

COMMITTEE ON CONTRACTS

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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March 24, 2025

Start: 1:12 p.m.

Recess: 3:38 p.m.

HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: Julie Won, Chairperson

COUNCIL MEMBERS:

Erik D. Bottcher

Sandy Nurse

Althea V. Stevens

OTHER COUNCIL MEMBERS ATTENDING:

Gale A. Brewer

A P P E A R A N C E S

Lisa Flores, City Chief Procurement Officer and
Director of the Mayor's Office of Contract
Services

Helga Nyanffor, Chief Financial Officer of the
Mayor's Office of Contract Services

Lauren Siciliano, Chief Operating Officer of
Legal Aid Society

Lisa Rivera, President and Chief Executive
Officer of New York Legal Assistance Group

Greg Klemm, Chief Financial Officer of Legal
Services NYC

Keriann Pauls, Interim Executive Director of
TakeRoot Justice

Sophie Zhang, Family Employment Awareness
Training Project Manager at the Chinese American
Planning Council

Eric Lee, Director of Public Policy for
Volunteers of America, Greater New York

Gloria Kim, Director of Policy and Research and
Impact at Human Services Council

Tara Klein, Deputy Director of Policy and
Advocacy at United Neighborhood Houses

Jackie Del Valle, TakeRoot Justice and
Stabilizing NYC Coalition

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

Galloway, Advocacy Manager at Ali Forney Center

Julian Morales, Organizing and Advocacy Manager
at Fifth Avenue Committee

Carlos Cano, Chief Operating Officer of Center
for Family Life in Sunset Park

Christopher Leon Johnson, self

Sharon Brown, Rose of Sharon Enterprises

Kyungsoo Kang, Grants Contract Administrator at
University Settlement

1 COMMITTEE ON CONTRACTS

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2 SERGEANT-AT-ARMS: Check, check. This is a
3 microphone check for the Committee on Contracts
4 located in the Committee Room, recorded on the 24th
5 of March 2025 by Pat Kurzyna. Check, check.

6 SERGEANT-AT-ARMS: Good afternoon, good
7 afternoon. Welcome to the New York City Council
8 hearing on the Committee on Contracts.

9 At this time, please silence all
10 electronics and do not approach the dais. I repeat,
11 please do not approach the dais.

12 If you are testifying today, make sure
13 you fill out a slip at the back of the room with the
14 Sergeant-at-Arms.

15 If you need any assistance, please
16 contact the Sergeant, and we will assist you.

17 Thank you for your cooperation.

18 Chair, you may begin.

19 CHAIRPERSON WON: [GAVEL] Good afternoon,
20 and welcome to the Fiscal 2026 Preliminary Budget
21 hearing for the Mayor's Office of Contract Services,
22 or MOCS. My name is Julie Won, and I am the Chair of
23 the Committee on Contracts.

24 MOCS' Fiscal 2026 Preliminary Budget
25 totals 37.8 million which includes 24.3 million for

personnel services to support 2,222 positions and 13.6 million for other-than-personal services. This budget is 621,000 dollars greater than the Fiscal Year 2025 adopted budget. Mayor's Office of Contract Services is responsible for overseeing, supporting, and promoting the City's procurement system by discharging the Mayor's contracting responsibilities under the City Charter, Procurement Policy Board rules, and applicable local laws. MOCS is authorized to perform pre- and post-audit reviews and to provide all necessary determinations, approvals, certifications related to agency procurement actions. MOCS is also responsible for maintaining the City's central contract registry. When the City is confronted with a crisis immediately, most people think of the frontline workers, police, fire, and health care providers, and rightly so, but few consider the importance of people behind the scenes, especially those people who make sure that emergency contracts are vetted and processed in a timely manner so that the frontline workers can provide necessary services. But while the contract process often happens without much public thought, it is very much in the forefront of the minds of the entities whom

the City contracts with, and often there are many concerns regarding City's contracting process and MOCS' ability to oversee and promote the City's procurement systems, provide necessary audits, and manage the central contract registry. Since the migrant crisis, for instance, non-profit human service providers, businesses, and even agencies have reported issues regarding delayed payments, lack of transparency, and fraudulent services. Many of the non-profits who the City relies on to provide our most essential services such as food provision, shelter, education, and even mental health are not able to get paid for these services in a timely manner.

At this hearing, we plan to examine how MOCS is handling its workload and to understand how the Office's budget and headcount adequately provides MOCS with the resources to meet its responsibilities, and most importantly, to allow for timely contract payments, particularly to non-profits. We will also examine federal funding risks to the City's contracting budget. We hope to get updates on software and system rollouts. Additionally, we will discuss the appointment of agency's chief non-profit

officers and their effect on agency collaboration. Finally, we hope to get an update on some of the new needs added in this November and adopted plans. I look forward to hearing from the Mayor's Office of Contract Services on ways that the Council could better support its work in this Fiscal Year.

I'd like to thank contract Committee Staff for their hard work, Owen Kotowski, Jack Storey, Alex Paulenoff, and Alex Yablon. I'd also like to recognize my Colleagues who are not joining us yet.

Before we begin, I would like to ask the Committee Counsel to swear in the Commissioner.

COMMITTEE COUNSEL: Thank you, Chair. Would the representatives of the Administration please raise your right hand if you're able?

Do you affirm to tell the truth, the whole truth, and nothing but the truth in your testimony before this Committee and to respond honestly to Council Member questions?

DIRECTOR FLORES: I do.

COMMITTEE COUNSEL: Thank you very much, and back to you, Chair.

DIRECTOR FLORES: Good afternoon, Chair Won and Members of the Contracts Committee. Thank you for the opportunity to discuss Mayor Adams' Fiscal Year 2026 Preliminary Budget for the Mayor's Office of Contract Services. With this being my final budget hearing before transitioning, I'm honored to reflect on the accomplishments of this Administration and outline a vision for the future. I'm joined today by MOCS's Chief Financial Officer, Helga Nyanffor.

As an oversight agency, MOC has a Charter-mandated role to ensure that New York City procurement is consistent with applicable rules and regulations. At the start of this Administration, we challenged the traditional approach of ivory tower oversight and reset our purpose with a vision of creating an equitable procurement system through transparency, accountability, and efficiency. The three pillars of this vision are people, procurement reform, and technology. Over three years later, our priorities remain consistent and believe that this investment has disrupted historical barriers, increased access for M/WBE and small business communities, and ushered many of the City's archaic procurement practices into the 21st century. I'm

proud of the immense accomplishments that MOCS has achieved towards this vision. New York City's procurement system not only facilitates our ability to deliver vital services to New Yorkers, but acts like an economic engine to our New York City communities. In FY24, New York City awarded over 34 billion in City contracts for goods, services, and construction, representing a 16 percent decrease in comparison to the previous Fiscal Year, where the City awarded over 41 billion dollars' worth of contracts. Of the 34 billion dollars, human services accounted for 58 percent at nearly 20 billion, representing a 5 percent increase in comparison to the previous Fiscal Year, with the human service sector accounted for 18.9 billion, representing 46 percent of the total procurement spending. Human services remains a cornerstone of the City's procurement system, increasing 147 percent since the pandemic. Our non-profit partners are essential to the delivery of critical service to thousands of New Yorkers. Non-profit organizations are the lifeblood of the New York City human services network. From providing shelter to the homeless and meals to families, to supporting older adults and caring for

our youngest residents, these groups transform lives daily. Yet they face a persistent and fundamental challenge, getting paid promptly for their vital services, and this Administration continues to prioritize our investment in the sector. As the Director of MOCS, I deeply understand these concerns. Bureaucracies are often seen as faceless systems, but they are composed of people working within complex frameworks of policies and procedures. When these frameworks become misaligned, it's the human service workers who bear the burden, often at a great personal cost. These individuals consistently rise to meet the needs of New Yorkers. Right-sizing this massive ship has been a priority since day one, and we remain focused on that mission. Mayor Eric Adams has announced reforms to streamline the processes and support the non-profit sector. Just a few. The City boosted pay for 80,000 human service workers with 741 million dollars for a COLA investment. With the human service workforce overwhelmingly female at 66 percent and 46 percent women of color, this investment represents a critical step towards delivering pay equity across race and gender for this workforce. The multi-year discretionary contracting reforms. These

reforms enable providers to access funds nearly a year earlier than previously. The Joint Task Force recommendations, which was a long list of recommendations needed immensely and jointly by the Mayor and the Comptroller's Office, and the progress includes expanding access to interest-free loans to the RGF, adding allowance clauses to reduce amendments for routine changes, and simplifying document management.

On the legislative front, the City advocated successfully, among many other things, for changes to the public hearings law, shaving approximately 20 days off the procurement process for most City contracts, something that had not been touched since the '80s. And some of the structural solutions for long-term impact include the collaboration and accountability, which are at the heart of our efforts. In December, the Administration launched Non-profit Focus, or Facilitating On-Time Contracting and Urgent Solutions, a working group chaired by Deputy Mayor Anna Almazar, and in partnership with the Mayor's Office of Non-profit Services. This group convenes senior City officials weekly to strategize, review data, and allocate

resources effectively. Additionally, Mayor Adams has finalized an executive order requiring all contracting oversight agencies to appoint a Chief Non-profit Officer. These officers will serve as the primary point of contact for non-profits navigating City contracting and payment processes, ensuring a direct connection to agency leadership at City Hall. This executive order is a critical step in addressing the systemic misalignment that has long strained relationships between the City and its non-profit partners. By implementing these policies, we are not only empowering non-profits to advocate for their needs, but also fostering greater accountability within City government.

The partnership between MOCS and the Mayor's Office of Non-profit Services is central to these reforms. By working in lockstep, our offices are adopting a unified approach to address these challenges that are facing the sector. Our immediate goal is clear - cut through bureaucracy and ensure providers get paid on time, but this work is about more than systems. It's about a commitment to honor the non-profit sector's invaluable contributions and guarantee they have the resources needed to continue

serving New Yorkers. Together, we launched multi-phase backlog initiatives focused on both aged invoices and unregistered contracts. Our human services agencies recently dispersed over 1.3 billion dollars from 7,600 invoices at the end of last year through this initiative, and we are just winding down about an eight-week contract backlog sprint, focusing on submitting a portfolio of contracts to the Comptroller. And so far, we have already submitted over 730 million dollars' worth of those contracts.

To the providers who deliver critical services every day, we see you and we value you. We are committed to easing your burden. The reforms we've outlined are just the beginning, and we look forward to building on this momentum together. With smarter alignment, stronger collaboration, and ongoing innovation, we can ensure that New York City remains a place where those who serve others also can thrive. This work expands on the efforts that started with the Joint Task Force to get Non-profits Paid on Time, and laid the foundation for many of the City's reform efforts, with MOCS leading implementation for a number of recommendations.

As you know, our progress began with the initial Clear the Backlog initiative, clearing over 6 billion dollars in payments to non-profits. And MOCS doubled down on this progress by supporting agencies to achieve timely submission to the Comptroller by July 1. Our FY25 timeliness efforts led to the submission of 91 percent of those contracts for registration by the end of August. And for FY24, by September, we had 99 percent of those submitted for registration. And once again, we are already thick in working with our agencies to build on this work for FY26 through our all-hands-on-deck approach, increasing engagement, refining performance management efforts, and ensuring clear escalation pathways and accountability. Our mission to build trustworthy partnerships and minimize the potential for service disruption to our provider partners has remained at the front of mind, prompting many reforms to underlying policy and regulatory structure that will ensure the spirit of this work lives on to years to come. Some of the recent advancements include the passing of Local Law 85 of 224, which amended the old Local Law 63 through a collaborative achievement with the City, the Council, and Labor that increased the

threshold of proposed contracts requiring review from 200,000 to 1 million dollars, also reduced the waiting period from 60 days to 10 days before an agency can proceed with contracting actions. The launch of challenge-based procurement, which represents an opportunity for us to shift the culture and paradigm of how we contract for innovative solutions. And public hearing reforms, as I mentioned earlier, is bringing not only shaving down from 20 days to 10 days, but moving us from an in-person to an online comments period, and increase of the Financial Control Board's threshold from 10 million to 50 million, also something that had not been touched since the '80s, and the expansion, among many other things, of our M/WBE space and development of the first ever centralized mentorship program designed to offer support tools for minorities and small businesses and expand opportunities for growth.

Alongside and in support of these successes, MOCS has diligently worked to keep pace with the rapid advancements being made in technology that allow us to build out the workflow to further these legislative milestones and automate processes. Improvements to our end-to-end procurement system,

PASSPort, have required challenging but necessary actions to finally dismantle and modernize broken procurement systems while providing a level of transparency and efficiency that is long overdue. In September 2024, MOCS rolled out its latest release, which included two new enhancements to our e-procurement platform, which deliver on key recommendations from the Joint Task Force to get Non-profits Paid on Time and the Rebuild, Renew, and Reinvent Blueprint. The first of these enhancements is PASSPort Vault, which provides secure document storage and management, allowing seamless sharing with other PASSPort users and automatically linking documents to relevant business processes, which was a beloved function that exists in Accelerator. Users also gain access to subcontracting functionality in PASSPort, which finally brought the paper process of approving subcontractors into the digital age while also augmenting accountability now that these approvals are connected to contracts all the way through payment. And as a result, this new functionality has streamlined approval and payment actions while supporting M/WBE utilization goals. As we were making important improvements to our

groundbreaking e-procurement platform, MOCS took the necessary and responsible step of decommissioning our legacy system, HHS Accelerator, which had been dangerously left exposed for years. MOCS conducted the decommissioning and the migration through a planned phased approach over five months to allow sufficient time for each agency and the respective non-profit provider community to get informed, trained, and acclimated. However, it can't be denied that what I call the great migration of HHS Accelerator has been massive change management effort that moved over 15,000 contracts and 30,000 budgets into PASSPort. It's important to acknowledge the challenges that come with adapting to new technology tools and the impacts those actions have on our users. We made a focus of our change management team. We weathered those choppy weathers and with our core principles of ensuring broader access to New York City's procurement opportunities while increasing accountability and improving effectiveness as our North Star, we drove dramatic growth in our user base to over 13,000 while simultaneously adding new features and improving system functionality by 40 percent over the past two years. These enhancements

made to PASSPort coupled with the increase in users has resulted in a 70 percent increase in our service desk submissions impacting MOCS' ability to provide timely responses and resolutions.

