

New York City Council
Hon. Julie Menin, Speaker of the Council
Hon. Linda Lee, Chair, Finance Committee
Hon. Lincoln Restler, Chair, Contracts Committee

**Report on the Fiscal 2027 Preliminary Plan,
the Fiscal 2027 Preliminary Capital Commitment Plan, and the Fiscal 2026
Preliminary Mayor’s Management Report for the Committee on Contracts**

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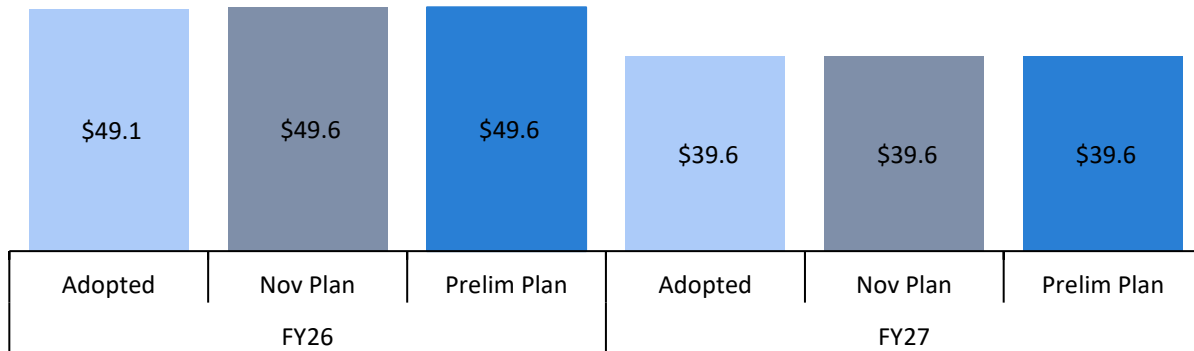
Fiscal 2027 Preliminary Plan

Mayor’s Office of Contract Services Budget Overview

The Mayor’s Office of Contract Services (MOCS or the Office) is responsible for overseeing, supporting, and promoting the City’s procurement system by discharging the Mayor’s contracting responsibilities under the City Charter, Procurement Policy Board (PPB) rules and applicable local laws. MOCS establishes policies, procedures and guidelines for the implementation of PPB rules and local laws. MOCS is authorized to perform pre- and post-audit reviews and to provide all necessary determinations, approvals and certifications related to agency procurement actions. MOCS is also responsible for maintaining the City’s central contract registry. It has seen minimal changes to its budget since the release of the Fiscal 2026 Adopted Plan in June 2025.

The Preliminary Financial Plan for Fiscal 2026-2030 (Preliminary Plan), includes a proposed Fiscal 2027 budget of \$39.6 million for MOCS, unchanged from the November Plan total. MOCS’s Fiscal 2026 budget in the Preliminary Plan is \$49.6 million, the same as the Fiscal 2026 budget in the November Plan. The current Fiscal 2027 budget is \$9.5 million less than the \$49.1 million Fiscal 2026 budget at adoption.

