

Testimony of Kim L. Yu, MOCS Director
Before the New York City Council Committee on Contracts
MOCS Preliminary Budget Hearing
March 24, 2026

Good afternoon, Chair Restler and Members of the Contracts Committee. Thank you for the opportunity to testify on the Fiscal Year 2027 Preliminary Budget for the Mayor's Office of Contract Services.

At the center of citywide operations, MOCS oversees the systems that govern how tens of billions of dollars flow through New York City's economy. MOCS funds the infrastructure of procurement — the rules, oversight, and technology that agencies and providers rely on to move contracts efficiently and pay providers on time. As a result, our office plays a central role in a procurement system that directs more than \$40 billion in public spending each year.

In Fiscal Year 2025, the City awarded more than \$42 billion in contracts for goods, services, and construction. Human services alone accounted for more than \$16 billion of that total. Thousands of nonprofit providers, small businesses, and M/WBEs depend on the reliability of this system to operate.

Public works and infrastructure delivery are also a critical part of this system. Beyond human services and operational spending, City procurement is the mechanism through which New York delivers major capital projects that residents depend on—including streets, bridges, schools, public buildings, and other core infrastructure. The effectiveness of the procurement system directly affects how quickly and responsibly those projects move from planning to construction, and ultimately into service.

At its core, the City's contracting system connects public dollars to the goods, services, and infrastructure that New Yorkers rely on every day. The City of New York depends on its contracts to deliver childcare, shelter, food access, healthcare, construction, and other essential services and investments. But those contracts do not move on their own. Every stage of the contracting lifecycle—planning, procurement, award, registration, and payment—requires resources, coordination, and sustained operational capacity.

That is especially important at a time of heightened uncertainty and growing operational demands. As agencies navigate cost pressures, shifting market conditions, and growing service demands, the City must continue investing not only in the contracts themselves, but in the

procurement system that makes those contracts possible. Strategy and execution both matter. Obtaining the best that the market has to offer the City of New York — and then turning those opportunities into functioning contracts that deliver results — requires strong systems, clear processes, and sustained operational support.

Procurement is not simply an administrative process. It is how the City secures those goods, services, and infrastructure fairly, responsibly, and in compliance with an increasingly complex legal and regulatory framework. And because City contracting directs billions of dollars in public spending, it is also a major economic engine that shapes opportunity for businesses and nonprofit organizations across New York City. Today I will focus on what this budget supports: strengthening end-to-end contracting performance, supporting agencies and providers, and continuing to improve the systems that move contracts from planning to payment.

MOCS Institute

The Preliminary Budget sustains the personnel and operational capacity required to carry out these responsibilities and continue strengthening the City's procurement infrastructure. A core component of this work is ensuring that agencies and vendors have the knowledge and resources necessary to navigate the City's procurement system.

To support that goal, MOCS operates the MOCS Institute, the City's centralized procurement training and education program. The Institute provides both virtual and in-person trainings designed to meet users where they are — whether they are experienced procurement professionals or organizations engaging with City contracting for the first time.

Since its launch in 2022, the MOCS Institute has trained more than 29,304 users across City government and the vendor community. This work includes the Procurement Training Institute (PTI), which supports agency procurement staff in meeting professional development standards and strengthening procurement expertise across City government. Through PTI, more than 12,742 agency staff have received training on procurement rules and best practices.

The Institute also operates MOCS in Your Neighborhood, a monthly workshop series designed to help vendors and prospective vendors better understand how to do business with the City, particularly small businesses and community-based organizations. In addition, the Getting Started webinar series provides demonstrations of PASSPort functionality and opportunities for vendors to ask questions directly to MOCS staff. Beyond formal trainings, MOCS also publishes

guidance documents and instructional resources designed to help users navigate procurement processes more effectively.

Over the past year, MOCS has also expanded how it communicates procurement information to vendors and providers. Recognizing that contracting guidance is often technical and difficult to navigate, the agency has increasingly focused on more accessible, actionable, and education-first communications. That includes simplified guidance, direct engagement, and short-form educational content designed to help vendors better understand requirements, timelines, and opportunities. The goal is straightforward: to make a complex system easier to navigate and to help more organizations compete successfully for City business.

Procurement Reform

Technology alone cannot ensure a well-functioning procurement system. The integrity of City contracting also depends on clear rules, consistent oversight, and a commitment to fairness and transparency. MOCS serves as the City's central procurement authority, responsible for establishing procurement policy, ensuring compliance with procurement rules, and supporting agencies as they implement contracting processes across a wide range of programs and services. Public procurement must balance several priorities simultaneously. Contracts must be awarded fairly and competitively, taxpayer dollars must be protected, and agencies must be able to move quickly enough to deliver services and goods effectively.

In recent years, the City has undertaken reforms designed to modernize procurement practices while preserving strong safeguards. Legislative and policy changes have increased review thresholds, streamlined certain procedural requirements, and expanded procurement tools that help agencies work more effectively with M/WBEs and small businesses. MOCS' focus moving forward is ensuring that agencies implement these tools consistently and that procurement rules continue to promote fairness, transparency, and opportunity across the City's vendor community.

That means procurement policy must be both principled and practical. The City has to maintain strong safeguards while also making sure the process is navigable, predictable, and capable of keeping pace with service delivery. A system that is overly fragmented, or difficult to navigate imposes real costs — on agencies trying to deliver programs, on nonprofits managing cash flow, and on businesses deciding whether to compete for City work at all.

HHS Reform

An effective procurement system must ultimately translate into timely and predictable payments for the organizations delivering services on the City's behalf. As the Committee heard during last month's oversight hearing, nonprofit payment delays remain one of the most pressing concerns facing many of the City's provider partners. When payments are delayed, nonprofit organizations are often forced to carry additional financial risk, which can be especially difficult for providers operating with limited reserves. These delays can affect payroll, staffing stability, and the continuity of essential services. While the City has made progress in improving contracting timelines and payment practices, the experience of providers across the system remains uneven. Some contracts move efficiently through the procurement lifecycle, while others still encounter delays related to contract negotiation, budget review, or administrative approvals. These challenges often reflect the complexity of the contracting system itself, which involves multiple agencies, oversight entities, and operational steps that must occur before payments can be released.

Recognizing these challenges, the City has taken several steps to improve provider stability. Following recent legislation enacted by Council, advance payments for most human services contracts will increase from 25 percent to 50 percent of contract value, providing significantly more upfront funding to nonprofit providers while contracts and invoices progress through the system. MOCS has also strengthened monitoring of contracting timelines and continues working directly with agencies to identify and address contracts or invoices that require intervention. These efforts are intended to reduce variability across agencies and support a more predictable contracting and payment process.

At the same time, we recognize that progress has not yet been felt uniformly across the provider community. Continued improvement will require sustained coordination across agencies, oversight partners, and vendors themselves. MOCS is approaching that challenge by focusing not only on registration, which we closely track during our annual Timely Registration Initiative, but on end-to-end contracting performance. Over the last year, we have worked to move critical steps earlier in the lifecycle so that agencies and providers are better positioned by the start of the fiscal year. Through our Budget Readiness Initiative, led by our Payment Task Force, MOCS engaged providers earlier, launched purchase orders in February, is offering hands-on office hours, and is helping move budget activity forward in advance of the fiscal cycle. That work is intended to reduce confusion, improve readiness, and support more timely advances and invoicing once contracts are in place.

We are also building on reforms that simplify the process itself. The FY26 discretionary grant pilot eliminated 13 steps from the contracting process for participating nonprofits, and the current cohort of 130 awardees is expected to see a cycle time to payment of approximately four months instead of more than a year. Looking ahead, MOCS is planning for an expanded FY27 discretionary cohort that would move roughly 800 awards into a faster and more streamlined process.

PASSPort

Over the past several years, MOCS has led the implementation of PASSPort, the City's end-to-end digital procurement platform. PASSPort now supports the full lifecycle of City contracting. Agencies use the platform to manage procurement planning and solicitations, develop contract budgets, track contracting milestones, and process invoices. Vendors and nonprofit providers use PASSPort to respond to solicitations, manage contracts and budgets, submit invoices, and track payments. More than 96,000 users across City agencies and the vendor community now rely on PASSPort to conduct business with the City.

The platform replaced fragmented legacy systems and analog processes, consolidating thousands of active contracts and tens of thousands of budgets into a single environment. This shift improved visibility into contracting activity and created a shared system for agencies and vendors to manage the contracting lifecycle. As the City continues to build on the PASSPort platform, our focus is on ensuring the system operates reliably and transparently for the people who depend on it, while continuing to deliver enhancements that strengthen functionality and improve the user experience.

Over the past year, MOCS has continued strengthening PASSPort operations by improving system performance, expanding user support, and refining workflows so that key steps in the contracting and budgeting process can occur earlier in the lifecycle. These improvements are intended to reduce downstream delays and create clearer visibility into contract status across agencies.

A consistent theme we hear from providers is the need for clearer, timelier visibility into the status of their contracts, budgets, invoices, and payments. In response to that feedback, MOCS launched a new Vendor Reporting module in PASSPort that gives vendors direct access to their sourcing, contract, and financial data in one place. Vendor Reporting now makes six reports available to more than 35,000 vendors and providers in PASSPort, improving visibility into contract activity, invoice processing, budgets, and advances.

Through the Vendor Reporting tab in PASSPort, vendors can access reports that allow them to monitor contract budgets, review invoice activity, and track advances and recoupments associated with their contracts. Currently available reports include:

- The Contract Budgets Report, which shows budgeted, paid, and remaining amounts by fiscal year and allows vendors to monitor budget utilization over time.
- The Invoices Report, which provides a snapshot of submitted invoices, payment status, approval timelines, and the ability to filter activity by contract and fiscal year.
- The HHS Nonprofit Providers Advances and Recoupments Report, which shows City-funded advance and recoupment data, including balances and activity by agency, contract, and fiscal year.