I want to emphasize that the impacts and concerns expressed by our providers has not fallen on deaf ears. Your concerns are the utmost priority of my office, and we are committed to reaching a state of complete stabilization and doing so with the highest level of transparency and accountability. So far in FY25, the City has dispersed over 3 billion in advances through PASSPort to help alleviate cash flow issues many of our human service providers are facing, and we will continue to engage with our partners and look forward to witnessing the benefits many users have already experienced with our modernization efforts.

Beyond this work and in partnership with the Office of M/WBE and Department of Small Business Services, our team also supports the M/WBE program. In FY24, the City awarded a record-breaking 6.4 billion in M/WBE contracts and are continuing to make significant progress toward the Administration's OneNYC goal of awarding 25 billion in M/WBE City

contracts by FY26. Under Local Law 1, the City achieved its highest award total to M/WBEs in history at approximately 1.6 billion, a 15 percent increase since the beginning of the Administration. And our M/WBE utilization rate also increased to 31.2 percent, marking one of the highest utilization rates the City has ever achieved since the program initiated in 2015. And our preliminary data for the first quarter of FY25 indicates we remain on a strong path with 32.7 percent utilizations thus far. As I mentioned previously, our enhancement to the M/WBE Small Business Purchase Method has been essential to our success, with major legislative increases from 500 to 1 million in FY23 and 1 million to 1.5 million in FY24. This method showed a 60 percent increase in contract value from over 110 million in FY22 to 170 in FY23 and, in FY24, the City awarded 248 million dollars using this method. With the continued signs of progress and implementation of other reforms mentioned today, I am confident that we will continue to chip away at barriers to level the playing field and establish clear pathways for opportunity.

In order to effectively implement change, we must understand that navigating the City's

procurement process is not a solitary journey. The complexities of interpreting and implementing procurement policies to strategically leverage ever-evolving procurement tools necessitates a heightened commitment to increasing outreach and engagement efforts. Hence, our best-in-class learning and development team performed countless virtual and in-person training as part of our MOCS Institute. They also published dozens of resources designed to meet vendors and agency staff where they are and address specific educational needs on demand. These efforts facilitated and improved users' ability to navigate enhancements made by PASSPort and to drive its adoption. And since launching in 2022, MOCS Institute has trained over 22,000 users. This includes our MOCS Procurement Training Institute, which is for agency users, which has trained over 10,000 users to date, and our MOCS in Your Neighborhood, which is a monthly in-person workshop, and our Getting Started webinar series, in total, which have trained over 12,000 vendor users.

MOCS' total budget for FY25 is 38.4 million, including 1.7 million for personnel services, 14.7 million for OTPS. The bulk of our

budget is devoted to the Accenture and Ivalua contracts, which maintain PASSPort and are valued at 9 million over 10 years for Ivalua and nearly 4 million over six years for Accenture. Our current budgeted headcount is 181, with 34 vacancies currently open. As always, we will continue to work with OMB to determine appropriate levels of funding for the work outlined in my testimony, in addition to other critical existing and future efforts not mentioned here today.

And in closing, I want to acknowledge that this final budget hearing marks a significant moment for MOCS as we prepare for transition. We remain guided by our values of accountability, getting results, innovation, leadership, and equity, and I'm proud to say that we have not lost sight of these principles, and our accomplishments to date are a reflection of the outstanding support we've received from our providers, agency partners, and Council. As we continue to break down barriers and challenge historical inequities, I want to acknowledge that there's still more work to be done, and we thank the Committee for your partnership in supporting these initiatives so far and the

commitment going forward, and I'm happy to answer any questions you have.

CHAIRPERSON WON: Thank you so much, Director Flores.

Okay. You covered a lot of ground in the testimony, but we're going to ask you a few questions to break it down and go into detail a little bit more. But before we start, I want to also acknowledge and thank you for your service in City government from the Comptroller's Office to being the leader for Mayor's Office of Contract Services, so thank you so much.

Our first question is for new needs and budget requests. We've made some progress since we first began in 2022 for MOCS' budget, and the Council consistently advocates for MOCS' to get their funding it needs to process contracts in a timely manner because we hear it so painfully from our non-profit partners and the people that they service, and we will continue to support your office and MOCS at large to get in the funding and headcount that it needs. However, to provide the support, we need to understand what your actual needs are, what has been requested, approved, and what hasn't been approved.

So, our first question is what would be the appropriate headcount and budget for MOCS that would allow MOCS to be at a place where all providers would receive their payments in a timely manner?

DIRECTOR FLORES: Thank you, Chair Won, and it has absolutely been an honor to work with you over the years, and I appreciate both keeping us accountable, giving us great ideas, and really being a great partner.

You know, as you know, we talked about our current headcount. You know, I don't have a magical number here today. I will say that, as I mentioned in my testimony, the Administration is extremely focused on our relationship with the non-profit sector, our M/WBES, and there is a focus with City Hall on ensuring that we are looking at all possibilities to meet those needs, including OMB and discussions about what are the appropriate needs of the office.

CHAIRPERSON WON: I want to acknowledge both Council Member Bottcher and Council Member Brewer, who have joined us for this hearing.

Have you made any requests for new needs to OMB that were not included in the Preliminary Plan, and if so, what were they?

DIRECTOR FLORES: We definitely are in conversations with OMB, and we're looking to continue that partnership of what our ongoing needs are, and so we'll be continuing to work with them over the next few weeks and months of any additional changes needed to our budget. We definitely, as you know, in one of the last budget rounds, we did get some additional funding, I appreciate your advocacy there, and we'll continue to sort of work with OMB as we shift to where we are now with PASSPort, our current volume, and what our needs are going forward.

CHAIRPERSON WON: So, is there anything specific for headcount or for capital needs for keeping PASSPort up to date?

DIRECTOR FLORES: We don't have any capital requests that are in, and definitely would look forward to coming back to you as we continue this conversation with OMB about any other needs for the office.

CHAIRPERSON WON: What additional needs do you hope to see funded by the Executive and Adoptive Plans?

DIRECTOR FLORES: I'm sorry. Can you repeat the question, Chair Won?

CHAIRPERSON WON: Do you have anything specific, because we haven't heard any line items that you would like to see funded in the Executive or Adoptive Plan. Is there anything that you guys are gearing towards or have your eyes set on?

DIRECTOR FLORES: At this time, we're sort of working in partnership with OMB, again, looking at where we are now in terms of PASSPort and our current volume, and in active discussions with them.

CHAIRPERSON WON: In the last update you provided, MOCS had 180 active positions. This means the position had 45 vacant budgeted positions. Is MOCS still subject to the two-to-one hiring freeze, and do you have to have approval from OMB to hire any vacant positions currently?

DIRECTOR FLORES: Thank you for the question, Chair Won. We're actively working with OMB to get our hires filled as quickly as possible. As you know, since we sort of all started in these

positions post-COVID, I think we're all dealing with ensuring that we can both prevent attrition but also really continue to show folks who are looking to work with government how amazing it is to work for government and get traction on hiring those staff as quickly as possible.

CHAIRPERSON WON: How many have you been able to hire in the last three years with the budget that you've had for the vacancies? How many vacancies have been filled in the last three years?

DIRECTOR FLORES: Thank you for that question, Chair Won. I'm going to pass it off to my Chief Financial Officer and see if we have a number that's close to your question. The question is how many vacancies have we hired since the beginning
(CROSS-TALK)

CHAIRPERSON WON: Yeah, externally.

CHIEF FINANCIAL OFFICER NYANFFOR: I can say that we currently have 34 vacancies, and our previous year we ended the year with 25 vacancies. And the year before, prior, we had 66 vacancies. So we're doing better in terms of the scale from the previous years but, yes, it's still something that we're all dealing with.

CHAIRPERSON WON: So, are you still subject to the two-to-one hiring?

DIRECTOR FLORES: As I said, we're working with OMB where appropriate to move those PARs along as quickly as possible.

CHAIRPERSON WON: So I take that as yes, you are subject to the two-to-one hiring, and you have to get approval from OMB to fill the vacancy.

DIRECTOR FLORES: As you know, Chair Won, the hiring process is quite complex, and so we have a great partnership with Director Jiha and his staff ensuring that we're advocating for our needs and moving those as quickly as possible.

CHAIRPERSON WON: What is the average number of contracts being handled by each of your staff?

DIRECTOR FLORES: I'm sorry. Chair Won. How many contracts per staff? Can you be more specific in our... obviously we have actions that come through our service desk, actions that come through our procurement operations. Can you be more specific on what number you're looking for?

CHAIRPERSON WON: Yeah. I think what our team is trying to understand is how many... it goes

back to how many more people do we need at MOCS to help process these payments, since there are so many complaints or payment delays. And if we were to calculate it that way, I know that it's not an exact science, but on average, how many contracts do you think each person works on on a monthly basis or a week-to-week basis that we can estimate for?

DIRECTOR FLORES: I appreciate that question. I'd have to get back to you. Just to go back and say again, the way that we're organized, we have a procurement operations team which oversees contract actions and takes actions on behalf of me as a CHPO on approving pre-solicitation reviews, requests for awards. I don't have that number off the top of my head. And then again, we also take in actions, whether it's on the legal side or our service desk. But I also want to just say, when we're talking about payments specifically, just to make the distinction, as you know, but just for the record, that MOCS is not reviewing or approving invoices or payments on behalf of agencies, right? We have a role as per the Charter to make decisions on behalf of the Mayor as it relates to procurement actions. We are not reviewing invoices or receiving invoices, are not

part of the workflow from an approval standpoint for invoices.

CHAIRPERSON WON: So, is it implied that we won't need more staff to help register these contracts and get them moving to get payments? Because everyone is asking us the same questions. How is it that their payments have gotten less and less or slower over a period of time?

And I also want to acknowledge Council Member Stevens for joining us.

DIRECTOR FLORES: Thank you for the question, Chair Won. As I mentioned in my testimony, I think, you know, it is a multifaceted sort of response, reasons, and by nature of that, solutions, which I mentioned earlier, that we are very focused in partnership with City Hall and MONS on a multi-approach way of finding solution. I will say this, you know, I don't have that magic number here, but I will say, as I mentioned in my testimony, we are now at full adoption of PASSPort, right, and so that means that our full portfolio of both the construction, non-construction, and human services are all in one end-to-end system, and so it has to be noted that regardless of what technology system that

you use, you know, we are still in a change management process for both agencies and vendors to acclimate to doing their whole entire process in the system. As you know, and as those of you, including Council Member Brewer and others who have been in these hearings before, when we were talking about invoicing and timelines even a few years ago, one of the major issues was that it was a black box, right? The amount of days it takes to pay an invoice based on the PBB rules is based on the IVR date, which is the invoice received date, and there was no way to know what that date was. Someone received an invoice and a piece of paper and an envelope and it went on your desk and whenever the person decided to open that envelope and stamp it, that is when the date started, and that date didn't exist anywhere in the system, and so we are definitely still in a transition period of acclimating to being all in one system and making sure the system works to the needs to streamline the process to go faster. But I also want to say, you know, we are at the beginning of what is a major transition from a paper process into a full adoption of a technology solution when it comes to invoicing.

CHAIRPERSON WON: What is MOCS' current attrition rate? Is there a specific position or area that has a higher turnover compared to the rest of the office? And if yes, what are the reasons for higher turnover in the position in the area? Do you believe that salary levels are competitive with the market?

DIRECTOR FLORES: Thank you, Chair Won. I'm going to pass it off to Helga for some of those numbers you mentioned.

CHIEF FINANCIAL OFFICER NYANFFOR: MOCS' current attrition rate is 19 percent, and the highest areas are within our technology unit, which is just historically hard to fill because it's very competitive against the market. That's our highest. They represent 30 percent of our vacancies, a little over 30 percent.

CHAIRPERSON WON: So, does your answer imply that our salary levels for those positions are not competitive with the market?

DIRECTOR FLORES: Chair Won, I wouldn't necessarily say for the IT area that they're not competitive. We do spend a lot of time, obviously, reviewing those JVN's in comparison to other agencies

and also the level of expertise for those positions when we're putting them out. I just think it has been always, for better or for worse, unfortunately, a challenge hiring in the IT area, and I think that is similar in the private sector as well. People move through those positions usually quickly. They don't necessarily stay as long in some of the other positions, and so I don't think we're unique in continuing to have that challenge. But as I said earlier, the Mayor has made a commitment in really looking at all ways to expand our ability to hire folks and to meet folks who we may not necessarily engage with, including hiring halls and other ways with partnerships with colleges and others, to increase the availability of folks who are applying to our jobs and get them through the process as quickly as possible so we continue to double down on getting those folks filled.

CHAIRPERSON WON: I want to acknowledge Council Member Sandy Nurse has also joined us.

When it comes to new needs and budget requests on headcount or recruitment or attrition, what would you say that MOCS' biggest challenges are

for the next year and how do you foresee that they can overcome those challenges?