Comparison of the Last Three Financial Plans



Dollars in Millions

Source: New York City Office of Management and Budget

MOCS Financial Summary

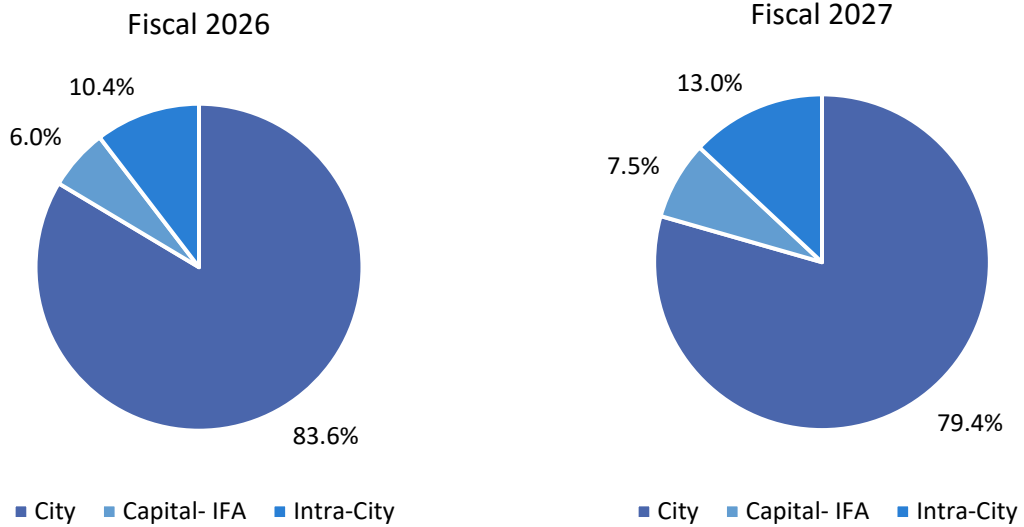
Dollars in Thousands	FY24	FY25	FY26	Preliminary Plan		*Difference FY27 - FY26
	Actual	Actual	Adopted	FY26	FY27	
Budget by Program Area						
Personal Services	\$21,319	\$20,062	\$26,352	\$26,321	\$26,061	(\$292)
Other Than Personal Services	23,287	13,564	22,724	23,229	13,532	(9,192)
TOTAL	\$44,606	\$33,627	\$49,076	\$49,550	\$39,593	(\$9,483)
Funding						
City Funds			\$40,936	\$41,410	\$31,451	(\$9,485)
Capital IFA			2,987	2,987	2,987	0
Intra-City			5,153	5,153	5,155	2
TOTAL	\$44,606	\$33,627	\$49,076	\$49,550	\$39,593	(\$9,483)
Budgeted Headcount						
Full-Time Positions - Civilian	184	182	246	246	245	(1)
TOTAL	184	182	246	246	245	(1)

*The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.

Source: New York City Office of Management and Budget

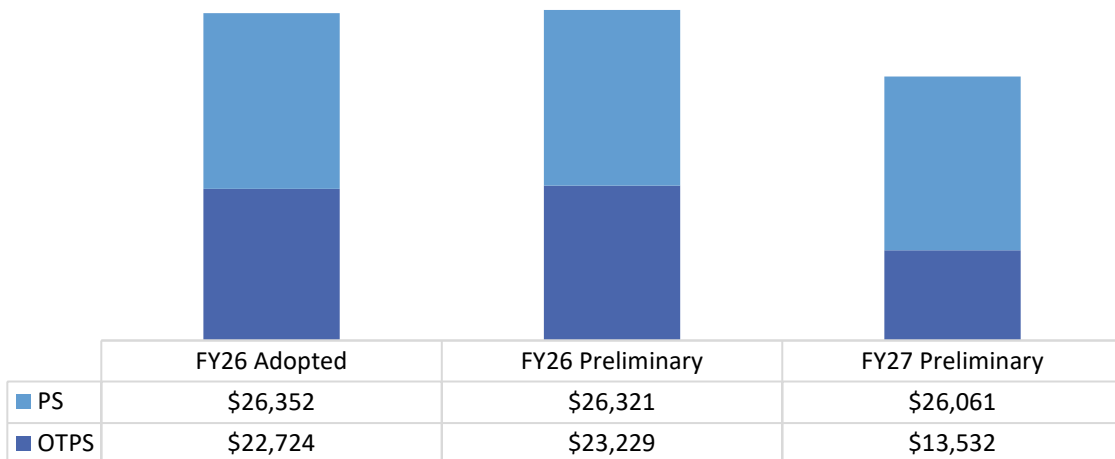
Budget by Funding Source

Fiscal 2027 City Funds: 79.4 percent



Source: New York City Office of Management and Budget

Personal Services (PS) and Other Than Personal Services (OTPS)



