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PATRICK A. WEHLE
DIRECTOR OF CITY LEGISLATIVE AFFAIRS

November 4, 2011

Michael McSweeney
City Clerk of the Council
141 Worth Street
New York, NY 10013

Dear Mr. McSweeney:

Transmitted herewith is the bill disapproved by the Mayor. The bill is as follows:

Introductory Number 624-A

A local law to amend the administrative code of the city New York, in relation to the procedure governing agency service contracts.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick A. Wehle".

Patrick A. Wehle

cc: Honorable Christine C. Quinn



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November 4, 2011

Hon. Michael McSweeney
City Clerk and Clerk of the Council
141 Worth Street
New York, NY 10013

Dear Mr. McSweeney:

Pursuant to Section 37 of the New York City Charter, I hereby disapprove Introductory Number 624-A, which would amend the New York City Charter "in relation to the procedure governing agency service contracts."

I am disapproving this bill because it would create unnecessary processes that will significantly impair the City's ability to obtain essential services; unacceptably delay delivery of those services to the City's neediest; interfere with the executive branch's role in collective bargaining; and because it would impose those burdens on the Department of Education, the Health and Hospitals Corporation and the New York City Housing Authority, despite the City Council's lack of legislative authority over those entities' contracting processes.

In difficult economic times, the City must deliver services to the public in the most efficient, cost-effective manner possible. In some instances, New Yorkers are better served by obtaining services from established providers that have succeeded in the private sector. My administration's procurement process balances the need for careful consideration and public evaluation, while avoiding undue delays and inefficiencies. Introductory Number 624-A would interfere with the City's ability to provide services, especially when unanticipated needs arise. For these reasons, I cannot approve the bill.

Introductory Number 624-A would impose new and onerous reporting requirements on already-overburdened agencies. The bill would require the Mayor to publish an annual report detailing each agency's anticipated contracting actions, together with an extensive list of information for each contract. But if an agency were to pursue a contract for services not listed on the annual report, the agency would be prohibited from taking actions for sixty days and would be required during that time to post extensive information that will not facilitate the City's delivery of services; indeed, this new process would effectively delay services for at least two

months. Agencies cannot comply with these requirements and meet their obligations to procure needed services for the public.

The City cannot afford to deter businesses, especially small businesses, from doing business with us. When fewer businesses are willing to compete for City contracts, the City is deprived of the competition needed to ensure we are providing the highest quality services at the fairest price. At a time when my administration has proposed reforms to streamline the system, Introductory Number 624-A would add layers of additional regulations and lengthen the time needed to register a contract, increasing costs for business and making it less likely that many small firms will try to compete for City contracts.

I am particularly concerned about the effect of Introductory Number 624-A on our City's human services agencies. The City has made great progress in using sophisticated and flexible information technology systems to coordinate services and make it easier for families to apply for assistance of all kinds. Further, if a new human service need or challenge suddenly arose, requiring private sector technology, this bill would greatly lengthen the time it takes to enter into a contract by adding months of waiting time, and failing to provide services to those who need it. This legislation threatens the progress the City has made in delivering effective social services, and endangers our ability to provide timely assistance to New Yorkers in need.

Introductory Number 624-A's broad definition of "displacement" is also problematic. Before a mayoral agency enters into a contract, or renews or extends a contract valued at more than \$200,000, it must determine whether the contract is the result of, or would result in, displacement of City workers. Agencies would be required to look back three years prior to soliciting a contract to determine not only whether displacement had occurred, but also whether I or any other administration official had announced spending reductions or employment actions that could result in, or have resulted in displacement of City workers. In practice, I direct my commissioners to pursue every opportunity to find cost savings, including working with City workers to achieve greater productivity wherever possible. If Introductory Number 624-A were to become law, at the outset of each round of budget reductions, agencies would be required to presume that displacement would occur, triggering an unnecessary process of conducting analyses and, in many cases, delaying the procurement process.

This far-reaching requirement would have perverse consequences. New York City has been in the forefront of developing new models to provide services. This legislation could limit public discussion of innovative and creative approaches to providing services by requiring the City to go through a laborious process if at any point in the past several years a City official had uttered or written a phrase mentioning an alternative to providing those services using government workers.

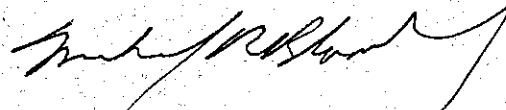
In addition to raising these important policy concerns, Introductory Number 624-A is legally flawed. The bill intrudes upon the procurement and collective bargaining powers conferred upon the executive branch. Although the City and municipal unions have bargained over the procedure to be followed for contracting out City services, this bill both ignores and inflates this procedure, delaying agency decision-making and improperly conferring a benefit upon public employee unions without additional bargaining.

Finally, the bill would improperly regulate the Department of Education, the Health and Hospitals Corporation and the New York City Housing Authority, whose procurements are regulated by State law and are not subject to the City Council's authority. As with City agencies, if these entities attempt a contracting action that was not listed on the annual plan, that action would be delayed for an additional sixty days while notice is provided to the public. The Council lacks the authority to impose this obstacle on State-created entities that have their own procurement processes. The reporting requirements imposed on these entities are also inconsistent with their State-conferred autonomy and powers.

My administration has sought to work with the Council to strike the proper balance between accountability and efficiency in the City's procurement process. Unfortunately, this bill goes further than past efforts and crosses from the questionable to the unwise and impermissible.

Accordingly, I hereby disapprove Introductory Number 624-A.

Sincerely,



Michael R. Bloomberg
Mayor

cc: The Honorable Christine C. Quinn

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