DIRECTOR FLORES: Thank you for that question, Chair Won. I think we really want to focus on when it comes to our technology and stabilization. As I mentioned earlier, we increased the volume of activity by 40 percent just in less than a year and added about 13,000 to 15,000 users, and that continues to grow. We have over 130,000 users in PASSPort, and the complexity and the amount of workflows that exist in our system are probably not comparable to any municipality in the United States so I think really making sure that we're doubling down on stability of the system, continuing to look at our current workflows and make adjustments where necessary. For example, one of the things that we recently did, and again thank you to your advocacy, Council Member Stevens and others, the last round where we did receive some additional new needs last year, we took a look at some of the pain points that we could address quickly in the system and one of those was during the budget process in PASSPort. In comparison, just for a moment, if I may, in Accelerator, for the non-profit contracts and human

service providers, you were able to begin your budget process in January or February, so it gave you more time to engage with your provider, finalize that budget and have it ready to go once pre-processing opens in May so that you were not so compressed in your already compressed timeline. We just rolled out this February and made changes to PASSPort to create a budget readiness process to allow that similar process. Last year, agencies were unable to do that process with their vendors until May so that really compressed the timeline for folks to get their contracts over the finish line. So, those kinds of changes that may seem small but are extremely impactful for the efficiency and ability for agencies with their resources to have plenty of runway to get work done and meet the appropriate timelines.

CHAIRPERSON WON: What is now the annual cost of the PASSPort system since it's fully online?

DIRECTOR FLORES: Thank you for that question. I'll hand it over to my CFO in a moment, but I will say that we've taken a look at some of the costs, not only for our system, but in comparison to other systems. I will say that, back of the envelope, for the amount of workflows and activity that exists

in our system, again looking at Chicago, looking at San Francisco, we have an immense amount of activity and processes that do not exist in some of those systems and, comparatively, our annual costs are lower than some of those other systems. And obviously, we have cyclical costs depending on if we're doing a rollout, and as I mentioned, we did release six last year, so there was a temporary increase in the cost. But I'll hand it over to Helga to give you more specifics.

CHIEF FINANCIAL OFFICER NYANFFOR: Our current annual costs are between 10 to 11 million dollars. That's just maintenance and system and just the platform. When you include the rollout, it's between 13 to 14 million over the 11 years.

CHAIRPERSON WON: You said 13 million dollars over 11 years?

CHIEF FINANCIAL OFFICER NYANFFOR: Annually over 11 years, including all enhancements.

CHAIRPERSON WON: Okay. And are you still working with the same contractor hired to maintain the PASSPort system? It was Accenture, I believe, before.

DIRECTOR FLORES: Yeah. We are still working with both Ivalua and Accenture.

CHAIRPERSON WON: And how much are you paying for each contractor?

Accenture, we pay on average 7 million a year, and Ivalua, just for the platform, is 2 million a year. Again, these are just current rates that we've negotiated with them.

CHAIRPERSON WON: Okay. And it sounds like it's safe to say that the phased update that PASSPort is in, it's now at the completion? Since we first began three years ago, or is there still more to come?

DIRECTOR FLORES: Well, I would say that, just to step back, as you may know, Chair Won, the original scope of this contract, when it was let some years ago, over 10 years ago, was to pilot four agencies and do about two releases, maybe three. Obviously, release one being Vendex, and all the way through COVID, when they did release three, which was sourcing. So invoicing, for example, was not in the original scope. I say that because we obviously have a much more complex system than was originally envisioned. And so, as I mentioned earlier, at this

time, we don't have a planned major release and definitely want to focus on looking at our current processes where we can make changes to ensure that the processes are as efficient as possible to streamline and continue to speed up the process. But there's definitely an opportunity for us to continue to add on to the system as we work with our agencies to prioritize what they'd like to see in the system. As any system, it does not include every single thing every single agency wants, and sometimes that's a good thing, right? We want some standardization across the system where we constantly engage with both our users and our agencies to see where we can prioritize changes in the future.

CHAIRPERSON WON: For PASSPort, are there recommendations from Ivalua or Accenture or whoever does the quality assurance now for maintenance as well as upgrades to make it up to date, because as we've seen since the first year that we've been in office or have had this position until now, the user experience hasn't changed a great deal for it to be a very user-friendly platform.

DIRECTOR FLORES: Yeah. Thank you for that question. And I do remember, I think our first

meeting, Chair Won, when you came over and looking at from your background in technology, it doesn't necessarily have the look and feel that folks are necessarily accustomed to. But I would say, again, even with our City's financial management system, ultimately you want both a user experience and stabilization, and that the system works. And I'm very proud of the fact that we have done some major releases, major changes in increasing the volume, and we have still areas of improvement, but that the system is working. But we definitely, every single day, not only with our contractors, but I can't emphasize enough that we, through our change management team, have change management officers at each agency which we engage with, and we're constantly looking at ways that we can update the system, again in a way that more accurately reflects the most streamlined process as possible. And I always look forward, and as you know, any recommendations folks have, we really take those seriously and look at what would potentially have the greatest impact across the system to the greatest number of users.

CHAIRPERSON WON: The November Plan included 500,000 dollars in Fiscal Year '25, increasing to 1 million in Fiscal Year '26 for the out years for the PASSPort quality assurance. How much of this funding goes to quality assurance, and how much of it is actually fixing bugs in the system, and what improvements have you seen in the PASSPort system since the addition of this funding, and who is doing the quality assurance now? We want to make sure that it's not the same vendor who's also doing the maintenance.

DIRECTOR FLORES: Thank you, Chair Won, and again I appreciate the commitment in ensuring that we receive additional funds. I definitely have to get back to you with some of the details of your questions, but I would say that we have, as I mentioned earlier, the budget readiness is one of the changes that we've made. We've made some additional changes and more that are in the hopper related to sort of decoupling certain activities that were built in PASSPort, whether it's invoicing, to allow for more streamlined payments. So, I'll give you one example. Advances, as you know, are non-profit providers and human service providers are eligible

for an automatic advance of 25 percent at the beginning of the Fiscal Year. Previously, as we fully adopted all those contracts from Accelerator into PASSPort, there was a sort of checks and balances built into the system that would not allow advances to go forward automatically if there was another pending action to that contract. We've removed that in order to ensure that we have more seamless flow of funds to vendors. So, I definitely can share with you after this, there's been a bunch of these sort of what, again, I would say may seem like little changes externally, but all together are towards this end of really having especially the invoicing and budgeting process be more streamlined than it is now.

CHAIRPERSON WON: And who is the quality assurance provider now?

DIRECTOR FLORES: We're still working through bringing that vendor on and can definitely give you updates.

CHAIRPERSON WON: Okay. Are there any other capital costs for updating PASSPort that, I know that right now you, there's nothing definitive, but is there anything that you have in mind or a project idea that we can try to support?

DIRECTOR FLORES: At this time, we don't have any capital funding or pending requests for capital funding.

CHAIRPERSON WON: And what effect has PASSPort vault or document vault had on processing contracts, and what has been the feedback from the users?

DIRECTOR FLORES: Thank you for that question. So, PASSPort vault, as you know, was one of the recommendations in the Get Non-profits Paid on Time, the joint report that was issued with both the Comptroller and the Mayor at the beginning of this administration, and both agencies and vendors, when I walked in the door, that was at the top of their wish list, to recreate what was a beloved function in Accelerator that did not exist in PASSPort so that essentially what was not in PASSPort previously that was in Accelerator is that if you were a provider and you were giving, let's say X document across five different agencies or five different contracts, in Accelerator, you were able to choose who to share that with so they weren't constantly sharing the same document over and over again. So. essentially the main function of PASSPort Vault was to recreate that

ability for a vendor to share documents across their relationships with the City of New York. I would say that so far I think it's still a change management issue in terms of both agencies and providers sort of re-engineering how they manage their documents in order to fully take advantage of the functionality of PASSPort Vault. But I think we're in the right direction of folks getting acclimated and how they're doing their work a differently in order to have those documents all available and shared with all of their contracting agencies.

CHAIRPERSON WON: So. to my understanding, it is fully functional and some folks are using it and some folks haven't picked it up yet.

DIRECTOR FLORES: Yeah. All of the agencies and vendors are using it. I think, as I mentioned earlier, it's still, you know, not to completely bore you more than I already probably have with all of these details but, just as an example, when you set up contract, it's basically, if you were to set up on your computer all of your files, you need to do some work ahead of time of how you're organizing your files in order to then completely take advantage of how you're sharing those across the

system. And so agencies are still acclimating to doing that fully, but we have conducted, I think the first training that we did for PASSPort Vault after release, we had 900 people on that call, right, and we are weekly, daily, not only providing webinars and in-person training because it's not just a acclimating to the system functionality, it is acclimating to best practices and how you manage your files and we continue to offer those trainings to our providers and to our agencies.

CHAIRPERSON WON: Are there any costs related to PASSPort Vault for planned upgrades because from what the feedback that we hear from our providers or from non-profits is that if we were to utilize existing AI technology to build it into PASSPort, to organize, filter, and tag these documents to have the AI actually skimming through and doing it for you then it may save everybody a lot more time if they just bulk uploaded all their documents.

CHAIRPERSON WON: Chair Won, I would love to talk to you about all the things that AI can do in procurement. As my staff knows, I have a very robust wish list if the world's a perfect place and there

are rainbows and butterflies in using AI appropriately and responsibly across the whole procurement system. In terms of where we are now with the system functionality, as you may know, we have tried wherever possible and appropriate and in responsible way to leverage additional software as part of our procurement end-to-end solution, and so the PASSPort Vault, the documents are part of a contract we have with Liferay and there's a small increase to the Liferay contract which I'm happy to share with you, but it's very minimal to the overall cost of the system.

CHAIRPERSON WON: Okay. I would definitely be happy to talk offline. And then ContractStat, what is the current status of ContractStat and, from what I understand, internally agencies have access but there are others who are also asking for access to it so that's what's causing the question of whether it's delayed or not. Could you clarify?

DIRECTOR FLORES: Thank you for that question, Chair Won. So, first, I will say that, and I think you and I have had this conversation before but we state that I am 100 percent, as you are, committed to ensuring that we have reporting

functionality, both for agencies, our users and externally, as you know, that we add a huge amount of data externally in this Administration through PASSPort that was not available previously. We have also issued, since the last releases that we've done and the Accelerator decommissioning, have created a number of reports, primarily in our financials area, so that we can allow agencies to have appropriate tools for performance management. And specifically on ContractStat, as you know, we did roll out an internal version of ContractStat that on the on the City side. We're actually really excited and definitely would defer to Executive Director Michael Sedillo, I'm really excited to be working with MONS on kind of restating or reinstituting that practice, not just the data, but the practice of looking at data and holding your agencies accountable, and they're making great progress and it's a priority of Administration. I definitely would defer some of those details to Executive Director Sedillo going forward.

CHAIRPERSON WON: Okay. Thank you. I'm going to turn it over to my Colleagues for some

questions as well because they've been patiently waiting. Council Member Bottcher.

COUNCIL MEMBER BOTTCHEER: Thank you very much. How are you?

DIRECTOR FLORES: Good. How are you? Thank you.

COUNCIL MEMBER BOTTCHEER: Good. Thanks. I really appreciate all your efforts to improve the contracting process for non-profits and the payment timeline for non-profits, and I also understand that you inherited many of the issues that you're trying to fix. The District I represent, Council District 3, we probably have more non-profits than anywhere in the city headquartered in our District. With all those reforms happening that you outlined today, when can the non-profits in my District expect to see improvement? They haven't yet. They're still struggling with getting paid sometimes for years. Will they see things get better next year?

DIRECTOR FLORES: Thank you for that question. I know that it seems and feels as if there's no way out of this, but I promise you that, again, and I appreciate you sort of saying, Council Member, a lot of how we got here is, you know, built

up over many years, not even to suggest blaming any specific person or administration, but processes, you know, there's the rules and regulations which have built up over many years, but there's also just processes that have built up over many, many years. I can tell you that I truly believe we will continue to see some rays of light both this year, through the end of this year and soon after. We have started really in earnest, not only with our technology as I mentioned in my testimony, we've changed rules that haven't been touched since the '80s, you know, and that takes time and it also takes sort of a real dedication to see that impact, and I know I've had conversations with multiple folks here around ensuring that what we're doing has permanent impact going forward. I do think that also making changes to the discretionary process, which we continue to work with Council especially I'm sure in your District, there are a lot of City Council discretionary awards. As you know, we just instituted a multi-year discretionary process. Our preliminary results show a six- to nine-month decrease in the timeline, and so I think we will start to see more of an impact starting next year. I'm definitely looking forward to

conversations of even thinking bolder around how we can do discretionary contracts. So, all that being said, definitely, I hope that you will continue to see some improvements and cash out the door. We've been doing, as I mentioned in my testimony, a short-term backlog initiative on invoices, making changes to PASSPort to ensure that payments can go smoother, and there is a weekly meeting with First Deputy Mayor Almanzar, OMB, and others looking at all of the short, medium, and long-term things that need to continue moving forward to ensure a timely payment to our non-profit sector.

COUNCIL MEMBER BOTTCHER: Thank you. I want to follow up on Chair Won's questions about artificial intelligence and the use of AI. It seems to me that procurement is an area where AI would have a lot of potential to help cut down on these processing times and make it easier for everybody. You had said earlier that you had a wish list of ways that AI could be applied. Have you been able to execute AI and implement it where you've wanted to and are there areas where you've struggled to get it implemented? How can we expect to see it used in a

specific way and are there any barriers in place that you're facing?

DIRECTOR FLORES: I appreciate that question, Council Member. So first and foremost, as you know, the Administration has an AI plan and definitely, as I'm sure you know and those who are familiar with technology, this is a question that every municipality and also private sector folks are dealing with, right. It is the sort of interest du jour. Everyone's talking about AI, but it's important, especially as a municipality, that we do that in a responsible way both to protect the City and the risk that we may have but also doing it in a way that has the intended impact of increasing efficiency. So, we definitely sort of internally have had some conversations at MOCS around testing it in sort of low-risk environments, for example a service desk is one that we're interested in, but obviously the sky's the limit long-term and only to use it whether it's for creating a first draft of a contract, creating a first draft of evaluation processes. There's a lot of opportunity there. I think what's important though, in (TIMER CHIME) my opinion, is that we're laying the groundwork and

planning but not trying to lay over right at this very moment when we're trying to get folks paid sort of shiny new things that are important but that we should be working on in parallel to when we are in a better place, as you mentioned earlier, of getting paid faster, having a more efficient system, and then utilizing technology on top of that. So, it's definitely not on our wish list but, as I mentioned to Chair Won, I'm going to double down on ensuring that the current state works as it's intended before we start layering on new and shiny things that I'm excited about.

