now we  
20 have five. So, we certainly have made progress.

21 CHAIRPERSON KALLOS: And maintenance  
22 of sanitation vehicles and emergency vehicles is not  
23 at all outsourced? It is 100% in-house?

24 DEPUTY COMMISSIONER KERMAN: they use-- I  
25 mean, it is almost all in-house, but they both

definitely use the ARI contract. They actually do that through their agencies. That is not through-- I mean, it is a citywide contract. It's a state-- but we do not oversee the DCAS directly, their use. And they use that for, you know, again, when they need access capacity, if they have emergency situations, they'll use the ARI contract. Their supervisor of mechanics or mechanics-- usually it's supervisor of mechanics--- would inspect that work and be in charge for quality control on that work. It's always a union supervisor or union mechanic who is going to be overseeing that work.

CHAIRPERSON KALLOS: You mentioned that the ARI contract is particularly old and-- sorry. We heard testimony that when one tire needs replacement, for tires get replaced. Are there systems in place that are tracking that on whether people are getting oil changes every time they come into the place versus every several thousand miles or that the tires are getting replaced too many times or taillights are getting replaced too many times? What kind of systems do you have in place with--

DEPUTY COMMISSIONER KERMAN: Again, if you are replacing all four tires, it is going to break

the 500 mark and we are going to be checking that. Generally, we replaced one-- and we have our own-- you know, we are taking OTPS cuts. Right? So, to don't want to replace tires that we don't need to. Our mechanic inspectors, that is their job to inspect that. Normally, you are not replacing all four tires unless you really have all for them are worn. You know, have three tires on a vehicle are worn, you might replace all four to ensure we all balancing and to make sure you maintain a smooth ride, but that is what the inspection process is for.

CHAIRPERSON KALLOS: So, just getting back to previous questions, so if somebody has something to report about a consulting contract, is there a hotline? Is there a number? Who do they call if they have a concern about a particularly DCAS fleet? I don't know if there is a different number or if all of it is just DOI.

DEPUTY COMMISSIONER KERMAN: You mentioned a consulting contract. We don't use consultants.

CHAIRPERSON KALLOS: Sorry. Whether it's the--

DEPUTY COMMISSIONER KERMAN: If there's a service-- Well, anybody can always call DOI at any

time for any purpose. That's their right and my right, as well, under law, but if someone has a service question--

CHAIRPERSON KALLOS: [inaudible  
02:20:57] in many cases.

DEPUTY COMMISSIONER KERMAN: Excuse me?

CHAIRPERSON KALLOS: You probably have a duty to report to DOI in many cases.

DEPUTY COMMISSIONER KERMAN: I do. And, you know, fleet keeps me very busy on the compliance side on all fronts. Staff, management, and contracts. So, I get that unfortunate pleasure on all fronts. That said, if someone has a service question, whether it involves DCAS directly or any agency, they can always reach out to my office. They can email [NYCFleet@DCAS.NYC.gov](mailto:NYCFleet@DCAS.NYC.gov) and if it's direct DCAS, we will deal with it directly. If it is with one of our partner agencies, we will coordinate with the fleet director of that agency, all of whom we work with daily and figure it out.

CHAIRPERSON KALLOS: If somebody is watching at home and has concerns about, whether it is a DCAS fleet contract or any city contract, I'm a reporter. He could report to me. It is

[Contracts@BenKallos.com](mailto:Contracts@BenKallos.com). You can also call Department of Investigations directly. They are 212-3NY-CDOI. For Department of Investigations, that number is 212-825-5959. You can find them on Google if you want to mail it in or, otherwise, try to submit anonymously. Just give me one moment. I think we are wrapping up our questions for DCAS. I want to thank you for coming in answering the questions. I am hoping that you can work with President Colangelo and local 246 to in source that remaining five to 10 or, perhaps more percent, and get those light-duty vehicles in house as much as possible. I want to thank President Colangelo for coming in on such short notice and really bringing some things to our attention and also his brothers and sisters at Parks. Thank you to Deputy Commissioner Keith Kerman. This is going to wrap up the administrative portion and our labor portion. We are very lucky to have one last person testifying. His name is Adam Roberts. He is here on behalf of AIA. I have only known Robert-- or Adam Roberts for almost 10 years, so I want to thank him for coming. Full disclosure, he was, at one point, on my staff, but now he works with our brothers and sisters at the

Architects. And we want to thank him for coming to read testimony on their behalf. They had submitted it, but we asked if they could read it so folks on TV or on zoom or live stream can hear it for themselves. So I will now turn it over to Adam Roberts. Thank you.

