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Title: Resolution calling upon the New York City Board of Education to restructure its contracting requirements and increase its supplier pool in relation to food service providers, thereby eliminating the number of contracts that continue to be awarded to suppliers under federal indictment for bid-rigging.

Sponsors: Kathryn E. Freed, Adolfo Carrion, Lloyd Henry, Helen M. Marshall, Eva S. Moskowitz, Bill Perkins, Lawrence A. Warden, Michael J. Abel, Stephen J. Fiala, James S. Oddo, Ronnie M. Eldridge, Kenneth K. Fisher, Julia Harrison, Sheldon S. Leffler, Stanley E. Michels, Jose Rivera

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Res. No. 1571

Resolution calling upon the New York City Board of Education to restructure its contracting requirements and increase its supplier pool in relation to food service providers, thereby eliminating the number of contracts that continue to be awarded to suppliers under federal indictment for bid-rigging.

By Council Members Freed, Carrion, Henry, Marshall, Moskowitz, Perkins, Warden, Abel, Fiala and Oddo; also Council Members Eldridge, Fisher, Harrison, Leffler, Michels and Rivera

Whereas, On June 1, 2000, the United States Justice Department announced that 22 individuals and 13 food companies had been charged with rigging bids on contracts for the supply and delivery of more than \$210 million of frozen food and fresh produce to the Board of Education; and

Whereas, A number of those suppliers that were indicted were also charged with similar conduct that directly affected City agencies responsible for serving foods to the City shelters, hospitals and correction facilities; and

Whereas, On July 26, 2000, the Council's Committee on Contracts held an oversight hearing to determine what, if any, plans the Board of Education and City agencies intended to implement to ensure that schools and City services continue to receive the necessary supply of food in order to operate and what actions would be taken against the indicted suppliers; and

Whereas, As a result of the hearing it was learned that because of the indictments, City agencies, pursuant to the City's procurement rules, found the suppliers non-responsible and the existing contracts were terminated and rescinded; and

Whereas, The hearing also revealed that the Board of Education, as a result of the amount of food supplies it purchases, had no choice but to continue to award new contracts to several suppliers that were indicted of bid-rigging; and

Whereas, Despite efforts by the Board of Education to find other suppliers, the logistics of providing 800,000 meals to 1,400 citywide locations proves to be a great challenge in finding responsible suppliers; and

Whereas, The challenges to find legitimate suppliers by the Board of Education should not be an excuse to continue to do business with companies and individuals that have been indicted of illegal wrongdoings; and

Whereas, The Board of Education must proactively ensure greater outreach by expanding the pool of food suppliers to include large supermarket chains and large producers of wholesale foods; now, therefore, be it

Resolved, that the New York City Board of Education restructure its contracting requirements and increase its supplier pool in relation to food service providers, thereby eliminating the number of contracts that continue to be awarded to suppliers under federal indictment for bid-rigging.

LS # 3466
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