COUNCIL MEMBER BOTTCHEER: Thank you.

CHAIRPERSON WON: Thank you, Council Member Bottcher. Next, Council Member Brewer.

COUNCIL MEMBER BREWER: Thank you very much. We know how great you are and how your staff is.

One question that I get along the same lines because we're just looking at the big picture is the interest they have to pay because they're not getting paid and, of course, the Washington situation hovers. Do you have a sense of, I mean one organization is paying 28,000 dollars a month for

interest. You can't recoup that, so it almost takes your breath away. We all want to help. We all want this. You do, but I'm sorry, thank you. Are you aware of some total amount that people are paying in terms of interest. Do you know which organizations are paying interest, and is it the agencies... like you said, you're not responsible for I would say crossing the T's and dotting the I's. That's the ACOs I assume in the agencies. But some agencies, I'm sure you can't list them here, are screwing up. You know, we all just can't... I think you're caught up a lot maybe in some of the backlog as you suggest but then you get a new backlog so I don't know. I just want to get a sense maybe first about the interest rates and then second what else we can do I guess dotting the I's and crossing the Ts but not make it so that every dot and every T has to be crossed. I don't know. I know it's public money but my god. Go ahead.

DIRECTOR FLORES: I appreciate the question, Council Member. So, we do have a number on how much interest payments were made by the City but, to your point, obviously anecdotally what I hear from providers, you know, both on their interest payments on their ability to access lines of credit, you know

it's difficult. I will say that, as you may know, we really doubled down on our RGF, our returnable fund grant program. We streamlined the process early last year and we expanded eligibility exponentially, and that is available to non-profit providers. I will say to your question regarding sort of you know crossing the Ts and dotting the Is. I agree with you 100 percent. I think we as an Administration have been looking at ways that we can really direct agencies and give them not just the guardrails but also the direction on how to be reviewing some of these actions including invoices that both continue to protect the City's FISC which obviously is the utmost responsibility of all of us but also clearing the pathway. So, for example, earlier, about two months ago I believe, we issued a directive from my office to agencies related to invoice payment processes and directed agencies and doubled down on some of the best practices they should be following so, for example, sort of doing a more limited review of certain documentation post payment of the invoice. Also directing agencies to do partial payments so, as I'm sure you've heard, you've got, you know, 30 lines in an invoice. If you have a disagreement with one of

1 them, you don't need to hold up the whole invoice.
2
3 Pay the 29 lines, and so we're really looking at that
4 level of detail now. I will say that now is the first
5 time we have visibility into all of this because this
6 whole invoicing process is in PASSPort, and we are
7 constantly being flexible on where do we need to
8 issue directives, where do we need process changes,
9 where do we need to ensure policies and procedures
10 actually both get people paid on time and protect the
11 City's FISC.

12 COUNCIL MEMBER BREWER: Okay. And then
13 same problem, maybe only anecdotal but the larger
14 agencies even, Gale, I only got 10 weeks left of, and
15 that sounds like a lot but it's not, of payroll, and
16 I got 30 million dollars, this is an example that the
17 City owes me. I don't even know what to say to that.
18 And they claim often that it's because of the
19 slowness of, as I call it, crossing the Ts and
20 dotting the Is, so I guess what, I don't know, Madam
21 Chair, whether it's, maybe you have to haul in all
22 the ACOs and something because, and I know maybe when
23 there's turnover, you know, in the ACO world then you
24 can't keep up with all the training, but there's
25 something... it's so deep and now, of course, with the,

you know, federal concerns people really panic, maybe with 10 weeks of payroll becomes five weeks of payroll.

DIRECTOR FLORES: Yeah.

COUNCIL MEMBER BREWER: And then you're really in deep trouble.

DIRECTOR FLORES: Yeah. Council Member...

COUNCIL MEMBER BREWER: I don't know. I'm almost afraid to walk down the street. I may not have as many non-profits as you but I got a lot. Go ahead.

DIRECTOR FLORES: I would say, as you know, Council Member, I'm always an open door, open book for any non-profit or anyone who wants to call and discuss these things with me and try to get things fixed.

COUNCIL MEMBER BREWER: I understand.

DIRECTOR FLORES: I would say that (TIMER CHIME) the number of individuals to finish a process is not limited to the ACOs, right, and that's part of what we're doing in earnest at the direction of City Hall and in partnership with MONS and OMB is really starting now, even in more detail than we have in the past, each step of the process and who are the individuals who are doing this process in a way that

we can A) again, where we can streamline and make the pathway smoother, that's our job to do is oversight, but also provide them with the tools to do that, whether it's training, whether it's directives, and it is all hands on deck.

COUNCIL MEMBER BREWER: Yes.

DIRECTOR FLORES: If they're not-for-profits, and I know this is not necessarily soothing to say, but if they're not-for-profits that are that are reaching out to you, we are 100 percent available in partnership with MONS and OMB and the agencies to hunt down whatever we can hunt down and unlock those funds.

COUNCIL MEMBER BREWER: I could give everybody your cell number, but I don't think I want to do that.

DIRECTOR FLORES: Most of those people have it so I'm happy to share it with you.

COUNCIL MEMBER BREWER: But I'm just saying, as you know, the answer is not to call you or me, the answer is to try to fix it.

DIRECTOR FLORES: Absolutely.

COUNCIL MEMBER BREWER: And so you're saying by the end of the year or beginning of next

year, people will find a difference. Now, that means that you'll do that, but that doesn't mean the agencies are going to be up to speed. I'm just saying. That's a problem too.

DIRECTOR FLORES: I will say, and you know this, Council Member, the agencies are working so hard, and I really have to give credit to the agencies who are, since COVID, have been just non-stop meeting the needs of the City of New York as they should, but they are committed to doing this work. I would say that the coordinated efforts that and the re-engagement and energy of the coordinated effort with Michael Sedillo and OMB and City Hall, I hope they're going to continue to see positive changes.

COUNCIL MEMBER BREWER: The only other thing also, there's Fund for the City of New York, I assume you're in touch with them because they're the ones doing some of these bridge loans.

DIRECTOR FLORES: Yes.

COUNCIL MEMBER BREWER: Obviously, there are other places too. They're frustrated beyond belief so I don't know maybe having a conversation with them in addition because they, too, are getting

massive complaints or anybody else who's doing these bridge loans to have like a bridge loan meeting or something so that you can see because anybody who's taking out these loans is not getting their money and they're owed money. Otherwise, they wouldn't get the bridge loan.

DIRECTOR FLORES: We have a great partnership with the Fund for the City of New York, as you know, that goes back many years in addition to running the RGF program out of our office. That coordination and partnership is also informing the other programs that they have and informing us and how we're making decisions on loans, but there is there's no lack of collaboration and open honest communication around where we need to do better. And I commit to you, I mean as I said at the beginning of this hearing, the staff at MOCS is a thousand percent committed to this work, and this work will continue.

COUNCIL MEMBER BREWER: MOCS is fine. That's not the problem, as you know. I'm going to say it so you got a lot of agencies some, I know the bad ones, I'm not going to mention them here because we get the calls. Yes, you know which ones they are. So, the question is, you know, those are some of the ones

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2 that I've got these massive cash flow problems plus
3 these massive interest payments every month so I
4 don't know. It's got to get fixed. I know you're
5 working on it. I'll keep quiet, but it's not hanging
6 like it should if I may say. Thank you.

7 DIRECTOR FLORES: Understood.

8 CHAIRPERSON WON: Thank you, Chair Brewer.
9 Next, we have Council Member Stevens.

10 COUNCIL MEMBER STEVENS: Well, hello.

11 DIRECTOR FLORES: Hello.

12 COUNCIL MEMBER STEVENS: How are you
13 doing?

14 DIRECTOR FLORES: Good. How are you,
15 Council Member?

16 COUNCIL MEMBER STEVENS: I'm going to be
17 nice to you today.

18 DIRECTOR FLORES: Thank you. You're always
19 nice.

20 COUNCIL MEMBER STEVENS: I know, but, you
21 know, this is one of the issues that I'm really
22 passionate about and just because just understanding
23 how it really just affects the infrastructure of the
24 City, and I will say that you have always been super
25 responsive, have made every effort to do everything

in your power, but still that's not enough, right, and I think Council Member Brewer was just kind of like harping on that, right, one, we should not have to call you in order to fix clogs in the system or, you know, continue to badger those things. It is clear issues in the system that we need to reform, and my issue is just like why are we just not doing it. You know, I remember when the backlog was cleared two years ago, and we were all out there. Everybody's like the backlog is clear and then now here we are, and so again that means whatever is being done is not working so I think, for me, that's often just my frustration of like how do we fix it for real and not for a press conference or, you know, to say that we did something. You know, we don't need a task force. We need true policy change. But one of my questions is I know, you know, we've been talking about like more money's been going out the door and then even here in your testimony you talked about the multi-year discretionary contracting reform and how that's been helpful, but people have not seen our discretionary money that we've been putting out because the system is so backed up from the contracts so can you talk a little about that because that has

been one of the things, right, like we give these organizations money where they're excited, we're like, yay, we're doing press conferences, but they don't see the money for years. And I'm talking about specifically the discretionary money, and I know this whole idea around having it being a multi-year contract was going to make it so much better, which I didn't agree with, but everyone said it would help and then even here in your testimony you speak about how they're getting their money a year earlier when, when I speak to providers, they haven't seen our discretionary money in about two years.

DIRECTOR FLORES: Thank you, Council Member. So, starting with the discretionary questions. So, we started the multi-year discretionary I believe in FY24 and so, as you know, then if there are providers who had discretionary contracts prior to the allocation FY24, they weren't going to be wrapped up in the new multi-year discretionary process so I'm sure that there are providers who did had contracts before that who may be still not seeing the benefit of the multi-year discretionary contracts. I will say for the multi-year discretionary contracts, again, it was not

intended to be the silver bullet. As you know, in collaboration with Council, we had a number of recommendations and that was the one that we could all agree on.

COUNCIL MEMBER STEVENS: Oh, we all didn't agree on it.

DIRECTOR FLORES: As you know, there's always a menu of options and happy to talk about the other items on the menu that didn't make it to the table, but we were able, as you know, taking responsibility at MOCS and making sure that we were loading up those multi-year discretionaries to streamline and get this whole process started and, as I said, we've seen preliminarily six to nine months shaved off of that process. I do think you'll see this year hopefully another big bump in really showing the benefit of the multi-year discretionary contracts, but there are other options on the table.

COUNCIL MEMBER STEVENS: We'll see a big benefit. Can you... like do you have a percentage, do you have data to back that up and not just like anecdotal because I'm telling you, I'm hearing from the providers, they're not seeing it so, can you talk a little about like what that bump looks like now

because what I'm hearing is they have not seen this discretionary money.

DIRECTOR FLORES: Absolutely. I may not have it on me, but I'll, definitely if I do by the end, I'll give it to you. If not, I'll follow up, but we do have data tracking the multi-year discretionary process and, again, I think we expected that the first year you weren't necessarily going to see the biggest bump in the processing time in terms of reducing the processing time but, once you got that initial contract registered, that by FY25 and next year you already have a contract registered so you should see a drastic reduction in the amount of time for you to be able to access the allocated funds. Definitely, and again, we talk about this all day long, as you know, Council Member, there's a lot to be done that we can continue to improve in the process of the front end of the allocation, developing the scope, and really streamlining that process so that it takes less time for the agency to sort of get the baton from the Council Members in order to create the scope for those contracts. And to your first (TIMER CHIME) question, I agree with you 100 percent. I think, as I mentioned earlier, and we

knew a little bit of this coming in, but some of what we're trying to dismantle or improve and have permanent impact, as I mentioned in the testimony, which is just some of the items, these are things that no one's touched for decades, right, which is why I said earlier I think with the momentum of some of this hard work of rolling up our sleeves and doing something that folks really didn't want to tackle before that this will start to come together and we'll continue to see improvements, but I completely understand that all of you and us are hearing from the sector.

COUNCIL MEMBER STEVENS: Yeah. No, I mean it seems like it's a very slow drip, but the reality is it shouldn't be, right? Like if people are doing a service, they should get paid for it and like it's just really just that simple and then, you know, especially when they're at other entities they see like, you know, when they get, you know, money from other government entities that are not the City, whether it's federal or state, it's not taking as long for them to get the money and get access to the money because it shouldn't take two or three years. And, again, like I said, I am very aware that you're

doing everything in your power to get this stuff done but clearly it is not your office. There's clearly other things that we need to be looking at to reform because honestly this cannot continue to happen, and it's really just not fair and, you know, I know a big responsibility of this work is yours, but there's other people like my Council Member Colleague was just saying that we should be holding accountable because we know that we have some agencies where they'll get the money out faster, like, you know, one of my agencies, ACS. I hear all the time that they're much easier to get their things paid for and get the money out than others and so, if some agencies can do it, it's then reflective of like why are we not using that as a model for the other ones. But we'll continue to talk and thank you.

DIRECTOR FLORES: If I may, Chair, just to say that if I have a moment that part of the issue with invoicing and payment, it's not the only issue, but, Council Member, is, as I mentioned earlier, you know, lack of standardization across all of the agencies and the processes and now that we have the processes for adoption and PASSPort part of the funding that we received and creating sort of this

payment task force within MOCS and then we're actively hiring up for that full team is to be able to dig in and see what are those processes across all the agencies so that we can create standard processes and you can have the same expected experience with each agency and hold them accountable to that.

CHAIRPERSON WON: Thank you so much, Chair, and Council Member Stevens.