These reports allow vendors to review key financial information, filter and export data, and identify issues earlier in the contracting and payment process.

This is an important change in how the City shares procurement information. For many vendors, especially smaller organizations without dedicated administrative staff, access to timely data can make the difference between reacting to a problem after the fact and identifying an issue early enough to resolve it.

Recent PASSPort enhancements have also strengthened subcontractor transparency by allowing subcontractor approvals and updates to be managed directly within the system. This creates a centralized record of subcontracting activity and supports better visibility into subcontractor participation and payments across City contracts.

At the same time, PASSPort, like any large-scale technology platform, requires ongoing maintenance and improvement. MOCS is aware of system issues and occasional glitches that arise, and our dedicated Service Desk professionals work closely with users to address them as quickly as possible. Our IT team also works in partnership with our vendor to resolve bugs, improve system performance, and deliver enhancements over time.

As technology continues to evolve — particularly in areas like cloud computing, automation, and artificial intelligence — MOCS is evaluating how best to ensure the City's procurement systems keep pace with current needs and capabilities. PASSPort was first developed more than ten years ago, and the tools now available create new opportunities to improve efficiency, usability, and performance. Realizing those opportunities, however, requires resources: technology

modernization depends not only on software and infrastructure, but also on the skilled staff needed to maintain and improve these systems over time.

Taken together, these enhancements represent an important step toward a more transparent and accountable contracting system — one where agencies, prime vendors, and subcontractors have clearer access to the information they need to manage contracts effectively. This Preliminary Budget sustains the infrastructure required to operate PASSPort and continue improving the platform for the agencies and vendors who depend on it.

Preliminary Budget

Turning to the Preliminary Budget itself.

The Mayor's Office of Contract Services operates a budget that sustains the systems and operations at the core of City procurement. MOCS' total budget for FY26 was \$49.55 million, including \$26.32 million in personnel services and \$23.23 million in other than personal services. A significant portion of these resources supports the technology infrastructure that underpins the City's procurement system, including the contracts that maintain and operate the PASSPort platform.

As of March 11, 2026, the agency had 51 vacancies and approximately 195 active staff agencywide. Those staff support procurement policy development, PASSPort operations, vendor engagement, training and capacity building, and citywide performance monitoring. That staffing picture underscores an important operational reality: the procurement system is only as effective as the capacity behind it. From supporting agencies and providers to maintaining PASSPort and helping contracts move efficiently through the procurement lifecycle, this work remains core to MOCS' mission.

The City's contract with Ivalua, which provides the core PASSPort platform, is valued at approximately \$93 million over eleven years, while the contract with Accenture, which provides system integration and implementation support, is valued at approximately \$52 million over seven years.

Given the scale of the procurement ecosystem and the central role MOCS plays in supporting agencies and vendors across City government, the office continues working closely with the Office of Management and Budget to assess staffing and resource needs as the system evolves.

Conclusion

Our near-term focus is clear. We are continuing to improve procurement transparency through Vendor Reporting; strengthen provider readiness through FY27 Budget Readiness; improve registration performance through our timely registration work; expand the discretionary grant pilot; and deliver PASSPort Release 7, which will allow vendors to complete certain financial tasks in parallel, including invoicing while budget modifications are underway. That change is intended to address a major bottleneck and make payments faster and easier for vendors.

New York City’s procurement system connects billions of dollars in public funding to the services that residents rely on every day. It also requires a City government that continues to invest in the planning, strategy, execution, and oversight necessary to make contracting work. When we talk about procurement, we are talking about the City’s ability to shape markets, secure high-quality partners, deliver public services, and move public dollars responsibly and effectively. That does not happen automatically. It is the product of steady, deliberate work to keep contracts moving and systems functioning.

MOCS remains committed to improving the reliability, transparency, and integrity of the City’s procurement system so that agencies can deliver services effectively and providers can operate with greater certainty. We appreciate the Council’s continued partnership and focus on these issues, and we look forward to continuing to work together to strengthen the City’s contracting system.

Thank you for the opportunity to testify. I look forward to your questions.



**Chinese-American Planning Council
Testimony Before the Committee on Contracts
Chair, Council Member Lincoln Restler
March 24th, 2026**

Thank you Chair Restler and members of the City Council for the opportunity to testify today. CPC was founded in 1965 as a grassroots, community-based organization in response to the end of the Chinese Exclusion years and the passing of the Immigration Reform Act of 1965. CPC is the largest Asian American social service organization in the U.S., providing vital resources to more than 80,000 people per year through more than 50 programs at over 30 sites across Manhattan, Brooklyn, and Queens. Our revenue is approximately half New York City funding.

CPC now employs a team of over 700 staff members, many of whom come from the same neighborhoods we serve. With the firm belief that social service can incite social change, CPC strives to empower our constituents as agents of social justice, with the overarching goal of advancing and transforming communities.

CPC offers holistic services that target both individual and family needs. Our programs are available for community members of all ages and backgrounds, and span five key service areas:

- **Early Childhood Education:** child care for children of ages 1-5 and workshops for parents.
- **School-Age Child Care Services:** after-school programming for children in grades K-5.
- **Education & Career Services:** ESOL classes, youth development, and workforce training.
- **Senior Services:** wellness, recreation, meals, and workshops for adults aged 60 and older.
- **Community Services:** family resources, public benefits, counseling, advocacy, and referrals

Back in 2024, the City established prevailing wage requirements for city-contracted human services workers with an investment of \$741 million as part of a COLA for an estimated 80,000 human service workers for three years. This was part of years of tireless advocacy of the Just Pay campaign, led by the Human Services Council (HSC) to which CPC is a proud member organization. We are urging the City to continue to fund a 3% cost-of-living adjustment (COLA) for City-contracted human services workers from 2026-2027 to uphold the City's multi-year COLA deal commitment.

The human service sector has been filling in the gaps for decades of failed governmental policies and inaction. New York City's 40,000 contracted human services workers have been essential workers throughout the pandemic and continue to be integral support systems for our communities, providing critical services on the frontline as well as remotely.



Our sector has long been undervalued, despite the demanding and often exhausting work our staff undertake to protect and uplift our communities. As the cost of living rises, immigration threats intensify, and federal budget cuts take hold, the need for our services has grown significantly. For example, recent budget cuts and eligibility changes to SNAP will impact more than 10,000 community members served by CPC. As a result, organizations like ours are being pushed to expand emergency food distributions and demand for benefits enrollment assistance has surged dramatically.

Every year, the Council hears from providers who are struggling due to the crisis of compounding underfunding of the human services sector as City budgets are balanced on the backs of low-income neighborhoods and BIPOC communities. This practice has resulted in poverty-level wages for human services workers, who are predominantly women (66%) and people of color (68%). In fact, according to a [report from HSC](#), nonprofit human service workers have been historically underpaid, making about 71% of what government employees make and 82% of what private sector workers make for the same role. This is why we are also calling on the Council to pass Wage Equity Legislation (Intro. 0452-2026), which would align nonprofit and government human services job titles, and through that, raise salaries for nonprofit human services workers.

CPC appreciates the opportunity to testify on these issues that so greatly impact the communities we serve. We look forward to working with you on them. If there are any questions or concerns, feel free to reach out to Ashley Chen, Policy & Research Manager at achen9@cpc-nyc.org.



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**Homeless Services United's Testimony for the New York City Council Contracts
Committee Hearing**
March 24, 2026

My name is Victoria Leahy, and I am the Director of Policy and Planning at Homeless Services United (HSU). HSU is a coalition representing over 55 mission-driven, homeless service providers in New York City. HSU advocates for the expansion of affordable housing and prevention services and for immediate access to safe, decent, emergency and transitional housing, outreach and drop-in services for homeless New Yorkers. Homeless Services United promotes effective solutions to end the crisis of homelessness in New York City.

For 2 years, HSU has been advocating to get our members paid for the work they do. We appreciate the recent improved cash flow our organization has received with DHS's FY26 advances. However, providers still have months of catch-up in pending budget, budget updates, and invoice approvals that are prohibiting them from being reimbursed for the services they have already performed. To illustrate this point, HSU sampled some of our DHS-contracted members to assess the outstanding budget actions. **These 22 members have over \$152 million in outstanding budget actions from FY18 to FY25.** Some providers have stopped bidding on new DHS contracts because the risk of doing further business with the City is simply too high. This comes at a time when the demand for shelter in NYC doubled in just two years, and vulnerability to homelessness is increasing due to federal cuts.

The lack of normalcy when it comes to payments puts organizations at risk. It makes it difficult to pay staff, vendors, and run programs for clients. Organizations are often forced to take out lines of credit just to relieve cash flow issues, only to then have to pay interest. To date, our members have paid over a million dollars in interest on loans they took out while awaiting payment.

Nonprofits typically make requests to add money to their total contract amount due to new expenses they must incur throughout a contract year to operate their programs or shelters. Often these are for increased Indirect Cost Rates (ICRs) - which includes the non-line-item costs associated with running an organization such as payroll fees, and for WEIs, COLAs, insurance costs and prevailing wages. Once DHS and then OMB approve these additional costs for the total contract, the expenses must be added to the individual contract line items in order to invoice against these expenses. This is the FCCR process, which leads to a POCR. *Only when the POCR has been approved* can an organization invoice for these expenses. Until then, these City-approved additions to a contract sit in limbo even though the nonprofit has expended these costs.

In our jargon, the overall approved budget items are "below the line", and the detailed line-item additions are "above the line". The FCCR is the mechanism to move approved expenses from below line to above line and thus make them invoiceable. For example, one of our members has 15 contracts with DHS, each having below-line items they want to move for a total of \$9 million. They worked for 4 months to get just 3 FCCR's approved. This is an extremely long process for our members who cannot afford to have \$9m expended but not invoiceable as it sits in limbo.