ADAM ROBERTS: Thank you, Ben. I'm the director of policy for AIA New York. So I'm going to read a statement from our Board of Directors. Thank you, Chair Kallos, and members of the Committee on Contracts for holding this hearing today. We are the American Institute of Architects New York, also known as AIA New York. Our over 5500 members are New York City's architects and related professionals, many of whom are unionized city agencies staff, as well as architects at firms that consult with the city. So, local law 33 of 2011 was intended to curb the shortsighted policy of reducing the number of civil servant architects and other professionals at city agencies. And, unfortunately, local law 33 has not succeeded in halting that trend. Furthermore, the continued diminishing of civil servants in city government has not succeeded in decreasing costs and hastening project delivery. The lack of qualified

civil servants at agencies is one of the main causes of delayed and overbudget public works. A lack of staff means a lack of project management which delays projects and limits the abilities of agencies to ensure contractors stay on budget. And this also limits competition for publicly bid projects since many architecture firms are reluctant to work with understaffed agencies. Smaller firms, which are disproportionately minority and women owned business enterprises, MWBEs, are especially hesitant to take on city projects for this reason. While larger firms can take the financial risk of working on delayed and poorly supervised projects, MWBEs often do not have the ability to do so. And not only should the city do a more effective job of enforcing local 33, but it must go further to ensure agencies are well staffed. In 2019, the city Council passed local Law 97, also known as the Climate Mobilization Act, a landmark piece of legislation requiring large buildings to stay under admissions limits by undergoing retrofitting. Unfortunately, the Department of Buildings has funding for only a handful of staff to oversee this law which will make it difficult to enforce. A failure to effectively enforce local law

97 will cost architects, engineers, tradespeople, and others billions of dollars in expected income while depriving the city of desperately needed revenue and taxes and filing fees. If the city is to keep projects on time and on budget and if the city seeks to enforce ambitious legislation, it must have the staff necessary to do so. Thank you, again, for holding this important hearing.

CHAIRPERSON KALLOS: Thank you to AIA for testifying on behalf of its members. I think your testimony says that for itself, but, just to be clear, would your members be able to move projects more quickly if there were more employees and civil servants and architects on the city side?

ADAM ROBERTS: Absolutely. And that is one of the main complaints from architects who consult with the city is there are actually end up with our colleagues on the city side to help them move a project forward.

CHAIRPERSON KALLOS: So, just to be clear, an organization-- I know you represent folks on both sides, but, as a representative of folks who are doing consulting contracts, who are getting this outsourced work, those getting are actually asking

for more city employees to be hired and even for there to be some more in sourcing of some of that work?

ADAM ROBERTS: Absolutely. They strongly feel that way and, especially as we said in our statement, MWBE firms really need the help on the inside. You know, not just architecture, but other industries in general, they tend to be smaller businesses and they don't have the benefit of being able to take on projects that get delayed, projects that don't have proper project management. They need people in the city advocating for them and helping them. This is a major reason why the city often fails to reach its MWBE goals, at least in design and construction.

CHAIRPERSON KALLOS: Thank you very much for your patience. Thank you for delivering the testimony. I don't think anyone would believe it unless they heard it here first, so I really appreciate it. I really appreciate that AIA is fighting for the taxpayers and for our city. So, thank you for joining us. Do we have any other people signed up to testify? Seeing none, I would like to thank everyone for participating. Our

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2 brothers and sisters in labor, AIA, the

3 administration, and I hereby adjourned this meeting

4 of the contracts--

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date February 27, 2021