For PASSPort full adoption, does that mean that we now have DOE and H and H on it as well because we have the highest amount of complaints about DOE outstanding contracts as well.

DIRECTOR FLORES: I didn't hear the first part of your question. Can you repeat that?

CHAIRPERSON WON: For PASSPort full adoption, were we successful in getting our friends at DOE to adopt PASSPort?

DIRECTOR FLORES: So, PASSPort is full adoption for all the Mayoral agencies. There are some contracts from DOE in the system but a small portfolio. Obviously, as you know, New York City Public Schools is not under the jurisdiction, under the Charter of MOCS and is obviously governed by New York State education law, and their procurement rules

are also governed obviously from those laws and they have their own systems.

CHAIRPERSON WON: So, do you think that if we made the Charter revision, I know that a lot of folks are testifying at the Charter revision hearings right now, is that something that the New York City Charter Revision could do or is that going to take State law to require New York City Public Schools to participate in PASSPort.

DIRECTOR FLORES: Chair Won, not being a lawyer and definitely on the fly at a Council hearing, I would not give you my unofficial legal opinion but...

CHAIRPERSON WON: Yeah. I would have to look this up because...

DIRECTOR FLORES: Happy to nerd out with you later on on Charter New York State education law.

CHAIRPERSON WON: Okay. Because we have to figure out how to get them in PASSPort fully.

And then following up on Council Member Stevens's question. In January, the Mayor issued an executive order requiring City agencies to designate a chief non-profit officer to improve services and expedited payment to providers. Have all agencies

designated chief non-profit officer. Is this a standalone position or an additional responsibility to an existing role?

DIRECTOR FLORES: Thank you for that question, Chair Won. Yes, the Executive Order 47 that was issued at the beginning of the Calendar Year and corresponding with the naming of Executive Director Sedillo in that position really doubles down on our commitment to having a centralized and focused individual and sort of communication process with our agencies focusing on the non-profit experience, and so among many of the other things that the CNO is responsible for is sort of being an ombudsperson at that agency to not only engage with the sector but also engage with my office, MONS, and other oversights as we're trying to streamline processes but also communicate in a way that is extremely efficient and not only to solve problems but also as we're communicating on this continued work on solutions going forward. I definitely will defer to Executive Director Sedillo on sort of the state of the full list of all of those CNOs that have been named, but I know there are a number of agencies that have already named CNOs and there's active meetings

and communication happening at the direction of Executive Director Sedillo at MONS.

CHAIRPERSON WON: Okay. Are the names of the people who have these positions public because, you know, how usually we have the chief procurement officer for agencies public? Are these public?

DIRECTOR FLORES: Chair Won, I'd have to get back to you after or have Executive Director Sedillo get back to you and answer to that question. I don't know off the top of my head.

CHAIRPERSON WON: Okay. Because I really support this executive order and I want to figure out how, because I have a next set of questions about assistance, because people ask all the time who do I call for help, and I think if we are able to have a public figure whether it's a CPO or CNO that we can have as a directory for non-profits to reach out to say, hey, I have this outstanding payment from MOCJ, here's who I can talk to, and making that easier for these groups, although that will be a high volume for these one individuals, but at least there's somebody we can name.

And can you help us also understand how, I'm still trying to understand how MOCS works with

MONS and what the reporting structure is like now. I know that they have six staff members.

DIRECTOR FLORES: Thank you for the question, Chair Won. I'll definitely start and then defer to Helga on the specific numbers about budget and staff. MONS works very closely with MOCS. We are, I would say, partners in the trenches together and it's not, as I said, our goal collectively is not only to solve the incoming, which is important and a priority, but also to continue to work full steam ahead on the future state and ensuring that we're continuing to be flexible and creative and timely around doing procurement changes, process changes, and technology changes, and so we work in partnership. There's weekly meetings with City Hall. We work in partnership and incoming from not-for-profits. We work in partnership in developing sort of joint initiatives in changing rules and regulations and so all I can say is that we are hand in hand in all that we're doing related to the non-profit sector.

CHAIRPERSON WON: And I feel like everyone has asked this question now, every single person who has asked a question, but again the public wants to

know what further steps can we take to improve collaboration and get providers paid on time through this new Mayoral executive order, MONS, the CPOS, the CNOs, and MOCS.

DIRECTOR FLORES: Chair Won, I want to first say that my CFO was just saying that the names of the CNOs are public so definitely...

CHAIRPERSON WON: Okay. And is their contact information online as well, like that we do for CPOs?

DIRECTOR FLORES: It seems like there may be, but we can definitely confirm.

CHAIRPERSON WON: Okay. Great. Great for them. That's very brave. Takes a lot of courage to do that.

DIRECTOR FLORES: And I'm sorry. Can you repeat your question one more time to remind me? I apologize.

CHAIRPERSON WON: It's just what steps can be taken to improve collaboration to get providers paid on time, and the public is also wondering have you seen improvements over the last two months in inter-agency collaboration since the executive order has taken place?

DIRECTOR FLORES: Absolutely. You know, Executive Director Sedillo with his experience in government, as you may know, he also used to work at MOCS years ago and has worked on a number of initiatives in his previous roles during this Administration related to non-profit sector so I think a thousand percent it's been an immediate I think improvement, an increase of collaboration from where we already had collaboration with our agency, City Hall, and our umbrella groups and with the non-profit sector.

CHAIRPERSON WON: A lot of groups have reached out for assistance, so a lot of non-profits have reached out for assistance with PASSPort systems and they describe typically they face an average of 15 to 20 business days of delay until they receive a response from the help desk. So, is the help desk only for organizations seeking assistance, what is the current backlog of help desk requests, and approximately how many requests are submitted per month, and how many staff do you have working on these requests?

DIRECTOR FLORES: Thank you for the question, Chair Won. So, we do have a current

backlog. I would say that our service desk, you know, we hold ourselves to a standard of white glove service which takes questions both from providers, any contractor either doing business or interested in doing business with the City, and our agency users. We are, as you mentioned correctly, at a current backlog of over 10 to 15 days in some cases of responding to a ticket. Our goal, which we have met before, is two days, and we are working, you know, staff is working weekends, nights, and we're trying to get through that backlog. I think part of, as I mentioned in my testimony, can give you some of the numbers in a moment of specifics in terms of tickets. Some of the reasons why we have a backlog is, as I mentioned earlier, we have a huge increase in the number of users and activities since we decommissioned Accelerator and brought all of that activity into PASSPort and so, with the user base increasing, the activity is increasing, and our recent releases that were major releases for PASSPort Vault and subcontracting module, traditionally after release, you see an uptick for a short period of time and tickets and then it stabilizes. We haven't yet been able to get to that stabilization point, but we

have been taking steps internally to change some of our processes to see an improvement. As I said, staff working around the clock, and we're working closely with OMB on sort of what our needs are to handle the new volume.

CHAIRPERSON WON: So, how many staff members are there dedicated to working on the help desk requests?

DIRECTOR FLORES: I believe at this time, and Helga will correct me if I'm wrong, I believe we have 18 budgeted, is that correct? 18 budgeted.

CHAIRPERSON WON: 18 budgeted with no overtime for weekends and evenings. And are these 18 budgeted headcount employees, this is their standalone job, this is their main position?

DIRECTOR FLORES: Yes.

CHAIRPERSON WON: Are there any non-standalone positions who are also pitching in to answer the high volume of requests.

DIRECTOR FLORES: So, I will say this, responding to a ticket, determining the solution to the ticket is a little bit of all hands on deck and just to take you like, you know, the journey of a ticket, right. The ticket comes into a service desk

person. That person is doing like a call center triage and trying to determine, you know, A) is this actually a system issue or is this a user issue, and then responding appropriately. If it's a user issue where they just pushed the wrong button and you could fix it, responding in that way. If it's a technology issue that requires a fix, then that is going to go to other folks in our staff who are not in the service desk to help solution the fix so it might be our IT team, it might be in collaboration with our finance team or our procurement operations team, but the folks who actually are the incoming for tickets, that is their only job.

CHAIRPERSON WON: And are all your 18 positions currently filled?

DIRECTOR FLORES: No, we currently have vacancies.

CHAIRPERSON WON: How many vacancies do you have?

CHIEF FINANCIAL OFFICER NYANFFOR: Four.

CHAIRPERSON WON: So, you have 14 people working on service desk. And are these four vacancies subject to the two-to-one hiring freeze?

DIRECTOR FLORES: We are working with OMB to streamline and get these folks hired as quickly as possible. We've been working very closely in partnership with OMB on these particular positions.

CHAIRPERSON WON: And what is the average salary of this position? You know, I'm going to need a job soon.

DIRECTOR FLORES: I don't know that I have that in front of me, Chair Won, but I can definitely get back to you with that afterwards.

CHAIRPERSON WON: Okay. So, we'll follow up. And is there some sort of synthesis or analysis being done of the incoming tickets so that we can have an analysis of frequently asked questions or self-service for a lot of the issues that come up?

DIRECTOR FLORES: Absolutely. So, there's a few ways that we've been doing that and then some changes that we're going to be making I think this month to improve that process. So, we do kind of categorize those tickets and, again, after a release, we work very closely internally and with our contractors to determine whether or not it's a user issue or root cause as a result of the release, and so we categorize those around sort of new

functionality or potential user issues. We are also working and we have been working really closely, whether it's a new release or analyzing our tickets, with our change management team and our learning development team so that we are actively sort of taking that information and either adding additional classes or tweaking our learning development tools to specifically address some of those needs that may just be user entry that they need additional information. As you know, we have something called our Contracting Roadmap where we do our monthly webinars, and we make those available on YouTube so that even if you went to the training and you need to go back and pause the video to figure out how to do that step again, we push that information out consistently. We are instituting new intake forms and processes I believe this month in order to sort of further categorize the buckets of those tickets so that we can continue to make those efforts on how we can have interventions to decrease the number of tickets coming in.

CHAIRPERSON WON: Okay. for the MOCS' Fiscal Year '26 Preliminary OTPS budget, it's approximately 500,000, so half a million dollars less

than Fiscal Year '25 adopted OTPS budget. What is the reason for this difference and what OTPS costs aren't funded in Fiscal Year '26 that are included in Fiscal Year '25? Is there any underspending as well in the current year?

DIRECTOR FLORES: Thank you, Chair Won. I believe, but I'll pass it off to Helga, is that some of those are the sort of quote-unquote prorated for the Fiscal Year and then baselined in the outyears, but I'll refer to Helga.

CHIEF FINANCIAL OFFICER NYANFFOR: Yeah. So, there's a chunk of initiatives that you mentioned earlier that were prorated this year that are increased in next year and then there are additional one-time fundings that drops off in next year so we had the PASSPort capital enhancement which was 500K which was only a one-time amount. That drops off next year. And then we also have increases every year for the GWI or the increases for managerial. So, it's a net, and the net... I would say that one of the biggest factors is that one-time fee for the PASSPort capital enhancement.

CHAIRPERSON WON: Got it. And is there any underspending forecast for this current Fiscal Year?

CHIEF FINANCIAL OFFICER NYANFFOR:

Underspending? Absolutely not.

CHAIRPERSON WON: Okay. Good to hear. Even with the vacancies? Gotcha. So, we can forecast potentially underspending for OTPS because of the vacancies if we're not able to fill them?

CHIEF FINANCIAL OFFICER NYANFFOR: You mean PS, understanding in PS?

CHAIRPERSON WON: Yeah.

CHIEF FINANCIAL OFFICER NYANFFOR: We're actively working to fill our vacancies.

CHAIRPERSON WON: Okay. And if I understand, within the last three Fiscal Years, have we been able to fill vacancies or... okay. And I also have a follow-up question. Well, let me have you finish that question first. For personnel or for vacancies within the last three Fiscal Years, have you been able to fill all the vacancies that you had budgeted for or were they underspent year to year.

DIRECTOR FLORES: Chair Won, I think, again, we would not be unique as an agency in saying that we haven't been at 100 percent budgeted and actual when it comes to our personnel but definitely CFO Nyanffor can go over those numbers again in terms

of what our vacancy rates were for each Fiscal Year, but we make concerted efforts to really shake the trees and focus across the office with our hiring managers to prioritize and streamline and get folks in seats as soon as possible.

CHAIRPERSON WON: Okay. What is the title of the position for personnel working on the help desk for PASSPort assistance?

DIRECTOR FLORES: We'll take a look, Chair Won. If we have the answer before the end, we'll provide it to you.

CHAIRPERSON WON: Okay. I'm going to move on to Council discretionary contract questions. By total dollar value, discretionary contracts make up a very small portion of the City's contract budget, but the number of contracts generated from the provision of discretionary funding makes up a much larger portion of the total number of City contracts. What are the challenges faced MOCS or from City agencies relating to discretionary contracts and does MOCS have any ideas or recommendations to address these challenges. I know that we did multi-year contracts for City Council's discretionary. Have we made any

progress for other discretionary funding to have multi-year contracts that we needed to fix?

DIRECTOR FLORES: Thank you for that question, Chair Won. I do have some of the information. Let me see if I have it correctly. For the multi-year discretionary contracts, it looks like we have 1,226 that were cleared for those multi-year contracts that have been registered, which is about 43 percent for those that were awarded in those corresponding Fiscal Years. So, as I mentioned earlier and I will get you the data, Council Member Stevens, on the specific timeframes, which I don't have, I cannot find in front of me, but decreasing the time by six to nine months.

To your other question, Chair Won, you know, you may recall, again, those conversations we had year one during the task force conversations. I think there's lots of other opportunities for us both jointly in the Council and the Administration to improve the process. You know, for those of us, again, Council Member Brewer who also remembers a process that existed prior to our current process, before the PQL and before all the things that we have now, a lot of those processes were put into place by

the Council and, for good reason, but there's a bit of a opportunity to sort of start on a blank piece of paper. There's not a lot of rules or regulations in the PPB rules regarding the process for discretionary contracts so I definitely have more ideas and happy to talk to you about them, you know, prior to my separation.