Last year, we made an incredible headway when the City Council passed Int. 1392 (now Local Law 11-2026), which codifies a predictable and regular payment schedule that is essential to protecting nonprofit shelter providers. We thank the City Council for their partnership in this effort. We are excited for the new schedule to take effect starting FY28. However, what remains to be addressed is the backlog of outstanding payments. To accomplish this, we recommend the following:

- Implement a bifurcated response to cleaning up the backlog of payments that date back to FY20 while maintaining a consistent payment schedule for FY26 and future fiscal years.
- Maintain an adequate staff size in government agency procurement, budget, program departments and MOCS to keep contract registration and issue payments timely.
- Establish performance metrics for city agencies on contract registration and payment timeliness that goes above and beyond what is tracked in PASSPort, holding all parties accountable.
- Develop contingency plans to maintain services during federal funding uncertainties, particularly given proposed cuts to federal homeless services funding.
- Invest in technological enhancements in PASSPort so the system

Finally, we must move to establishing parity in shelter budgets. For the first time in years, the Preliminary Budget makes a more accurate projection of spending on homeless shelters. The Preliminary Budget added \$586 million this year and roughly \$1 billion in the following years for shelter costs. However, what remains true is that there is a lack of parity across shelter budgets. This imbalance creates significant differences in the level and quality of programming an organization may be able to provide to their clients. New Yorkers experiencing homelessness deserve the same standard of care, regardless of which organization runs the shelter.

In the interest of creating and maintaining high quality facilities and programming at homeless shelters, strong investment must be made in service providers. This manifests as improving the conditions of shelter buildings as well as paying human service workers a living wage. As reported by the Human Services Council, nonprofit workers are paid 30% less than government employees with the same titles. New Yorkers who

dedicate their careers to serving their neighbors should not be subjected to government-sanctioned poverty wages.

Enhanced shelter standards can also be accomplished through parity in provider contracts. As the cost of living rises throughout the city, state, and country, contracts must rise to match these prices or else leave providers at the risk of footing the cost. Contract standards must be edited to reflect this reality and give providers the resources needed to meet their clients' needs. This will give all providers an equal ability to meet programming and staff needs and provide the best care possible.

One large step towards establishing parity in shelter contracts would be by passing Int. 452-2026. We are so glad the City Council sees the value and understands the hard work that the thousands of staff at our member organizations provide to New Yorkers experiencing homelessness. We unequivocally believe that they deserve beyond a prevailing wage, and this legislation takes a great step in achieving this. We know that contract-mandated poverty wages are a crucial issue in any organization's ability to recruit and retain staff. In a survey of HSU's Adult Shelter Providers, we found that the biggest reason for staff vacancies was because of salary. When organizations lose staff, client-staff ratios increase, and teams get stretched too thin. Ending the crisis of homelessness in NYC requires a steady, consistent, highly trained workforce and establishing prevailing wages for these teams will get us there.

The work of shelter staff and street outreach teams genuinely saves lives. They are more than deserving a prevailing wage.

We look forward to working with the City Council to ensure that this year's budget delivers for all New Yorkers. If you have any additional questions, please contact me at vleahy@hsunited.org.



New York City Council Committee on Contracts
Preliminary Budget Hearing
March 24, 2026

Submitted by:
Gloria Kim
Director of Policy, Research, and Impact
Human Services Council of NY

Introduction

Good afternoon, Chair Restler, and members of the New York City Council Committee on Contracts. My name is Gloria Kim, and I am the Director of Policy, Research, and Impact at the Human Services Council (HSC), a membership organization representing 180 human services providers in New York. HSC serves our membership as a coordinating body, advocate, and intermediary between the human services sector and government. We take on this work so that our members can focus on running their organizations and providing critical direct support to New Yorkers. These are the nonprofits that support our city's children, seniors, those experiencing homelessness, people with disabilities, individuals who are incarcerated or otherwise involved in the justice system, immigrants, and individuals coping with substance abuse and other mental health and behavioral challenges. We strive to help our members better serve their clients by addressing matters such as government procurement practices, disaster preparedness and recovery, government funding, and public policies that impact the sector.

Late Contracting Issues

Human services organizations operate on tight margins. Unlike many private-sector contractors, we do not have large reserves or access to flexible capital. Yet we are expected to deliver essential, often life-sustaining services every day, regardless of whether payments from the City arrive on time. When contract payments are delayed by months, as is too often the case, we are forced into an impossible position: either reduce services or take on financial risk to continue operating. Providers have to delay payments, draw on lines of credit, delay vendor payments, and in some instances, make difficult staffing decisions. These are not abstract administrative issues—they directly affect the sector's ability to provide consistent quality care, maintain experienced staff, and meet the needs of millions of New Yorkers.

Compounding this issue are contracting delays and administrative burdens. Although we are grateful to the City Council for legislating advances for human services contracts, these advances are only a short-term solution because nonprofits continue to incur substantial costs for service delivery before they are paid. Reimbursement processes can be complex, inconsistent, and slow, further extending the time between service delivery and payment. These systemic issues create instability across the human services sector. Smaller organizations, in particular, are at risk of closing their doors, reducing access to critical services in the very communities that rely on them most.

Support the #JustPay Campaign and Wage Equity for Human Services Workers

We are proud members of the [#JustPay campaign](#), which is a racial equity and gender justice campaign committed to ending the government exploitation of human services workers by demanding sector employees under contract with the New York City and State be paid fair wages for their labor. Each year you hear from providers who are struggling due to the crisis of compounding underfunding of the human services sector as City budgets are balanced on the backs of low-income neighborhoods and BIPOC communities. Government is the predominant funder of human services through government contracts that have resulted in poverty-level wages for human services workers, who are predominantly women and people of color.

To address these challenges, we ask that you support Int 0452-2026, which would introduce a comprehensive new wage requirement system for human services workers, aimed at ensuring equitable compensation in line with civil service titles. Nonprofit workers make 30% less than government workers for the same job. With a City COLA secured for three years, we were able to pivot to fight for systemic policy change to tackle this wage disparity in the long-term. By supporting this legislation, it is a significant step towards ensuring that human services workers receive equitable pay comparable to their City counterparts, recognizing the critical role they play in delivering vital services to our communities. By establishing a clear wage requirement system, this legislation promotes transparency in compensation, ensuring that every worker is paid solely on their qualifications and experience. By guaranteeing just wages and benefits, the sector will continue to attract but, most importantly, retain skilled human services workers, contributing to a more stable and effective workforce that can better serve our communities. According to a budget brief by the Center for New York City Affairs, it would only cost an estimated \$965 million to \$1.35 billion to provide salary parity for the nonprofit human services workforce.

Conclusion

Human services providers are proud partners with the City. We are committed to delivering high-quality services and improving outcomes for residents. But we cannot continue to serve effectively under a system that places disproportionate financial strain on the very organizations tasked with caring for our communities. Addressing late payments and contracting inefficiencies is not just a matter of administrative reform—it is essential to ensuring stability, equity, and continuity of care for those who depend on these services.

Thank you for your time and your commitment to strengthening the human services sector.

Gloria Kim
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Testimony of Legal Services NYC
Submitted to the New York City Council Committee on Contracts
Preliminary Budget Hearing – March 24, 2026
Greg Klemm, Chief Financial Officer

Introduction

Legal Services NYC (LSNYC) is the largest provider of free civil legal services in New York City, serving low-income New Yorkers in every borough. Our staff includes attorneys, paralegals, social workers, and support staff who provide critical legal assistance in housing, immigration, family law, public benefits, and other areas that help stabilize families and communities.

Nearly half of LSNYC’s funding comes from contracts with New York City agencies. These contracts fund essential services that support some of the most vulnerable New Yorkers. However, persistent delays in contract registration, budget approvals, invoice processing, and payments create significant financial strain on our organization and limit our ability to provide services.

Late payments are not just an administrative issue; they are a budget issue. When nonprofit providers are not paid on time, we are forced to borrow on lines of credit to cover payroll and operating expenses while waiting for reimbursement for work already performed. The interest expense incurred from this borrowing reduces the amount of funding available for services and staff. In effect, late payments function as a reduction in funding for nonprofit providers delivering City-funded services.

Late Funding Confirmation and Budget Approval

Despite timely contract registration, the Human Resources Administration (HRA) did not approve budget amounts for baseline housing and immigration contracts until just recently. The discretionary contracts are still outstanding. This issue has prevented our timely submission of invoices for expenses incurred and services rendered. For FY25, the AHTP and discretionary contract final, closeout budget modifications are still pending. This represents over \$4 million in invoices from the City’s FY25 Fiscal Year that we have not been able to submit.

Although the baseline housing and immigration contracts for FY26 have now been approved, there is a lot of catch-up that still needs to be done. We have the invoices

Demand Justice.

prepared, but were not able to submit all of them until recently – there is an estimated \$22 million owed to us that the City still needs to catch up on. All told, we are still owed at least \$26 million for work performed and expenses incurred for which we have not yet been reimbursed. This is nearly 20% of our total annual budget and is not sustainable. Nonprofits do not have the ability to run operating deficits or issue debt like government agencies. When payments are delayed, we must either borrow or delay payments to vendors, both of which increase costs and financial risk.

Invoice Review

When submitting invoices or budget modifications, we often face an incredibly onerous and ever-changing submission and review process. This involves detailed line-item reviews that require pages of information and record-keeping to meet extremely detailed and often shifting requirements.

Further, there are often delays in the processing of invoices. At the Office of Civil Justice (OCJ) within HRA, there appears to not be enough staff to keep up with all the work. Our understanding is that there are only two contract managers at the OCJ to administer the contracts for all legal service providers across the City. All these items place a severe strain on our cash position, which is needed to meet payroll and maintain operations. For example, at LSNYC, in 2025, we incurred approximately \$475,000 of interest expenses in borrowing on our line of credit. In the first three months of 2026 alone, we have incurred \$239K, or nearly \$80K per month. Since all resources are finite, this is money that could have been used to hire more staff to serve more New Yorkers. At LSNYC, this translates into about 6 additional attorneys and take on an additional 400 cases to provide services to our clients.

Recommendations

Immediate actions needed include:

- Approval of remaining FY25 final budget modifications and the FY25 and FY26 discretionary budgets.
- Expedited payment for all pending and subsequent invoice submissions for both FY25 and FY26.

To fix this issue going forward, we strongly urge the following:

- Increase agency staffing at OCJ. Two contract managers are woefully insufficient to be able to keep up with all of the work and OCJ should have more budget lines for additional staffing.

- Ensure contracts are registered and budgets are approved prior to the start of the FY so that providers can invoice and be paid on a timely basis.
- Reimburse organizations for interest expense incurred. LSNYC incurred \$475,000 in 2025. Since we have incurred \$239,000 already in the first three months of 2026 alone, this number will likely be in the high six-figures this year, which is unsustainable.
- Provide transparent, clear instructions on budget submission and processes that do not change and provide an estimated timeline so that cash flow can be projected. Managing liquidity at a mostly government funded social services organization is critical since government funding is almost always cost reimbursement. When NYC funding makes up nearly 50% of revenue, as it does at LSNYC, not being able to estimate the timing of those cash receipts increases the likelihood of sliding into a cash flow emergency.

Conclusion

Nonprofit organizations like Legal Services NYC are proud to partner with New York City to provide essential services to low-income New Yorkers. However, the current contracting and payment system forces nonprofits to effectively finance City programs while waiting for payment for work already performed. This is not sustainable and diverts resources away from services and toward interest expense and administrative burden. Improving contract registration, budget approvals, and payment timelines would significantly improve the nonprofit contracting system — it simply requires paying providers on time for services already delivered.

NORTHERN MANHATTAN IMPROVEMENT CORPORATION (NMIC)

Written Testimony

Regarding

STATE OF THE PROCUREMENT PROCESS

SUBMITTED TO:

New York City Council

Committee on Contracts

March 24, 2026

Northern Manhattan Improvement Corporation (NMIC) is a settlement house that was founded in 1979 to protect low-income and immigrant families in Upper Manhattan. Since then, we have expanded into adjacent Bronx neighborhoods and support 14,000 New Yorkers with a wide array of programs to address Housing, Immigration, Benefits Access & Finance, Education & Career, Health, and Holistic needs.

NMIC plays a critical role in the delivery of necessary human services to our community. We provide crisis intervention with legal or social services as a part of our legal, organizing, and advocacy initiatives. NMIC also provides a comprehensive range of programs designed to empower community members as they prepare for college, advanced training, and careers that offer livable wages. We are situated in communities where the large immigrant and mostly Spanish speaking populations can easily access the broad range of services available. We currently hold contracts with several city agencies, including Department of Youth and Community Development (DYCD), Department of Social Services (DSS), Department for the Aging (DFTA), Department of Consumer and Worker Protection (DCWP), Department of Health and Mental Hygiene (DOHMH), and Housing and Preservation Development (HPD). Currently, NMIC is owed about \$3.3 million under said contracts with the City.

With these contracts, we directly employ over 200 dedicated lawyers, social workers, paralegals, advocates, organizers, teachers, case managers, and administrative professionals who

provide essential services to support our communities. A significant portion of the services we provide are supported by City initiatives and funding. However, nonprofits like NMIC face significant disadvantages in the procurement process, including delays in registering contracts, failure to timely allocate and disburse funds, and inadequate clarity on reimbursement procedures. Collectively, these issues present serious challenges for nonprofit organizations contracted to deliver services to communities in need.

Currently, NMIC is experiencing city contract registrations delays that take approximately 8 to 10 weeks, followed by an additional 4 to 6 weeks for payment, creating significant operational strain. Response times to budget submissions, particularly at DYCD, vary widely by contract manager and can take over a week or more, slowing approvals. Additionally, HPD has yet to register the FY24-FY26 contract, and recent communication only improved after escalation to senior leadership. Furthermore, at DSS and DYCD, feedback is often provided in stages rather than consolidated, requiring multiple resubmissions and prolonging timelines. Similarly, DSS and DCWP take excessive time to process even minor amendments, such as COLA adjustments, delaying reimbursement. Prior-year contracts are frequently overlooked during current-year processing, further extending registration cycles. Agencies simply do not provide consistent estimated timelines for contract or budget registration, making planning and cash-flow forecasting difficult, and procurement portals remain cumbersome and inefficient, often forcing community-based organizations like NMIC to seek support from MOCS for issues the agencies themselves cannot resolve.

Another example of delays and inefficiencies NMIC has experienced is the FY 26 Adult Literacy Forward contract. As of now, the award is still not registered due to an issue at MOCS. Neither DYCD nor MOCS has proactively communicated with NMIC regarding the delays, explained the issues, or provided a timeline for when we can register the award. We have been told that a meeting is forthcoming; however, this is a \$240,000 contract that provides essential literacy services to our community and supports over 10 staff members at NMIC. These ongoing delays place our ability to sustain programming and retain staff at serious risk, and underscore the need for greater accountability, clearer communication, and a more efficient procurement process.

Adding to these challenges, the administrative burden for managing city grants is largely the same regardless of size, making the process highly inefficient. For instance, securing registration and payment for a \$5,000 discretionary award involves essentially the same steps and workload as a \$500,000 grant. This one size fits all approach diverts already limited staff capacity away from program delivery and underscores the need for a more streamlined, proportional process.

Lastly, if our contract funding is not confirmed or is delayed, we are often unable to spend the full amount. The City then reclaims those unspent funds, which effectively reduces our

funding in the end. As a result, we are unable to access the resources originally intended for us, putting agencies like NMIC at risk and making it more difficult to carry out vital city programs.

These issues with city contracts are a significant concern and reflect a serious lapse in the City's administrative processes. Without timely registrations, we cannot meet basic financial obligations such as paying rent and compensating our staff. Frequent government contract payment delays put providers at risk of eviction and worsen deficits by forcing organizations to borrow to pay rent and salaries. This places an unfair burden on both our staff and the community members who rely on our services each day. There also continues to be a lack of consistency in rules and requirements that further complicate an already inefficient process. This forces organizations like NMIC to expend valuable time navigating a convoluted system rather than focusing on our core mission: serving our community.

For these reasons, we respectfully ask that nonprofits receive their funding allocations in a timely manner at the beginning of each fiscal year. If the City cannot timely pay, advances of up to 50% go a long way to providing grantees immediate cash flow relief for nonprofits, while providing each funding agency the time to improve their internal processes. Moreover, the City should seek to align timing of nonprofit funding with that of City agencies, so nonprofits like NMIC, contracted to deliver services on behalf of the City, can do so without interruption or delay. As we continue to serve tens of thousands of New Yorkers each year, we urge the City to treat nonprofit providers as the essential partners we are. Our ability to carry out lifesaving and life-changing work is directly tied to a reliable, efficient, and transparent contracting and payment process.

Thank you to the members of the Committee for the opportunity to submit testimony on such a significant issues burdening nonprofits across New York City, and for your leadership on this matter.

Testimony to the New York City Contracts Committee

March 24, 2026

Submitted by:

John MacIntosh

Managing Partner

SeaChange Capital Partners

Chair Restler and Members of the New York City Contracts Committee it's a pleasure to be with you today.

The nonprofit I lead, SeaChange Capital Partners, has often been asked to summarize the state of procurement so we have recently developed an on-line tool that does just that based on the information in PASSPort Public and Checkbook NYC. It's in beta right now and you can find it at sechangeap.org/contractstat. Here is the state of procurement as of yesterday:

- **2,075 nonprofits are working under 6,325 active contracts** providing about \$12 billion in annual service to New York City.
- **1,663 of these contracts are late and a further 825 have amendments** in process which together **impose costs of about \$80 million per month** on the nonprofits.
- 80% of the late contracts are discretionary items where the stats are appalling - an average of 953 days late - but the movement to 3-year approvals and the micro grant pilot should make a real difference.
- For regular (i.e. not discretionary contacts), 360 are currently late of which the majority are the 20% of contracts that started in the last 12-months but remain unregistered.
- 850 amendments are under review totaling \$1.4 billion with 373 nonprofits. We estimate that these are taking about 90 days for processing and impose a cost of about \$20 million per month on the nonprofits who are waiting.

When you add it all up – regular, discretionary, and amendments – you get about \$1.0 billion of annualized contract value for still-unregistered contracts and in-process amendments. In other words, about \$4.0 million is being, in effect, borrowed/taken/extracted from the city’s nonprofit partners every single workday.

Still, things are much better than they were. As you know, the core elements of our current procurement system – procurement as an administrative function under the control of the mayor, Vendex, the Procurement Policy Board and the roles of the oversight agencies – were put in place during the 1989 City Charter Revisions as an over-reaction to a front-page, bribery and extortion scandal involving more than a dozen city officials including Donald Manes who killed himself. Yet recent Mayoral Administration’s have chipped away at the resulting monstrosity.

Mayor Bloomberg gave us [HHS Accelerator](#) (now [PASSPort](#)) and a standard the human services contract.

Mayor de Blasio gave us the [Health and Human Services cost policies and procedures manual](#), and an automatic 25% advance (since increased) of the annual contract budget when a human services contract gets registered. Mayor Adams gave us preapproval of amendments to human services contracts within 25% of the original amount and for up to two renewals of discretionary items; and a discretionary grant pilot to convert small discretionary contracts into grants.