CHAIRPERSON WON: Right now, the Council Finance Team believes that we have an average of 360 days for a City Council contract to be registered. Can you confirm that average length of time it takes for Council discretionary contracts to be registered, and has there been any effect on contract registration time since we switched from one-year to three-year contracts, and is there a standardized amount across agencies that can be prepaid to providers to your belief, to your knowledge.

DIRECTOR FLORES: In terms of the timeline, I'm trying to pull up the data now, Chair Won. What was the second part of your question, Chair Won.

CHAIRPERSON WON: So, we heard that on average it takes 360 days for City Council contracts to be registered, so the first question is can you

confirm that that is in fact the average time that it takes for Council discretionary contracts to be registered.

DIRECTOR FLORES: I'm gonna get that data for you hopefully before the end of the (CROSS-TALK)

CHAIRPERSON WON: Okay. Then we want to know have there been any effect on contract registration time since we switched from one-year to three-year contracts? God help us all, I hope so.

DIRECTOR FLORES: Yes. Again, I don't seem to have it right in front of me unless it's hidden in this very large binder that I have, but my recollection was somewhere between six to nine months decrease of timeframe.

CHAIRPERSON WON: Okay. That's better. And lastly for Council discretionary contracts, is there a standardized amount across agencies that you believe could be prepaid for providers an advanced payment or, I know that our dear friend, former Council Member Barron wanted to do a grant basically for anything under 10 million dollars, didn't get much traction, but is there anything like that that you foresee as possible?

DIRECTOR FLORES: So, we definitely have some tools in our current toolbox. For example, I issued a directive recently directing agencies where possible and appropriate to issue higher advances on their discretionary contracts, which is consistent with the current standard human services contract which has a much higher amount, depending on if it's a discretionary contract above or below 20,000 dollars, so we've encouraged agency in a recent directive to maximize those higher levels of advances where appropriate.

And to your second question, Chair Won, as you know, we do have regular meetings with staff members from Council as a result of, I see Council Member Stevens has left, but as a result of Intro. 514 and I know that the Speaker mentioned in her State of the City address potentially doing grants for certain contracts. and so we definitely are looking forward to having some of those conversations and working together to see what's appropriate and where there's appropriate legislation that's needed.

CHAIRPERSON WON: Okay. For the November Plan Payment Monitoring Task Force, the November Plan included 425,000 dollars to support five positions in

Fiscal Year '26 and the outyears. These positions were added to a payment monitoring task force which will focus on improving invoice policies at an agency level with the goal of reducing workloads, improving consistency, and getting vendors paid on time. Have you been able to fill these five positions?

DIRECTOR FLORES: Thank you for that question, Chair Won. We have been actively recruiting and interviewing for those positions. I think we have some candidates that are moving through the process, but we definitely have been working internally with sort of creating a vision for the task force, sort of goals and what we plan to achieve and, as you mentioned, Chair Won, you know bringing all of those invoicing actions into PASSPort, really creating a group that kind of has oversight of the processes, creating reporting and performance management tools that we can both hold agencies accountable and they can manage their processes, and bringing additional expertise so that we can create invoicing standards and procedures and then monitor that the agencies are actually adhering to those policies and procedures.

1 COMMITTEE ON CONTRACTS

85

2 CHAIRPERSON WON: Okay. So, zero of those
3 positions have been filled so far? One position was
4 filled?

5 CHIEF FINANCIAL OFFICER NYANFFOR: Yes.
6 One position has been filled so far.

7 CHAIRPERSON WON: And how's this one
8 person doing so far? Have they started?

9 CHIEF FINANCIAL OFFICER NYANFFOR: Yes.
10 They've been actively helping with the backlog
11 initiative and helped us create a lot of those
12 reports that were sent out to the agencies in terms
13 of weekly tracking.

14 CHAIRPERSON WON: Okay.

15 CHIEF FINANCIAL OFFICER NYANFFOR: Also,
16 they helped build out the reports that were added to
17 PASSPort that Lisa mentioned earlier, so we developed
18 those reports from the feedback that we got when we
19 analyzed the data of where there are bottlenecks.

20 CHAIRPERSON WON: Okay. And the November
21 Plan included an additional 125,000 in Fiscal Year
22 '25 increasing to 250,000 in Fiscal Year '26 and the
23 outyears for vendor and agency user training of
24 PASSPort release six. How often are the trainings
25

given, and what do the trainings entail that's different from before?

DIRECTOR FLORES: Thank you for that question, Chair Won. I would have to get back to a specific number of trainings, but part of what those trainings are focused on is, again in partnership with Council, is ensuring that providers have information that they need to get through the discretionary process. I don't know if we have the stats.

CHIEF FINANCIAL OFFICER NYANFFOR: We have also added training, and we use some of that funding for training environments to build out the guides and, as they perform these trainings, they could show them how the system works, not in the system, so we needed a training environment for that, and we added that and we use part of the funding for that.

CHAIRPERSON WON: Okay. And are these trainings in person, are they online, are they both where people can self-service?

DIRECTOR FLORES: Yeah. Our sort of model as part of the umbrella of MOCS institute is we actually try to do multiple modalities of training, whether it's in person where appropriate. Sometimes

those are in specific partnership as organizations that have relationships, whether it's a particular borough, particular sector. We've done it with umbrella groups, but we also do online trainings both live and then, as I mentioned earlier, you know, not everyone has time to go to a specific webinar, so all of those are recorded and then available to our vendor users and we push those out through social media and we push those out through our monthly newsletter, and we also have an LMS system for our agency users so they can do a lot of the self-serve of the content that we've been building up since 2022.

CHAIRPERSON WON: Okay. The adopted plan for this current Fiscal Year included additional 1.1 million to fund 10 positions. Have you been able to hire for those positions? I believe those are actually internal positions that existed, so could you help confirm that those positions are filled?

DIRECTOR FLORES: Thank you, Chair Won. That allocation in the budget allowed us to sort of fill the gap where we were losing funding for 10 individuals who were already on staff so those 10 individuals are still with us.

2 CHAIRPERSON WON: Okay. Wait. Sorry. Could
3 you repeat that?

4 DIRECTOR FLORES: That funding, Chair Won,
5 was to sort of fill the gap for time-limited funding
6 that we had previously to support 10 staff lines, and
7 so we were able to keep those full 10 staff lines
8 thanks to that infusion of the budget.

9 CHAIRPERSON WON: Great. And my last set
10 of questions are about the COLA. So for the cost-of-
11 living adjustments, we are grateful that that was
12 able to be implemented. How is the COLA
13 implementation going, and do you know the percentage
14 of contracts that have been amended to include the
15 cost-of-living adjustments?

16 DIRECTOR FLORES: Thank you, Chair Won.
17 So, first and foremost, I'd say part of how we
18 approached processing our COLA investment of over 740
19 million dollars over multiple fiscal years was using
20 where appropriate our allowance clause and so, as you
21 may remember, in the first year of the Administration
22 we added an allowance clause to contracts which
23 allows and was intended to reduce the number of
24 amendments needed when there was a change to the
25 contract so that was sort of the primary way that we

were focusing on instituting the COLA. In terms of the numbers, which I do have here somewhere, the way that we did the process in collaboration with OMB was figuring out the appropriate dollar value per contract per vendor and then submitting attestations from those providers affirming that the amount that was calculated was accurate. And so I do have a number here, and I think it's over 90 percent or 80 percent of those attestations that have been received. 86 percent.

CHAIRPERSON WON: So 86 of non-profits have now had the amendments to include their COLAs for their contract payments?

DIRECTOR FLORES: 86 percent of non-profit providers completed that attestation or application essentially affirming that the dollar value calculated by the City was correct for their COLA. And, again, the number of amendments, I do not have a number of amendments in front of me. We anticipated not having the need for a high number of amendments because of the allowance clause. And what we also did just at the beginning when we made that announcement last Fiscal Year, we also instructed agencies to issue an additional advance at the beginning of the

Fiscal Year to allow an additional cushion as they were processing and finalizing the attestations with the providers so that they could get the money out the door for that initial 3 percent in year one.

CHAIRPERSON WON: So, if only 86 have completed, what outreach is being done for the remainder who also need to complete their attestations.

DIRECTOR FLORES: So, the agencies are working very closely with OMB and, in any cases where those attestations are not complete, you know, there is probably sort of a unique circumstances to finalizing that process.

CHAIRPERSON WON: When can we expect for the for the amendments to be made for at least for the 86 percent who've completed their applications for their COLA?

DIRECTOR FLORES: So, they will not necessarily necessitate an amendment in every case. So much of that that process is done. There still is definitely some of that process that remains but, again, the allowance clause was intended, among other things, to allow sort of flexibility for contracts when there was a change to not necessitate an

amendment for every single action so many of those should be processed through the allowance clause.

CHAIRPERSON WON: Okay. So, how many have been processed through the allowance clause?

DIRECTOR FLORES: I don't have the number in front of me, Chair Won.

CHAIRPERSON WON: Okay. We will follow up because we are getting a lot of complaints for the cost-of-living adjustments and also just processing contract payments.

Secondly, there are budget modifications like the indirect cost rate initiative that providers have been waiting on for years. What's the plan to get that backlog cleared?

DIRECTOR FLORES: Thank you for that question. As you know, the Administration has committed to the ICR. As you know, we have an ICR process that once a provider, you either get the de minimis rate or if you elect to request a higher rate, that process once approved is for three years. The ICR rate is extremely important obviously for providers to maintain their full budget, and we work very closely with OMB and our agencies to ensure that those are done properly. We actually issued a

directive to agencies in the last few weeks reminding agencies of the process, our commitment to the ICR, and if it hasn't gone out already, there will be a correspondence that goes out to providers as well alerting them of our directive to agencies.

CHAIRPERSON WON: Okay. I think we will have a lot of follow-up items, but thank you so much for your testimony. We're so grateful for your service, Director Flores, and we will definitely miss you.

DIRECTOR FLORES: Thank you. I appreciate the partnership. I will miss you as well.

CHAIRPERSON WON: Thank you. So this will end the testimony from the agency, and we're going to move on to public comment period.

I now open the hearing for public testimony. I remind members of the public that this is a formal government proceeding and that decorum shall be observed at all times. As such, members of the public shall remain silent at all times.

The witness table is reserved for people who wish to testify. No video recording or photography is allowed from the witness table.

Further, members of the public may not present audio

or video recordings as testimony but may submit transcripts of such recordings to the Sergeant-at-Arms for inclusion in the hearing record.

If you wish to speak today at the hearing, please fill out an appearance card with the Sergeant-at-Arms and wait to be recognized. When recognized, you will have two minutes to speak on today's hearings which is the Fiscal Year '26 Preliminary Budget on Contracts. If you have a written testimony or additional written testimony you wish to submit on the record, please provide a copy of the testimony to Sergeant-at-Arms. You may also email the testimony to testimony@council.nyc.gov within 72 hours of this hearing. Audio and video recording will not be accepted.

Our first panel is Greg Klemm, Lauren Siciliano, Keriann Pauls, and Lisa Rivera.

Okay. You can proceed.

LAUREN SICILIANO: Sure. Wonderful. Good afternoon, Chair Won and Members of the Council. My name is Lauren Siciliano, and I'm the Chief Operating Officer of the Legal Aid Society. Along with my colleagues, I am here today as part of a coalition of public defender and civil legal services non-profits

who provide constitutionally and legally mandated representation to hundreds of thousands of New Yorkers each year. We defend people against incarceration, deportation, and eviction. We connect people to life-saving benefits housing and substance and mental health support. We are a lifeline for low-income New Yorkers in need the services. We provide are funded by City contracts and initiatives. While recent changes from the City such as the allowance clause amendments and the three-year COLA initiative have been a step in the right direction, despite these changes, chronic underfunding and mounting contract and payment delays jeopardize our ability to operate, to provide essential services for the New Yorkers who need us most, to hire and retain staff, and to provide and respond to ever-increasing needs. Late payments wreak havoc on non-profits and the communities we serve. Non-profits like us start at an extraordinary disadvantage. Not only are our wages lower than those of our government counterparts, especially in experienced positions, but our staff also do not benefit from a government pension. While City agencies start the year with their funding and routinely receive additional allocations for new

collective bargaining agreements, healthcare cost increases, and utility and space cost increases, non-profits like us do not. We are constantly waiting for our funding to be confirmed or for payment for work that has been completed. And perhaps most egregiously, when we then cannot spend all of the money in our contract because it was never confirmed in the first place or we did not receive it in time, the City takes it back, effectively cutting our funding. Systemic contracting and payment delays exacerbate these fundamental issues at every point in the process. In an increasingly challenging financial context, we're here today to talk about just a few examples (TIMER CHIME) of the absolutely critical issues with City contracting and payment that endanger our ability to make payroll, pay vendors, experts, and rent, and to fundamentally continue doing this work. We're grateful for the Council's focus on this issue, and I will now turn this over to my colleagues.