These are these are very important changes that have made life much easier for nonprofits. What do we do from here? I suggest three immediate things:

1. Expand the discretionary grant pilot to cover substantially all smaller (say \$50,000 or less) contracts.
2. Encourage that city agencies use the Returnable Grant Fund for when there are delays for eligible contracts. Today, they *can* use it, but often they don’t. Make it clear that that they *should* use it and if that does not change behavior, require that they *must*.
3. Allow third-party lenders, like SeaChange, who are willing to make loans to nonprofits against city contracts, to be paid directly by the City under the associated contracts after some type of vetting process. In effect, let us get the same arrangement as the Returnable Grant Fund. We love the fund and

they should be the first point of call but there will be times when even a larger Return Grant Fund – and it should be larger – will not be able to fill the full need.

But the most important things are people and culture. Some agency leaders care about procurement, some don't. Some teams are organized; some aren't. Very few nonprofits have the power to advocate for themselves. While they have tremendous allies in Michael Sedillo, Jenny Way and the teams at MONs, there also need a tone at the top from the Mayor and this Committee.

We've made a lot of progress but \$4.0 million per day, every day, is difficult for nonprofits to bear even in the best of times and, as we all know, these are not the best of times. So I encourage you to maintain a relentless focus on the state of procurement. keep the pressure on always. It is not just a matter of the justice – paying nonprofits promptly for the work they've done – it can be a matter of organizational life or death or the vital nonprofits doing the work and the staff they employ to do it.



**New York City Council Budget and Oversight Hearings
Preliminary Budget for Fiscal Year 2027**

**New York City Council Committee on Contracts
Honorable Lincoln Restler, Chair**

Submitted by: Faith Behum

March 24, 2026

Thank you, Chair Restler, and members of the Committee on Contracts for holding this hearing and for the opportunity to submit testimony. My name is Faith Behum, and I am a Manager of Government and External Relations at UJA-Federation of New York.

Established more than 100 years ago, UJA-Federation of New York is one of the nation's largest local philanthropies. Central to UJA's mission is to care for those in need – identifying and meeting the needs of New Yorkers of all backgrounds and Jews everywhere. UJA supports an expansive network of nearly 100 nonprofit organizations serving those that are most vulnerable and in need of programs and services and allocates nearly \$200 million each year to support older adults, combat poverty and food insecurity, nurture mental health and well-being, strengthen Jewish life, and respond to crises here and across the globe.

Current Struggles with New York City Contracts

UJA's nonprofit partners provide City funded human services to children, youth, adults and older adults in every borough of New York City. These nonprofits host some of the largest social services programs in the city including but not limited to Summer Youth Employment Programs, Summer Rising programs, kosher food pantries, supports for Holocaust Survivors, and older adult centers. New York City residents have come to rely on UJA's nonprofit agencies for child care, early childhood education, workforce development programs, adult education programs and many other services and supports that help them to thrive.

While providing these vital services, community-based organizations (CBOs) often operate with limited financial resources and adhere to strict budgets. Late payments for services rendered can place an enormous burden on CBOs, jeopardizing their ability to carry out their mission effectively. Specifically, if a CBO is not paid in a timely manner, they must figure out other means to compensate their staff. This can include everything from taking out loans to drawing down their endowment (if they have one). CBOs have been left scrambling to make payroll at their agencies as a direct result of delayed payments from city agencies. This jeopardizes a nonprofit's ability to retain staff, an already difficult task for many.

UJA recognizes that the City Council understands the above struggles CBOs deal with every day. Some progress has been made because of the Council's attention to these issues through passing legislation to provide human services providers advances. The advances proved to be just a band-aid in the attempt to address millions still owed to CBOs across the city. Within UJA's network of nonprofits, these were largely used to cover costs on contracts CBOs were waiting to be compensated for and then finances became strained as soon as the advances were recouped. One nonprofit said, "The 80% advances certainly improved our cash position during the summer months, when the cash came in and expenditures were high due to summer camp operations. The tradeoff is that our cashflow has tightened in recent months as the city is recouping advances and monthly payments are significantly lower."

The amount of advances providers received were also based on non-discretionary base-lined funding meaning City Council discretionary funds were not considered when the advances were created. Many nonprofits have a mixture of discretionary and non-discretionary contracts, and they received advances on only non-discretionary contracts despite the processing and payment delays on discretionary contracts. In summary, an influx of cash that was eventually recouped did little to stabilize nonprofit providers.

Issues with contracts that still exist for providers in UJA's network include complicated management of discretionary contracts as well as delayed payments on these contracts. One agency stated that as of February 2026, they are waiting on being compensated \$1.6 million from their DYCD and DFTA discretionary contracts. These contracts are either partially registered or not officially registered. The budget and workscope process is overly complicated for DYCD discretionary contracts in particular. Multiple discretionary grant awards are pulled together into one contract, but the nonprofit is asked to develop a budget and workscope using the amount they were awarded for the discretionary grant last year. The nonprofit then must wait for DYCD to start an amendment process for the remaining funds that can take up to nine months for DYCD to complete. In the words of one of this nonprofit's employees, "...it's an overly complicated way to work the grant process" and negatively impacts development of the budget and workscope.

Providers continue to experience payment delays on nondiscretionary contracts too. A provider of a 2025 Summer Rising program said their contract for this was registered on January 5th... five months after they completed work on the program. They did receive an advance on this contract but now need to invoice to receive the rest of their payment. DFTA only accepts invoices one at a time and will reject when a provider submits multiple invoices simultaneously. For example, if a December invoice was submitted in January due to DFTA not approving a budget modification sooner, DFTA will reject processing the January invoice if it is submitted because December has not been paid yet. This causes payments to be significantly delayed for providers.

Nonprofits have also struggled to benefit from Indirect Cost Rate (ICR) Funding. The inclusion of funding for the ICR in FY 2020 budget was a promising development for human services providers. The city then agreed to pay the indirect costs related to delivering human services. As of February 2026, many providers are waiting to receive funds related to the indirect cost of

supplying services for FY 2023, FY 2024 and FY 2025. For one agency alone this amounts to over \$439,000.

UJA-Federation of New York thanks Members of the City Council for recognizing how late payments impact human services providers and the programs they offer to their communities. Although the city previously cleared the backlog of more than \$4 billion in unpaid contracts and amendments and \$5 billion of advances on contracts were given to human services providers in FY 2026, more needs to be done to support the human services sector. The city needs to hold each agency accountable to pay invoices on time and clear the backlog of indirect contracting actions.

Proposed Legislation

Int 0452-Establishing wage requirements for city-contracted human services workers

The human services sector is grateful for the multi-year COLA investment but this will end next year. Wage equity is still needed where nonprofit workers are not paid up to 30% less than their government counterparts. Int 0452 will make progress towards achieving wage equity for nonprofit workers and UJA supports the passage of this legislation. Government is not just the predominant funder of human services, but is also the main driver of human services salaries, and either directly sets salary rates on contracts or does so indirectly by establishing costs for a unit of service along with required staffing on a contract. This legislation is a significant step towards ensuring that human services workers receive equitable pay comparable to their city counterparts. By establishing a clear wage requirement system, this legislation promotes transparency in compensation, ensuring that every worker is paid solely based on their qualifications and experience.

UJA also appreciates that the legislation states, “Before registering a human services contract, the comptroller shall affirm that the required wage and mandatory fringe is fully funded in the procurement.” Explicitly stating that the required wage and fringe will be funded is crucial. While nonprofits want to pay their employees competitive wages, they cannot do this without increased funding included in their contracts.

Conclusion

Thank you for the opportunity to submit testimony. Please contact behumf@ujafedny.org with any questions.



**Testimony of United Neighborhood Houses
Before the New York City Council**

**FY 2027 Preliminary Budget Hearing:
Committee on Contracts
Council Member Lincoln Restler, Chair**

**Submitted by Kate Connolly, Senior Policy Analyst
March 24, 2026**

Thank you, Chair Restler and members of the New York City Council, for the opportunity to testify. My name is Kate Connolly, and I am Senior Policy Analyst at United Neighborhood Houses (UNH). UNH is a policy and social change organization representing neighborhood settlement houses that reach over 840,000 New Yorkers from all walks of life. A progressive leader for more than 100 years, UNH is stewarding a new era for New York’s settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a broad range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development. We also provide customized professional development and peer learning to build the skills and leadership capabilities of settlement house staff at all levels.

Background

Despite relying on nonprofit organizations to provide many critical services, the City of New York is not always a good partner. Many contract budgets are out of date, and do not fully cover the true cost of services. In addition payments are regularly late, including so called “advances” that can sometimes arrive well into the new fiscal year. While we appreciate the various citywide initiatives to clear backlogs and reduce delays – including the one announced yesterday by the Mayor to increase advance payments for FY26 – those are temporary fixes, and structural change is still needed to ensure that contracting and payments are timely.

A recent report from the NYC Comptroller found that 80% of nonprofit contracts were registered late (after service had already begun) in FY24; and the percentage of late registered human services contracts rose from 88.5% in FY23 to 90.7% in FY24¹. Further - nearly 40% of human services contracts were registered over a year late, due to late submissions by agencies.

¹ Annual Summary Contracts Report for the City of New York Fiscal Year 2024, <https://comptroller.nyc.gov/reports/annual-summary-contracts-report-for-the-city-of-new-york-fiscal-year-2024/>

Late contract payments cost money. We know nonprofits take out interest-bearing loans to cover program costs. Of New York City settlement houses with a line of credit, 63 percent (15 settlement houses) said that they had to tap into their line of credit due to cash flow issues and/or late payments from City agencies. Others have very nearly missed making payroll, a nightmare scenario that puts the livelihood of program staff at risk while simultaneously threatening to halt essential programming. Other challenges we've observed include extensive waiting periods to receive an executed contract which causes a negative impact in contract audits; City agencies often wait until contracts are processed to request additional documents—instead of at the start of the document gathering process—which makes it impossible to streamline registration processes; and contracts take months to appear in PASSPort, with agencies slowing down an otherwise efficient process by stalling before uploading required templates. Too often, nonprofits have been forced to pull attention away from their critical missions, instead devoting countless hours to navigating bureaucracy.

A Manhattan settlement house executive director shared:

"These delays have dramatically occupied my time and that of other managers, away from programs onto a desperate effort to secure funds from NYC to insure our meeting payroll and maintaining vital monies necessary to operate our programming in a sound manner. We had to delay making our pension contributions for staff...Our board was significantly upset at what they felt was NYC's failure to meet its contractual and ethical responsibilities."

A Bronx settlement house finance director said:

"Delays in city contracts severely impact our cash flow, making it harder to cover essential expenses. They disrupt program quality and create operational inefficiencies, forcing us to divert time and resources from our mission. Additionally, we have been using a line of credit, incurring high interest rates to cover until these services are paid."

A Manhattan settlement house finance director shared:

"We have a line of credit and a Term Loan to help offset the cash flow issues caused by late government payments. This borrowed money comes with interest payments and the inability to use for other projects or enhanced programming."

A Manhattan settlement house finance director said:

"Contract delays can create a ripple effect, impacting financial stability, service delivery, and overall effectiveness. Our programs provide essential services to NYC communities. Any delay can hinder our ability to deliver these services."

After recently checking in with our settlement house members, we were heartened to find that many providers report more timely payments in recent months and less money owed by the city for FY26. This is likely due to improvements on the agency side as well as the stronger role that the Mayor's Office of Nonprofit Services has taken, providers who have been successful in seeing a reduction in payment delays report to have taken a "squeaky wheel approach" and dedicated significant staff resources to contract registration and invoicing. One settlement house explained, "As far as impact, while the outstanding balances this year have been improved, the amount of time our team had to dedicate to acquiring those funds was burdensome given the small size of our team."

One outstanding area where several providers pointed to significant delays occurs whenever an amendment is required to add funding to a contract. This happens most often when COLA, Indirect Cost Rate Initiative, or Workforce Enhancement Initiative (WEI) funds are added to contracts. Although these funds are vital to ensure human service workers receive pay increases, providers do not receive these funds in a timely manner. One settlement house described that "...the outstanding FY25 ACS COLA funds are delaying our audits, and at this point, may require multiple audit submissions as we may not make all our deadlines."

In the coming months, we anticipate significant contracting actions including COMPASS Afterschool, Early Childhood Education extensions. The City must take action now to prepare for this and prevent a contracting bottleneck and delay of services and payments.

Issues with PASSPort

The Procurement and Sourcing Solutions Portal (PASSPort) is a project of the Mayor's Office of Contract Services (MOCS). MOCS developed PASSPort with the intent to reduce contracting backlogs by leveraging technology to make the process simpler and more transparent. In practice, however, this platform has been plagued by a slow changeover and technical glitches. While fixing PASSPort alone would not guarantee on-time payments, system improvements would streamline the contracting and payment process, and create efficiencies on both the agency and nonprofit sides.

Some of the PASSPort issues our members have encountered are:

- Agencies often fail to upload contracts after registration, are slow to respond, and frequently claim documents are in PASSPort when they're not. This results in additional back-and-forth communication between agency staff and nonprofit staff just to receive executed contracts.
- Users no longer receive notifications when a document expires. Agencies are supposed to create a task when a document is expiring, but often don't, and, if the agency does not specify which document has expired, the process of replacing the document is delayed.
- The Help Desk is slow to respond. This can add to contracting delays, and has been especially problematic when nonprofits are faced with deadlines. One member estimated that it takes two weeks or longer to receive a response from MOCS.
- Once a document has been uploaded, it cannot be deleted. If you need to upload a new version of a document, PASSPort doesn't allow you to because the document name has already been selected.
- CBOs are not able to access all documents pertaining to their contracts. Members shared that when they try to access the "Documents" tab, it redirects to the NYC Employee login page to which they do not have access.

New York City Public Schools

The contracted early childhood education programs at New York City Public Schools (NYCPS) face their own unique challenges, though this agency is sometimes left out of City discussions about the human services workforce and contracting challenges due to the wider portfolio of public schools within that agency. The contracting and payment process at NYCPS has long been filled with significant delays and confusion, particularly around budget approvals, enrollment management, and invoice submissions. Providers are often unable to invoice for services because their student rosters haven't been approved, and even when they can submit

invoices, payments are frequently delayed beyond 30 days. Some providers have been waiting months or even years for reimbursement.

This process is delayed by a rigid workflow: budget approval must come first, followed by enrollment adjustments, attendance certification, and invoicing, which then requires an additional two weeks for payment processing. Many organizations have struggled to correct enrollment discrepancies, with issues like students leaving or enrolling mid-year, and have had to persistently follow up with NYCPS staff to get these changes made before the payment process can proceed.

Furthermore, technical problems with NYCPS's internal systems, such as ATS, cause additional delays, sometimes taking weeks to resolve. Despite receiving some payments, organizations have to endure long periods of financial standstill and systemic inefficiencies, making it difficult for them to maintain operations, provide quality services and meet their financial obligations.

Recommendations

There are a number of policy proposals designed to strengthen the nonprofit contracting system and alleviate some of these problems. We support various efforts to address these urgent issues, including the following proposals:

Intro 452 (Stevens) - Establishing wage requirements for city-contracted human services workers
UNH supports Intro 441 (sponsored by Council Member Stevens) to establish wage requirements for City-contracted human service workers, which would require City agencies to include sufficient funding to cover those wages in contracts, and track implementation of those wages by human service contractors.

While developing a system of human services worker titles and corresponding civil service titles will be arduous and will require careful analysis, we cannot continue to ignore the need. For years, the government at every level has asked nonprofit partners to "do more with less." This dynamic has pushed our sector to a real breaking point, and our workforce has suffered the consequences. It's time for us to look beyond stopgap measures and towards efforts that would have a long-lasting impact on the human service sector.

One potential problem to note is that the bill creates potential staffing complications for settlement houses and other community-based organizations that blend funds from city, state, federal, and private sources. Unless other funding sources agree to increase budgets for New York City contractors to match New York City's funding-levels, providers with blended-budgets will struggle with internal wage differentials for similar positions (i.e. a human service worker on a state contract with similar responsibilities to one on a city contract may be paid less than prevailing wage unless the state agrees to adjust contract budgets to match the city's prevailing wage schedule). The City should encourage New York State to engage in a similar process for human service contracts

UNH urges the Council to pass this legislation and ensure that sufficient funding is included to limit major disruptions to programs.

In addition to the bills being discussed during today's hearing, we would like to comment on two bills introduced in previous sessions:

Intro 514-2024 - Interest to be paid on late contract payments to non-profit contractors

This bill, which was introduced in 2023 but not yet reintroduced in this session, would require interest to be paid on late payments under City contracts with nonprofit organizations. Due to late payments, many providers have been forced to take out loans and lines of credit, which incur interest, all because of the City's delayed payments. In other words, nonprofits are effectively floating the City money. Intro 982 sends a clear message to the Administration to address the backlog and cover any costs incurred in the future. Short of guaranteeing that the City would register contracts and make payments on time every time, this bill is the next best thing, because it ensures that the consequences of late payments are not borne by nonprofits when delays are often out of their control. UNH strongly supports this bill and appreciates the sponsors for their support.

Intro 482-2024: Public procurement database

UNH supports transparency initiatives, and therefore supports the formerly introduced Intro 482-2024, which would establish a searchable, online database containing information from all stages of the contracting process for every mayoral agency procurement that exceeds the small purchase limits. Should the public procurement database become law, UNH urges City agencies to leverage existing proposals and reporting from contractors to update and maintain the database, given that providers already report on the data called out in the bill. City agencies should not pass the reporting burden on to contractors by requiring additional paperwork above and beyond what is already required of them as current reporting is more than sufficient to comply with the law.

Ensure Agencies follow the Indirect Cost Rate (ICR)

Several City agencies require providers to default to a 10% *de minimis* indirect rate in their program budgets, saying that rates will be adjusted later rather than including their higher federally-approved or CPA-certified indirect rate. This has led to confusion and mistrust as agencies do not want to undercount their costs in their budgets, with no guarantee that those rates will be adjusted to their actual ICR. This provides yet another procedural delay in the payment process. Agencies should never require contracts to use the 10% *de minimis* rate if they have a higher accepted ICR.

Thank you for your time. For any follow up questions, I can be contacted at kconnolly@unhny.org



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Testimony of University Settlement before the New York City Council

Preliminary Budget Hearing

Committee on Contracts,
Chair Lincoln Restler

Submitted by Kyungsoo Kang,
Grants Contract Administrator
University Settlement

March 24, 2026

Chair Restler and members of the City Council Committee on Contracts, thank you for the opportunity to testify on behalf of University Settlement Society of New York. My name is Kyungsoo Kang, and I am the Grants Contract Administrator from USS.

University Settlement is one of New York City's most dynamic social justice institutions, with an impressive legacy as the first settlement house in the nation. For 140 years, University Settlement has been an anchor in the immigrant communities with low income where we work, offering pioneering programs in early childhood care and education, youth development, eviction prevention, literacy, theater and visual arts, older adult services, and mental health. Each year, we engage over 40,000 New Yorkers through our network of 30+ sites in Manhattan and Brooklyn. Our mission is to empower residents by building on their strengths and knowledge through comprehensive, quality services that meet the current needs of the community, innovation that anticipates future needs, and advocacy on behalf of the community and its residents.