LISA RIVERA: Thanks. Good afternoon, Chair Won, Council Members, and Staff. Thank you for the opportunity to speak today. I'm Lisa Rivera, President and CEO of the New York Legal Assistance

Group. As you know and we have repeatedly testified, legal service providers continue to face challenges related to timely payments. While the City owes all legal service providers millions of dollars, we are going on two years of being told there are staffing shortages and software issues. Though we are sympathetic to those concerns to a point, the problems have persisted for years without a satisfactory fix. With respect to budgets, despite timely registration of our housing contracts with HRA in FY25, which was a celebrated change, the City changed our funding amounts no less than three to four times during the Fiscal Year, adding complexity and delays to the process. While we would all typically welcome increases to the budget, they don't help if we can't actually use the funds in a timely fashion. The change that we received required lengthy back and forth with the City to finalize the amount, which finally occurred in December. The entire process was rife with errors. As for the actual approval process, the agency often requests many revisions, which providers must respond with changes and then resubmit the budget. The cycle repeats multiple times. The earliest some of our

organizations started to receive budget approvals was in late January. At NYLAG, nine months into the Fiscal Year, our first housing budget was approved as I sat here today listening to the testimony. This is not all due to software and staffing shortages. We have submitted budgets that laid dormant in PASSPort without being approved or denied. Without a budget approved, we can't submit invoices. Without submitting our invoices, we can't get paid. And while we have raised these problems time and time again, it is not until our agencies escalate the issue that we receive movement. The following are some examples of the responses that we receive. MOCS has an auto reply that their current response (TIMER CHIME) time is 15 to 20 days. We were told to put a patience hat on when we asked about delays. One agency told us to reach out to a specific person for assistance. We did that, but then our service ticket was canceled, and we were told to go through the proper ticketing agency to start that process all over again. We have precious few resources because we are underfunded. We are devoting massive amounts of time and resources towards dealing with what issues should be routine City contracting. We understand the struggles MOCS,

HRA, DCD, and other agencies have had but, ultimately, we are doing critical work that requires responsiveness. New Yorkers, your constituents, our clients, depend on it. Thank you.

GREG KLEMM: Good afternoon, Chair Won and Members of the Council. My name is Greg Klemm, the Chief Financial Officer at Legal Services NYC. Thank you for the opportunity to testify today.

So, my colleague, Lisa, was just describing the budget approval process. However, unfortunately, the challenges don't end after the budgets are approved. When submitting invoices, we face an incredibly onerous and ever-changing review process in order to get reimbursed for the work we perform on City contracts. I say ever-changing because the requirements of the information that we are asked to provide along with invoices often change from month to month. Something that was discussed and settled in prior months is often resurfaced again in future months. As you can imagine, this adds time to the review and payment process. And at this point, the clock has already been ticking for weeks or months on expenses that we have already laid out to perform the work. Once the requirements are cleared

up and the invoices are submitted, they will often sit for several weeks without even being touched at some agencies and, in most case for us at this table, it's the Office of Civil Justice at DSS. There appears to be not enough staff to keep up with all of the work. All of these things place considerable strain on cash flow, requiring us to seek advances from other funders, and just to underscore that, we have to seek advances from other funders to do work for the City or make draws on our lines of credit. Another way payments are often delayed is when funding is confirmed late, in our example for indirect cost rate funding or the ICR. ICR funding is crucial because it provides funding for essential administrative costs that social service orgs need to keep operations running. Organizations currently go through an application process with MOCS every three years. However, the ICR is often not approved until very late in the Fiscal Year or, even worse, months after the year has (TIMER CHIME) already ended. To help address this issue, as you will note in our recommendations in the written testimony, we urge the City to provide advances of 50 percent of the ICR initiative based on the prior year's rate. Thank you.

KERIANN PAULS: Hello. Good afternoon. My name is Keriann Pauls, and I'm Interim Executive Director at TakeRoot Justice. Thank you to Chair Won, the Committee, and Staff for this opportunity to testify about the ongoing and urgent need to eliminate delays in the City's contracting and payments made to non-profits. I'd like to thank my colleagues who have testified today as we all unfortunately share in the same experiences of delays. Currently and in this moment, in addition to trying to manage while we wait for payments, we are all in the moment where legal services and community organizing non-profits are under direct attack by the federal administration and struggling with our funding and resources. But at the local level what our City and the contracting agencies can do is ensure that our funding, what we are awarded and awarded to serve our communities and your constituents, is paid timely. So, a few recommendations on how to make this happen, and thank you so much to Chair Won and others from the Council for championing a number of these. So, we'd like to amplify the call for proper funding and staffing for MOCS to ensure the oversight and operations of the

contracting processes run smoothly. The City should standardize 50 percent advance payments on all contracts with non-profits at the beginning of each Fiscal Year. The greatest payment delays we experience are at the beginning of each contract term and, even when advances are issued, they are only around 25 percent, which is not enough. Next, the City should allow for bridge loans even when contracts are registered and make them available at multiple stages during the contracting process so organizations can meet their cash flow shortfalls when the City is still behind on payments, and I'd like to note that even though there are the returnable grant fund loans, those are only so good as when the agencies are actually responsive to those requests. We've experienced extreme delays in any response for our RGF requests. And we'd like to ask the Council to pass the proposed legislation that requires the City to cover the (TIMER CHIME) interest costs incurred by non-profits on loans and lines of credit. So, thank you again to Chair Won for being such an ally as we push for better contracting and timely payment on our payments for our sector. we show up every day to fight for the rights of New

Yorkers, and to sustain this work, we need the City to pay on time. Thank you so much and we'd be happy to respond to any questions you all might have.

CHAIRPERSON WON: Thank you so much. I do not have any other questions.

Our next panelist is Sophie Zhang, Eric Lee, Gloria Kim, and Tara Klein.

SOPHIE ZHANG: Thank you, Chair Won and the Members of the Contracts Committee for the opportunity to testify. Did I press it? Okay. Oh, okay. Thank you, Chair... okay, it was on. Thank you, Chair Won and Members of the Contracts Committee for the opportunity to testify. My name is Sophie Zhang, and I'm the Family Employment Awareness Training Project Manager at the Chinese American Planning Council, CPC, the nation's largest Asian American social service organization. I started at CPC as a part-time staff assisting with the Excluded Workers Fund application process. My main responsibility was to provide language support to potential applicants. One morning, I got a call from a service provider for people with disabilities. The gentleman on the other end of the phone was asking if I could help with a three-way call with a mother that only speaks

Chinese. He was in urgent need of some information from her to help with her child's service application. At the end of our session, the mother said my son would have lost his medical services if it wasn't for your help today, I'm so grateful that CPC is always here for us. Because we are so heavily reliant and restricted on City contracts and fundings to provide our life-affirming services, we are grateful to testify about issues that impact the communities we serve. and we are grateful to the Council for their leadership on these issues. Last year, the Administration announced a historic investment of 741 million dollars as part of a cost-of-living adjustment for an estimated 80,000 human service workers. This was part of years of tireless advocacy of the Just Pay Campaign, led by the Human Services Council, and we were thrilled to work with the Council and the Administration on this. We need to ensure that the COLA is swiftly implemented to get to all human services workers and that the implementation is straightforward and simple (TIMER CHIME) for providers without impacting programs. We also urge the Council to seek guidance on how unionized staff will be included. By ensuring

transparent and swift procurement and robust human services wages that our staff can depend on year after year, we can better serve our community members. Thank you for your time.

ERIC LEE: Hi. Good afternoon. Thank you, Chair Won and Members of the Committee and Committee Staff, for allowing me to testify today. My name is Eric Lee. I'm the Director of Public Policy for Volunteers of America, Greater New York. We are one of the region's largest human services providers. We are the fifth largest supportive housing provider, and we also operate shelter for families and individuals including people fleeing domestic violence. We are a member of Homeless Services United, the Human Services Council, and the Supportive Housing Network of New York. I submitted written testimony, which I will summarize. To date, VOAGNY is owed nearly 40 million dollars of City-contracted services stretching as far back as FY17. We've been forced to rely on our line of credit to continue operations, and we've spent approximately 1 million dollars in interest for this Fiscal Year to cover City delays and we forecast spending 1.5 million in interest for FY26. To Council Member

Brewer's comment about interest costs, we strongly support Intro. 514, which would make the interest rates reimbursable when the City is late paying us. This fiscal strain has become untenable, leading us to delay the opening of one new shelter facility and walk away from another recently awarded contract entirely because we simply cannot afford to carry the cost of operating these programs while payment delays persist. In addition, we still have not been able to implement the human services COLA, which the Council fought so hard for, because the City has not yet released funding for it. The added uncertainty regarded the leadership of MOCS further adds to our anxiety and underscores the need for decisive leadership on this issue from the very top. We ask for the Committee support in urging the Administration to take emergency action to clear the backlog of pending invoices and PASSPort, stop recouping advances until payments flow smoothly, and issue additional advances as needed to restore positive cash flow to non-profits like us (TIMER CHIME) so that we can remain full partners in addressing the crisis in this of homelessness. Additionally, we urge the Council and the

Administration to increase funding for FY26 City budget staffing for MOCS, DSS, DHS, DOHMH, as well as other City agencies to approve contract actions and reimbursement for human service providers. VOAGNY has pending contract action stretching as far back as FY17, which are preventing us from getting paid. This includes the indirect cost rates to cover overhead costs as well as the cost-of-living adjustment for staff from prior fiscal years. These continued delays in procurement processing further restrict our cash flow, which is already hindered by the unwieldy reimbursement process which only allows us to submit two invoices per contract at any given time. City agencies need to be funded to ensure that non-profit providers' contracting needs are met so that we can focus on providing the services for our community. Thank you for the opportunity to testify.

GLORIA KIM: Good afternoon, Chair Won and Members of the Council Committee on Contracts. My name is Gloria Kim, and I'm the Director of Policy Research and Impact at the Human Services Council. As MOCS has testified previously, they're responsible for overseeing the City's procurement process and leading reform initiatives, but there are significant

amount of pending contracting actions that are preventing providers from getting paid for services they have already provided. This is unsustainable for the sector, especially as they continuously deal with delayed procurement processes which further exacerbates the cash flow challenges that they face. Also, MOCS plays a critical role in implementing the COLA so the lack of MOCS funding has a detrimental impact on the implementation process, leading to workers not receiving the investment in a timely manner. And at a time where so many non-profits are facing financial issues and workers are reliant on this COLA, funding for MOCS is crucial to ensure that providers contracting needs are met and workers are compensated so that they can focus on providing services to their communities. And now with the announcement of Director Flores' resignation, the sector is very concerned as to how this will impact the procurement process and further exacerbate the delays in payment. So, for too long, non-profits have incurred substantial costs for service delivery before they have a legal right to be paid so the sector is at a breaking point. The City and its residents ultimately bear the brunt of these problems

when highly qualified providers can't afford to take on City contracts or when those providers must close programs or go out of business altogether because of the financial strains imposed by the City's late payments. And although the City previously cleared the backlog of more than 6 billion dollars in unpaid contracts and amendments, more needs to be done to support the sector. The City needs to hold each agency accountable to pay invoices on time and clear the backlog of indirect and COLA contracting actions. The sector has struggled for decades with the government procurement system to the detriment of the financial health of non-profits. And although the City has taken on a great effort (TIMER CHIME) in creating reforms to address the procurement challenges that our profits face, there are real and insurmountable financial hurdles that the current system has placed on providers which must be resolved so the sector can continue to deliver its programs. Thank you.

TARA KLEIN: Thank you. Hi, Chair Won.

Thank you for holding today's hearing. My name is Tara Klein. I'm the Deputy Director of Policy and Advocacy at United Neighborhood Houses. We are an

association of settlement houses in New York. So, I want to echo a lot of what's already been said I wanted to say thank you for helping negotiate the COLA agreement last year. That's really significant to supporting the human services workforce and our members. Three percent is great, but you can't COLA your way out of long-term disinvestment in the human services sector, and so we really need to be looking at deeper investments. We have a number of proposals on the table we hope you'll take a serious look at, like making sure that folks are paid at parity with similarly titled government workers and looking at prevailing wage schedules. But I want to really focus right now on the contracting delays and late payments because this is really urgent, and we know that you care, like we're hearing that come out in the back and forth today, and it sounds like MOCS cares and when you listen to them it sounds like the Mayor cares, but when you look at what's happening on the ground, clearly like it's not coming across because things are not getting better and providers are angry, okay, and like we really need to address this immediately. You cannot expect non-profits to be running services without being paid. You wouldn't

expect that in any other industry. You wouldn't work without being paid. Folks are taking out loans and paying interest on those loans. They're scaling back services. Some are delaying payroll. It's getting very urgent, and people are very angry and we really need you to keep fighting with us. I want to just read a quick quote from one of our members, I have a number of others in my written testimony that I'll send. A settlement house in the Bronx said "we are experiencing delays in making payments to the vendors who supply essential services for our programs. As a result, we've been forced to reduce the scale of our program events due to the ongoing cash flow challenges. This has impacted our (TIMER CHIME) ability to fully execute our planned activities and deliver the quality experiences we aim to provide." We did a quick survey of our members last week to see how much they are owed. Thirteen of our members responded, just to give you a snapshot, they're owed 81.6 million dollars collectively. There are more examples in my written testimony. Some are owed 15 million dollars at one organization, 5 million at another. A lot of it comes from DYCD and DOE, but it's really across the board. There's a lot of

proposals on the table. We know you have a bill about a database. Council Member Stevens has a bill about timelines. Justin Brannan has a bill about interest. We support all of these efforts. The Speaker is talking about some new proposals now and we have to make sure we're funding MOCS and all of the agencies. So, lots on the table. We appreciate you very much. Thank you.

CHAIRPERSON WON: Thank you. We have a hearing on non-profit payment delays on April 30th so I think it'll be really important to have a rally and actually show up to put more pressure on the Mayoral Admins to pay. It's going to be a multi-agency hearing so we're going to have other agency Commissioners there. Director Flores resigned last week, and it is extremely frustrating that no one's getting paid and you just heard her testimony. I just asked her in 10 different ways where else can I fund you and she said no, I don't want any funding, and that's been the last three years of playing charades where I'm like blink twice if you need help but then we can't even get out of them a line item of what we're trying to fund. So, we're all in agreement that we have to fund but, if we can't identify what to

fund, it's not going to be easy to negotiate funding them more, especially if you have their own agency staff saying no, no, we don't want any more money so it's been extremely difficult.

So, I wanted to ask you, Gloria, for funding MOCS. From your research, is there anything in particular that you want us to fund?

GLORIA KIM: Yes. Just definitely getting the staff lines in place so that they can implement these procurement processes and these procurement reforms and also just overall PASSPort implementation. I mean we're having members, you know, submit tickets at, you know, the help desk and they're not getting responses for over two weeks at a time and, you know, during a time where they're not getting any payments and if they're having PASSPort issues then, you know, it's a problem for the entire contracting process.

CHAIRPERSON WON: Yeah. We're going to look into funding the help desk assistance since there's only 14 of them for the whole entire City of New York, and we've increased the budget lines for hiring but, as you heard them testify, they're not hiring because they're not getting approvals so it's

going to be really important to have everybody come next month, and there's going to be multiple bills that are going to be heard to help with contract payment delays, but I think what Human Services Council was able to do prior to last year for the cost-of-living adjustment where you had huge turnout. It was great for the Council Members because we knew how important the issue was, but I have to say the Mayoral Admin didn't even blink so that's what we're up against, but we'll keep on trying. Thank you for your patience, and we'll see how it goes but we're going to keep on trying, we're going to pass bills. You know, the Mayor will probably veto them, but I think at this point all of us have had enough so there are going to be punitive pieces of legislation that are going to be passed. Thank you so much.

The next panelists are going to be Jackie Del Valle, Julian Morales, Ali Forney Center, Galloway, Carlos Cano.

JACKIE DEL VALLE: My name is Jackie Del Valle from TakeRoot Justice and the Stabilizing NYC Coalition, or SNYC. Thank you to Chair Won and your Staff for your leadership. Stabilizing NYC is a 3.7-million-dollar City discretionary initiative funding

20 groups, and it's administered through HPD. We combat tenant harassment and preserve affordable housing for New Yorkers who need it most. As of today, late March 2025, none of the multi-year contracts have been registered with a start date of July 1st, 2023. Several groups are still waiting to be paid for their FY23 work. This is unacceptable, and immediate action needs to be taken. SNYC groups have done two years' worth of work including documenting all the work they've done and having all invoices ready so that when the contracts do get registered, can actually get paid. We really need a plan to address the backlog. I heard a little bit of it in MOCS and some of the questions, but, you know, just like when this kind of kicked off three years ago, that was a critical part of what came out of it was a plan to address the backlog and also it led to the creation of the multi-year but, let's be honest, that has not performed as expected. How many multi-year contracts has HPD registered? Zero. And a lot of the other agencies are just registering and paying them and groups are just beginning to recoup FY24. So, we need to plan again and address the root causes, and we need to start by paying the groups.

So, advances need to happen automatically, 50 percent in every contract year, and we need to figure out what are the solutions to actually get advances as part of identifying the root cause and figuring out what created the backlog. You know, PASSPort really has been bumpy in rolling out. The person that testified before listed some of the issues that people were having (TIMER CHIME) and that continues to plague groups. And just with funding cuts on the horizon and a federal administration hostile to the work of non-profits, especially those organizing tenants, we cannot continue to be in this position and desperately need the money owed to us. Thank you.

GALLOWAY: Good afternoon, Chair Won and Council Committee on Contracts. Thank you for the opportunity to testify. My name is Galloway, and I serve as the Advocacy Manager at the Ali Forney Center, the nation's largest provider of life-saving services to unhoused LGBTQ youth in New York City. The City's broken contracts and reimbursement system threatens our ability to continue this work. Non-profits are waiting anywhere from two to three years for reimbursement, making it impossible to plan financially. In 2024 alone, the City owed the Ali

Forney Center an average of 6 million dollars. Let's lean more into that, what that actually looks like for providers (INAUDIBLE) services. It adds actually to this crisis because providers cannot predict the amount they will receive after submitting vouchers for recoupment. This inconsistency and reimbursement makes it impossible to manage cash flow, plan services, and sustain operations effectively. We need urgent reforms. So, what this is looking like is 1) a guaranteed reimbursement timeline. Payments should be processed within 30 to 60 days, not years. A transparent recoupment schedule so providers can manage cash flow and plan voucher services accordingly. Third, a faster provider-centered reimbursement process to prevent delays that jeopardize essential services. And, lastly, reform of contract advancements recoupment so that will help ensure organizations are not left financially vulnerable. Non-profits do the work in the city, and this is the work the City should actually be doing so we need a system that honors and sustains this work, not one that sets us up to fail. Thank you so much, and we look forward to collaborating with you on this.

JULIAN MORALES: Thank you, Committee Chair Won, who's my Council Member, and other Members of the Contracts Committee for the opportunity to testify today. My name is Julian Morales, and I am the Organizing and Advocacy Manager at the Fifth Avenue Committee, FAC. I'm here to discuss how the City contracts have impacted non-profit groups and CDC's like FAC and our affiliate organizations. FAC is owed, and our affiliate organizations, over a million dollars going back to Fiscal Year 2022. We rely on this critical funding to provide transformational services and maintaining our affordable housing in Brooklyn. We think that this is unacceptable, and we want to see immediate actions taken. We like to see a bunch of solutions including groups should immediately receive a significant portion of their funds and advances from FY24 into FY23. And also I just want to reiterate, groups should receive an advance of at least 50 percent of their contracts at the start of the year. We also want to say we receive funding through Stabilizing NYC and also CHPS. For the past several years, the Council has awarded Stabilizing 3.7 million dollars to continue our work, and we're looking for an

additional 1.3 million dollars to protect homes, win more building improvements, and strengthen organizing across the city. This coalition has not seen an increase in six years despite inflation and cost of living increases. The last year of the multi-year contract for civic members have not had their contracts registered and are still waiting for FY24 and FY25 funds. These contract delays experienced by us non-profits have made the need for COLA and inflation increases more critical. Particularly on CHPS, as you all know, CHPS has been a vital lifeline of New York City's most vulnerable New Yorkers. For over 15 years, over 45 groups worked tirelessly to protect low-income BIPOC and immigrant tenants and homeowners from facing displacement. Particularly on CHPS, we urge the Council to act by addressing the contract backlog and ensuring on-time payments and (TIMER CHIME) contract approvals by increasing CHPS funding to 4.95 million dollars in FY26. Thank you so much for the opportunity to testify.

CARLOS CANO: Good afternoon, Chair Won.

My name is Carlos Cano. I'm the COO of the Center for Family Life in Sunset Park, or CFL. We're a neighborhood-based organization that has been the

principal provider of integrated social and human services in the low-income community of Sunset Park for over 45 years. We partner with residents to identify shared goals and implement programs that promote the healthy development of families and children and enrich the quality of life in the neighborhood. This includes family counseling, cultural educational and recreational programs at local public schools, adult and youth employment programs, and an emergency storefront for food and advocacy among other services. CFL engages more than 18,000 children and adults each year at 14 community locations, including our main office, our family enrichment center, and our 12 partner public schools. In order to offer these key services, we partner with several City agencies and, while we are grateful to be a trusted partner and manage several contracts, the burden from this slow registration and non-payment is crippling. We live with daily anxiety, not knowing where we're going to get paid for services rendered, in some cases over a year ago. It is more critical than ever for us to be able to count on the City of New York to pay us because we are facing the specter of multiple cuts in federal funding. New York

1 COMMITTEE ON CONTRACTS

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2 City currently owe us over 5 million dollars, over
3 half a million is outstanding Fiscal Year '24
4 invoices with DYCD, 2.5 million is over Fiscal Year
5 '25 invoices with DYCD, ACS, and CDWP, and nearly 2
6 million in Fiscal Year '25 contract is still pending
7 registration with DOE, SBS, and, once again, DYCD.
8 CFL is a member of UNH and (INAUDIBLE) which together
9 represent a large number of providers across NYC. We
10 stand with both advocacy organizations whose broad
11 membership is being significantly adversely impacted
12 by their registration and payment delays. Thank you
13 for creating a space to share these very serious
14 challenges that put our financial health at risk and
15 for holding agencies accountable.

16 CHAIRPERSON WON: Thank you so much, and I
17 hope to see you in April when we have the hearings,
18 especially in support of the bills that the Mayoral
19 Agencies will fight us on. Thank you so much for your
20 time.

21 The next panelists are Christopher Leon
22 Johnson and Sharon Brown.

23 CHRISTOPHER LEON JOHNSON: Yeah. Hello,
24 Chair Won. My name is Christopher Leon Johnson, and
25 I'm calling on the City Council to preserve every

contract that these non-profits want, all these non-profits want. I know that right now we have a Speaker of the City Council named Adrienne Adams, running for New York City Mayor, and she's going to weaponize this budget and weaponize these contracts against these non-profits to support her for mayor. I am calling on every non-profit, every person that is seeking, that already have a contract from FY24 and FY23 and FY22 and FY25 to record all conversations with Adrienne Adams and every Member on her City Council Team and every member on her campaign and, if you find any discrepancies, report to the FBI because a big feeling that the Speaker of the City Council is weaponizing every budget contract application to make them support her for mayor and she needed to be reported. Report her campaign to the FBI and the Department of Investigations if you see any discrepancies with her because she's really corrupt. She knows she has no chance of winning for Mayor. Andrew Cuomo is going to win, and I'm calling on the City Council to work with the Andrew Cuomo's campaign because he's going to become the mayor anyway so nobody here can do about it, whether you like it or not. I'm calling on the City Council to really speed

up the speed of payments for all the contracts for every non-profit. They need to get paid faster. Why they're not getting paid faster? What's going on here here? And like I said, this is all done by the Speaker of the City Council, Adrienne Adams. She is weaponizing the payment processing times to make them support her for Mayor, and I have a big feeling that she's going to say, oh, if you want to support my campaign, if you want to support... you want your contracts to be sped up faster, you want this contract, you want this payment to get sent out to you, you better support my campaign for Mayor. So I'm calling on everybody in this political spectrum to record oral conversations, record (TIMER CHIME) all emails and anybody in our campaign or anybody in her City Council Speaker's office including that little bozo, Tyler Hickerson or Ty Hickerson, try to use the Speaker, his boss's leverage to make them support him for City Council, report his ass to the FBI too. So, like I said, report both of them to the FBI, Ty Hickerson and Adrienne Adams, because like I said, what's going on here is that she is weaponizing that budget, she's weaponizing the... oh, I support

everybody out here that want their contract be paid out faster.

CHAIRPERSON WON: Okay. Thank you.

CHRISTOPHER LEON JOHNSON: I support everybody. So, like I said, support Julie Won. Thank you. Report Ty Hickerson to the FBI and report Adrienne Adams to the FBI. Thank you.

SHARON BROWN: Hello. My name is Sharon Brown. Before I start, remember the hostages, release the hostages, let Yahweh's people go, defend Israel.

Okay. The contracts have been very problematic. People are getting paid handsomely, and they're not fulfilling their contracts. We need to find ways to make contracts with military veterans, military homeless veterans, and seniors. We need to find those who are experts in these fields and give contracts to people who are worthy of these kind of things. Some of the people that have vendors license could also try to go for some of these contracts. There is a group called CPA, or something like that, and the Chinese community have been fighting with them over hospitality work. They don't give them breaks. They're working 24-hour shifts. They're not paying them accurately. They should not have

contracts if they continually abuse their workers. So, if they're violating the contracts and they're not paying fair wages, they should not have those contracts. They should lose the contract, even in the middle of the contract. Maybe we should start writing in that if they are egregiously violating the contracts that it can be severed. We can have the Law Department or someone look into that because this situation has been going on for a long time. I believe with CPA, the Chinese community has rallied about it and they have been having contract disputes. They have been having all kinds of different things about it, and nothing's happening. If it's happening with them, with people that hold contracts, it's happening on a larger scale. We need to be meticulous and look over who we have with (TIMER CHIME) contracts and make sure they're fulfilling their contracts or sever them.

CHAIRPERSON WON: Okay. Thank you so much.

Our next panelist is Kyungsoo Kang online. You can now unmute. Kyungsoo Kang.

KYUNGSOO KANG: (INAUDIBLE)

CHAIRPERSON WON: Yes. We can hear you.

KYUNGSOO KANG: Hi, Chair Won and Members of the City Council and Committee on Contracts. Thank you for the opportunity to testify on behalf of University Settlement. My name is Kyungsoo Kang, and I am the Grants Contract Administrator. University Settlement has served New Yorkers for 139 years, providing critical human services across our 30 (INAUDIBLE) sites in Manhattan and Brooklyn. We are grateful for the Administration and the City Council supported implementing COLA increases, reforming the PASSPort system, and introducing multi-year discretionary contracts. While these reforms are steps in the right direction, significant challenges remain, particularly in contract registration and payment processing. City contracts are a lifeline for non-profits like ours to deliver essential services. However, ongoing delays in contract registration and payment disbursement have created a serious cash flow crisis (INAUDIBLE) and reduce total expenditures. Without timely payments, we are forced to take out high interest loans to pay staff and maintain services. These loans, while temporarily bridging gaps, ultimately deplete our resources and weaken our long-term financial resilience. The burden of

repayment limits our ability to reinvest in programs and sustain essential services. Additionally, while PASSPort was designed to modernize procurement, inconsistencies in its implementation have created further challenges. Agencies often require vendor to submit documents both email and PASSPort with conflicting guidance and, when clarification is needed, the MOCS help desk frequently redirect inquiries back to agencies, leaving vendors without clear directions. This uncertainty hinders our ability to plan and effectively manage contracts. Another critical issue is the absence of automatic notification when contracts become enforceable. Managing nearly 900,000 dollars in discretionary contracts require us to manually monitor statuses and follow up with agencies regarding resources (TIMER CHIME) direct service delivery. Without timely response...

SERGEANT-AT-ARMS: Your time's expired.

KYUNGSOO KANG: Further delay the (INAUDIBLE) cash flow challenges. We stand ready to work with the City Council and the Administration to create a more transparent (INAUDIBLE) contract and procedure. Thank you for your time and consideration.

2 CHAIRPERSON WON: Thank you much. And that
3 was our last testimony so I hereby say that this
4 hearing is now adjourned. Thank you so much,
5 everyone.

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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 April 25, 2025