First, we want to thank the Council Members for recognizing that human services providers continue to face persistent contract delays. These delays have real consequences, not only for organizations like ours, but for the communities and thousands of New Yorkers who rely on our programs. Thanks to the Council's leadership and recent legislation, including LL156 of 2025 and LL11 of 2026, some progress has been made: advance payments are helping, and contract registration delays are gradually decreasing. However, millions of dollars remain unpaid across the City, and these measures alone do not solve the underlying structural challenges.



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As a result, we strongly urge the Council to pass Int 0441-2026. This bill would establish a task force to examine disparities between city vendors and community-based providers and identify where local organizations like ours could deliver services more effectively. While focused on equitable contracting, the bill also underscores the broader, ongoing challenges nonprofits face in navigating complex city bureaucracy.

Conflicting compliance requirements, inconsistent communication across agencies, and unpredictable audits are not merely administrative burdens; they directly affect our ability to operate. In one instance, the agency required us to submit outdated compliance documentation for subcontractors that had been inactive for years, claiming we were out of compliance and canceling prior approvals, information which had never been communicated to us. These requests placed heavy administrative demands on our organization, requiring staff to spend valuable time addressing requirements that were ultimately unnecessary. Even after we submitted all documentation promptly, the agency continued to request the same outdated records. This avoidable process delayed contract approval and payment, demonstrating how minor procedural demands can create disproportionate operational and financial obstacles.

In the same case, a subcontractor with no issues on federal exclusion lists was flagged by NYC Department of Health and Mental Hygiene because its name resembled an entity listed in federal databases such as System for Award Management (SAM) and the HHS OIG Exclusions List. This triggered additional documentation requests that were ultimately unnecessary, further delaying contract approval and payment. Despite our timely responses, this matter, initiated in mid-last year, remains unresolved.

We have also encountered persistent challenges related to inconsistent guidance across city agencies. In one instance, two of our FY26 discretionary contracts were subject to changes in contracting procedures and budget allocation requirements that were never communicated to us. After identifying the issue independently, we proactively sought guidance from multiple offices, including the program contracting manager, the DYCD Help Desk, the Finance and Budget Team, the Discretionary Unit, and the New York City Mayor's Office of Contract Services Help Desk. Despite these efforts, the guidance provided across offices was inconsistent, and a clear resolution has yet to be provided.

This issue has now persisted for more than six months. Without clear guidance on the revised procedures, we have been unable to finalize the contract budget or submit invoices for reimbursement. These delays hinder payment, constrain financial planning, and impede program delivery, illustrating how gaps in coordination and communication within city agencies can slow contracting timelines and delay payments for nonprofit providers responsible for delivering essential services.



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When these processes stall, we cannot receive payments from city agencies, while we still remain responsible for paying subcontractors and maintaining services. Delayed communication and prolonged administrative reviews place significant operational and financial strain on providers and divert staff time away from delivering programs to the communities we serve.

Establishing the task force proposed in Introduction 0441-2026 would provide an opportunity to examine these systemic challenges and identify practical solutions. By examining structural inequities and recommending improvements, the task force can help ensure community-based providers are fully engaged, fairly compensated, and able to sustain the programs that New Yorkers depend on. Passing this legislation would be an important step toward a more equitable, effective, and accountable contracting system.

We also urge the Council to pass Introduction 0452-2026. We recognize and value the Administration and the Council's commitment to the multi-year Cost-of-Living Adjustment (COLA), which has provided meaningful support for many human services workers. However, these investments are scheduled to end next year, and significant wage gaps remain. The inequities are particularly evident in programs funded through NYC Department of Education (DOE) contracts, which have historically been excluded from the City's COLA initiatives. As a result, staff in DOE-funded programs have not benefited from the same wage adjustments provided to other human services workers, deepening existing compensation inequities across City-funded programs.

These disparities have significant and immediate consequences for the human services workforce. When compensation in DOE-funded programs falls below that of comparable City-supported roles, experienced professionals are often compelled to seek positions offering fair and reliable pay, creating challenges for nonprofit providers in recruiting and retaining qualified staff. High turnover disrupts the continuity of essential services relied upon by the community and imposes ongoing operational burdens related to recruitment and training. Although we at University Settlement prioritize staff compensation, the absence of COLA support places substantial financial pressure on already resource-constrained providers. Introduction 0452-2026 would establish a consistent and equitable wage framework across City-funded programs, promoting workforce stability and ensuring that essential human services staff receive fair and appropriate compensation.

For these reasons, passage of Introduction 0452-2026 represents a critical step toward addressing long-standing wage disparities in the human services sector. The City, as the largest funder of human services, sets the financial framework that determines what nonprofit workers can be paid. When contract rates and staffing models fail to support fair wages, nonprofits are left to fill the gap with limited resources. This bill creates a clearer and more consistent approach to compensation across City-funded programs, helping



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ensure that workers delivering essential services to New Yorkers are paid fairly and that nonprofit providers can sustain a stable, skilled workforce. A related, longstanding challenge is the extremely low indirect cost rate on many DOE contracts, which remains far below the true cost of running these programs. While other City agencies allow MOCS-approved rates of 24.61%, DOE contracts remain capped at a de minimis 10%, an unreasonably low level that leaves programs structurally underfunded.

Indirect costs fund essential administrative functions, such as program supervision, compliance, payroll processing, technology, and facilities management. When these costs are chronically underfunded, we must stretch limited resources across competing priorities, delaying staff training, program evaluation, and infrastructure upgrades, while also struggling to meet complex reporting requirements and cover basic operational needs like office space and administrative support. This persistent strain undermines staff morale, increases turnover, and threatens continuity and quality of services that thousands of New Yorkers rely on every day. The underfunding of indirect costs on DOE contracts is not merely a financial issue, but it directly hampers program quality, organizational resilience, and long-term sustainability. This inequitable and unsustainable situation demands immediate attention and corrective action.

We call on the city to take meaningful action to address these structural contracting challenges and ensure that nonprofit providers receive the funding they depend on without disruption. Strengthening transparency, accountability, and efficiency in the contracting process will not only improve the financial health of service providers but also enhance the City's ability to deliver vital programs to those who need them most.

University Settlement remains committed to working with the City Council and the Administration to build a more equitable and effective contracting system. Thank you for the opportunity to testify, and we look forward to continued collaboration on these critical reforms. For further inquiries, please contact us at contracts@universitysettlement.org.



Written Testimony
New York City Council
Committee on Contracts
Preliminary Budget Hearing
March 24, 2026

Good afternoon, Chair Restler and members of the Committee. My name is Cristina Abbattista, and I am the Policy Analyst at Urban Pathways. Thank you for the opportunity to testify at today's Fiscal Year 2027 Preliminary Budget Hearing about the need for ensuring timely payments and creating wage equity for the nonprofit human services sector.

Urban Pathways is a nonprofit homeless services and supportive housing provider serving single adults. Last year, we served over 2,500 unique individuals through a full continuum of services including street outreach, drop-in services, safe havens and stabilization beds, extended-stay residences, and permanent supportive housing in Manhattan, Brooklyn, Queens, and the Bronx. We also offer a wide range of additional programming to meet the needs of the people we serve, including our Total Wellness, Employment, and Advocacy programs. We hold City contracts with DHS, DOHMH, and HRA.

Ensuring Timely Payments

We appreciate the Council's understanding of the detrimental effect that compounding late contracting issues has on human services providers and the communities we serve. Great progress has been made because of the Council's movement on these issues through legislation to provide human services providers advances (LL156 of 2025, LL11 of 2026). However, this is only a band-aid fix to the millions still owed to providers across the City.

Nonprofits are contracted by the City to provide essential services on the government's behalf, but the City is not paying contracted nonprofits who deliver critical services to our city's residents most in need on time. In many instances, payments are made months after services have been provided. The lack of timeliness in payments threatens the sustainability of our programs and organization. It makes it difficult to pay staff, vendors, and run programs for the people we serve. Amid growing uncertainty about the reliability of federal funding, it is all the

more important that the City pay nonprofit human services providers for their services on time to not further threaten the insolvency of nonprofits.

Homeless services and supportive housing are lifelines to New Yorkers in need, but delayed funding frays this safety net. There is no other industry that is expected to continue performing work when they are owed millions of dollars in back pay. **The City must hold each agency accountable to pay invoices on time and clear the backlog of contracting actions.**

Pass Int. 0452 to Create Wage Equity

The sector is grateful for the multi-year COLA investment, and we look forward to its continuation in the FY27 budget. While that ends next year, we need to push for true wage equity, where nonprofit workers are not paid up to 30% less than their government counterparts. Government is not just the predominant funder of human services, but is also the main driver of human services salaries, either directly setting salary rates on contracts or doing so indirectly by establishing costs for a unit of service along with required staffing on a contract. This legislation is a significant step toward ensuring that human services workers receive equitable pay comparable to their City counterparts; by establishing a clear wage requirement system, it promotes transparency in compensation and ensures that every worker is paid based on their qualifications and experience.

Providing supportive housing and homeless services is not possible without the hard work and dedication of our frontline staff. Our programs rely on case managers to connect the people we serve with services and resources to achieve their goals, maintenance workers to keep buildings clean and well-maintained, security staff to ensure the safety of our residents, and cooks to prepare healthy meals. Unfortunately, many human services organizations, including Urban Pathways, are struggling to fill essential positions; Urban Pathways currently has a 16% staff vacancy rate. Ultimately, this reality has the most negative impact on the people we serve, as staff vacancies strain service capacity and limit our ability to deliver consistent, high-quality care. For these reasons, **we urge the City Council to stand with the human services sector by passing Int 0452 to create wage equity with our government counterparts.**

Thank you for the opportunity to testify today. We look forward to working with the City Council on a fair and equitable budget for all New Yorkers.

For questions or more information, please contact:

Cristina Abbattista, Policy Analyst

cabbattista@urbanpathways.org, 212-736-7385 Ext: 239

Gary P. Jenkins, Interim Chief Executive Officer

NYC Council Testimony : Preliminary Budget Hearing, Committee on Contracts

March 25, 2026

Introduction and Thanks: My name is Catherine Trapani, and I am the Assistant Vice President for Public Policy for Volunteers of America-Greater New York (VOA-GNY). We are the local affiliate of the national organization, Volunteers of America, Inc. (VOA). I would like to thank Chair Restler and members of the Committee for the opportunity to submit testimony for this hearing.

About Us: VOA-GNY is an anti-poverty organization that aims to end homelessness in Greater New York through housing, health and wealth building services. We are one of the region's largest human service providers, impacting more than 12,000 adults and children annually through 70+ programs in New York City, Northern New Jersey, and Westchester. We are also an active nonprofit developer of supportive and affordable housing, with a robust portfolio of permanent supportive housing, affordable and senior housing properties—with more in the pipeline.

Paying nonprofits in full and on time:

City-contracted non-profit human services organizations, like VOA-GNY, deserve to be paid on time so that we can continue to provide critical shelter and human services to vulnerable New Yorkers. Thanks to the Council's efforts, critical legislation was passed last year that, when fully implemented, will finally create predictable cash flow that will allow nonprofits like ours to focus on our core mission of providing services instead of constantly worried about making payroll. **We are particularly focused on ensuring Int 1392-2025/ Local Law 11 of 2026 to establish quarterly 25% advances for Department of Homeless Services contracts is faithfully implemented.**

As of June 30th, 2025, Volunteers of America-Greater New York was owed approximately \$40 million for services rendered through our city contracts as far back as Fiscal Year 20, with the lion's share owed by DHS (\$18.7 million) and HRA (\$10 million). While the loan fund operated by the City helps defray some of these costs, the truth is that many of our expenses are not eligible for bridge loans. As a result, VOA-GNY was forced to rely on our private line of credit and incurred non-reimbursable interest costs

to bridge the gap created by City reimbursement delays. VOA-GNY spent \$1.08 million for FY25, and budgeted \$1.14 million for FY26; money we could use to do a lot of good, if not for the City's fiscal delays.

Each year, the net dollar amount owed to VOA-GNY is lower at the beginning of the fiscal year than it is at the close of the prior year due to the influx of advances. However, because of chronic delays in invoicing and payments, many of our contracts are not in a place where we can draw down funds with any predictable cadence, even after registration and receipt of that initial advance. That means that once those advances are exhausted, typically by the start of the second quarter, we are plunged back into a cash flow crisis as expenses continue to be incurred because the agencies never catch up on all outstanding budget actions.

With the implementation of Local Law 11 of 2026, because providers will no longer run out of cash by the second quarter, DSS and DHS fiscal staff will be able to move away from constantly managing crises. They will in turn regain capacity to fully address the backlog of prior years' budget actions, and DHS shelter providers can finally end the cycle of retroactivity. As a result, our organization will be able to reduce our reliance on costly private loans to keep our staff and vendors paid while also improving agency oversight.

Investing in Agency Staffing:

Even with reforms to the contracting and payment processes, it is still critical that City agencies including MOCS, DSS, DHS and HRA are appropriately staffed to carry out the important work of registering and administering City contracts. The number of contracts administered by these agencies has dramatically increased over the years, but their headcount dedicated to approving and overseeing these contracts have not kept pace with the growth. Even with efficiencies and investment in technology to ease the workload of these offices, it is still important to ensure there are sufficient staff to eliminate the backlog and process payments going forward. While it may be tempting to eliminate open positions as a budget saving exercise, the cost of delays is being borne by nonprofits who cannot sustain this burden. It is imperative that we support City agencies to achieve full staffing.

Investing in the Human Services Workforce:

None of the work VOA-GNY does would be possible without our incredible staff. As proud members of the #JustPay campaign, our aim is to ensure that every human service worker is compensated fairly for the valuable work they do. We are grateful for the City's multi-year COLA investment that the Council helped create, which was an important step towards this goal, but the reality is, even with the COLA, **nonprofit workers are paid up to 30% less than their government counterparts. Int 0452 is a huge step forward that could finally change that, and VOA-GNY supports the passage of this legislation.**

Government is not just the predominant funder of human services, but is also the main driver of human services salaries, and either directly sets salary rates on contracts or does so indirectly by establishing costs for a unit of service along with required staffing on a contract. Int 0452 is a significant step towards ensuring that human services workers receive equitable pay comparable to their City counterparts. By establishing a clear wage requirement system, this legislation promotes transparency in compensation, ensuring that every worker is paid solely based on their qualifications and experience.

Closing:

Thank you for the opportunity to submit testimony. Should you have any questions, I can be reached at ctrapani@voa-gny.org.

Respectfully submitted by Catherine Trapani, Assistant Vice President of Public Policy,
Volunteers of America-Greater New York

Written Testimony to the Contracts Committee Preliminary Budget Hearing held on March 24, 2026 – Charles T. Diamond

From: Charles T. Diamond, member of the public
Via e-mail to testimony@council.nyc.gov

March 24, 2026

Dear New York City Council Committee on Contracts,

Regarding the Fiscal Year 2027 preliminary budget, as applied to the City's \$40 billion annual procurement portfolio, I offer the thoughts and observations below. Having previously served the City of New York for almost 10 years, including three years as Special Counsel at the Mayor's Office of Contract Services ('MOCS') and two years as Counsel at the Comptroller's Office Bureau of Contract Administration, I offer the below in my personal capacity and without reference to any confidential or privileged information.

1. We must treat PASSPort as the critical City infrastructure that it is

The City spends approximately \$10 million annually to support the City's end-to-end digital procurement system, supported by additional Personnel Services costs for MOCS staff who maintain and oversee the system in-house. This compares to an average of \$40 billion annually in new contract value.

Spending less than .03% of our annual procurement value on maintaining the system that now underpins **all** procurement actions does not appear proportionate – especially given the well identified improvements needed in the system. It is public knowledge that a long 'wish list' exists for upgrades and updates to PASSPort and we must be honest that we are, quite literally, choosing to not fund these improvements and instead fund only marginal improvements over a longer period of time.

Indeed, PASSPort has become critical City infrastructure similar to our bridges and tunnels. Our digital procurement system will surely have value for more than 5 years and a PASSPort failure would inherently impact billions in City economic activity and delay critical operations and programs. As such, the Council should ask OMB and City Hall to consider the applicability of Capital funding for PASSPort and ensure we are securing this critical infrastructure as we already do for other digital infrastructure.

2. Any reduction in MOCS headcount would be a false economy

City Hall and OMB have presumptively directed a 50% reduction in agency vacancies, which inherently implies a potential reduction in budgeted headcount at MOCS. Any such reduction would be a false economy that would increase the risk of longer procurement delays and reduced compliance oversight. Just as we would not reduce LAW or OMB staff levels during a fiscal crisis, it would represent inverse logic to reduce the budgeted headcount of an agency that reduces contract cycle times, increases competition, and mitigates liability in our \$40 billion annual procurement portfolio.

Written Testimony to the Contracts Committee Preliminary Budget Hearing held on March 24, 2026 – Charles T. Diamond

The billions of dollars of waste or inefficiencies created by COVID-19 and asylum emergency response contracts – when there was less MOCS oversight – offers a clear example of the fiscal impact of reducing contract oversight.

3. The Council should closely scrutinize agency heads, and OMB, regarding their commitment to agency procurement capacity

Crucial aspects of the procurement and contracting process are reserved (via NYC Charter, Rules, or Administrative Code) for the individual procuring agencies and yet are consistently underfunded and understaffed. Contract management – from invoicing to performance review – require dedicated staff at agencies proportionate to the agency’s contracting portfolio. This rarely occurs, especially in small-to-medium sized agencies.

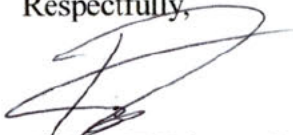
For example, recent public criticism of MOCJ or DOC contracting were directly tied to a lack of funding or expertise within the procurement areas of those agencies in dealing with either the quality or quantity of the contracting that was being done.

While MOCS, LAW, OMB, and others have crucial central oversight roles and the ability to surge resources to struggling agencies, there is no replacement for these agency staff. They are the ones actually doing the buying. That role must be prioritized during the budget process to ensure that agency heads are not creating further false economies in reducing already stretched procurement staff.

As this Committee knows, our procurement system is crucial towards both reducing waste and delivering better services that New Yorkers depend on. If we are to be serious about fiscal rectitude or service delivery, we must be serious about procurement.

It is crucial that the Council uses its budget and oversight powers to hold procuring agencies and OMB to account for providing the serious attention procurement deserves.

Respectfully,



Charles T. Diamond



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Appearance Card

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in favor in opposition

Date: 3/24/26

(PLEASE PRINT)

Name: Cristina Abbattista

Address: 575 8th Ave, 16th Fl

I represent: Urban Pathways

Address: _____

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Name: Kimlin

Address: 255 Greenwich St

I represent: MOCS

Address: New York, NY 10007

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Date: 3/24/2026

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Name: Marcus Jackson

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I represent: Encore Community Services

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Name: Victoria Leahy

Address: _____

I represent: Homeless Services United

Address: _____

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in favor in opposition

Date: 3/24/26

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Name: Gloria Kim

Address: _____

I represent: Human Services Council of NY

Address: 130 E. 59th St NY, NY

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Date: _____

(PLEASE PRINT)

Name: John MacIntosh / Searchange

Address: [redacted] Brooklyn 11201

I represent: Searchange Capital Partners

Address: 420 Lexington Avenue, NY 10170

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 in favor in opposition

Date: 3/24/26

(PLEASE PRINT)

Name: Charles Diamond

Address: [redacted] NY NY

I represent: Personal Capacity

Address: _____

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