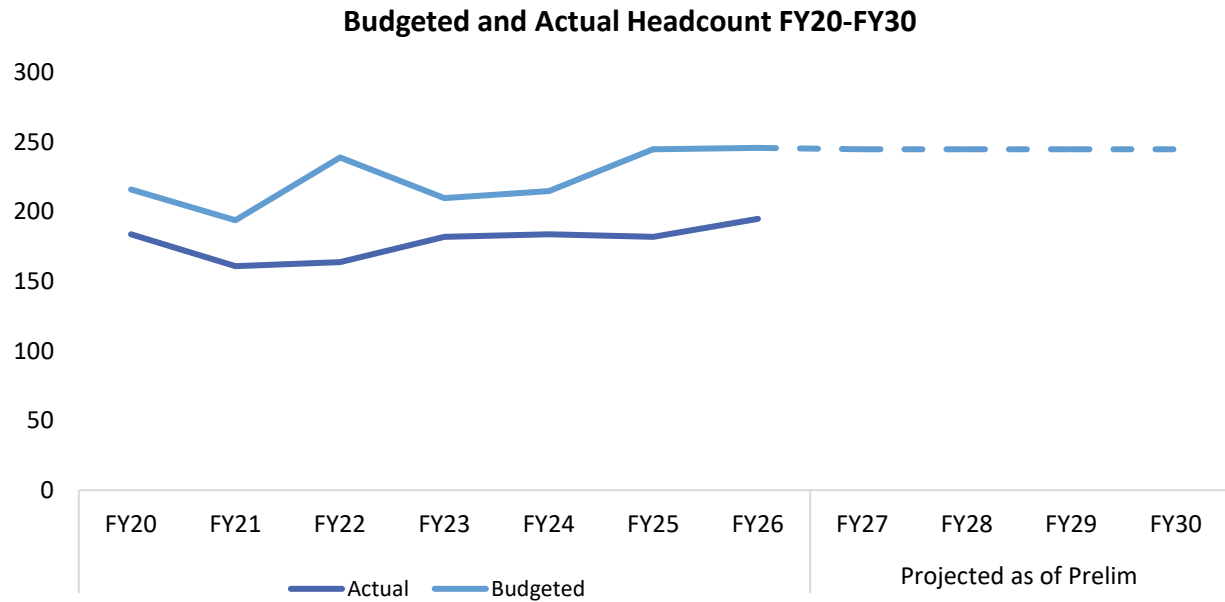
Dollars in Thousands

Source: New York City Office of Management and Budget

Headcount

FY26 Budgeted Full-Time Positions: 246
Actual Headcount as of January 2026: 195

FY27 Budgeted Full-Time Positions: 245
Vacancy Rate as of January 2026: 20.7 percent



Source: New York City Office of Management and Budget

Note: Budgeted and actual headcounts are as of the end of the fiscal year, except for Fiscal 2026 where budgeted headcount is as of the Preliminary Plan and actual headcount is as of January 2026.

MOCS Contract Budget

Fiscal 2027 Contract Budget: \$10.8 million
Number of Contracts in Fiscal 2027: 6

Dollars in Thousands

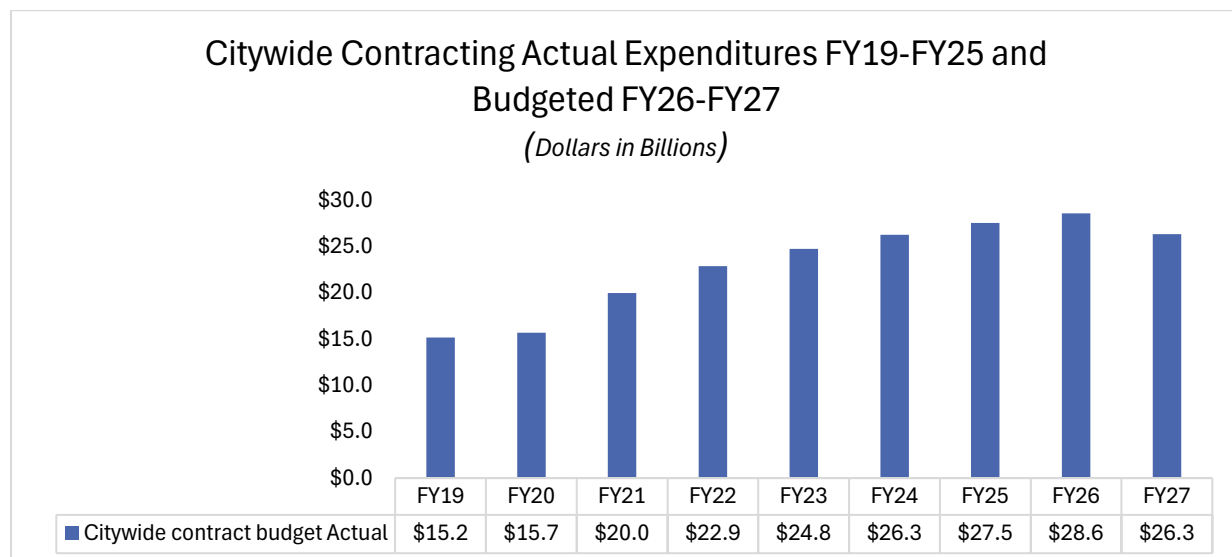
Category	FY26 Adopted	Number of Contracts	FY27 Preliminary	Number of Contracts
Contractual Services - General	\$3,589	1	\$5,070	1
Prof. Services - Computer Services	5,771	1	5,771	1
Prof. Services - Other	8	4	8	4
TOTAL	\$9,368	6	\$10,848	6

Source: New York City Office of Management and Budget

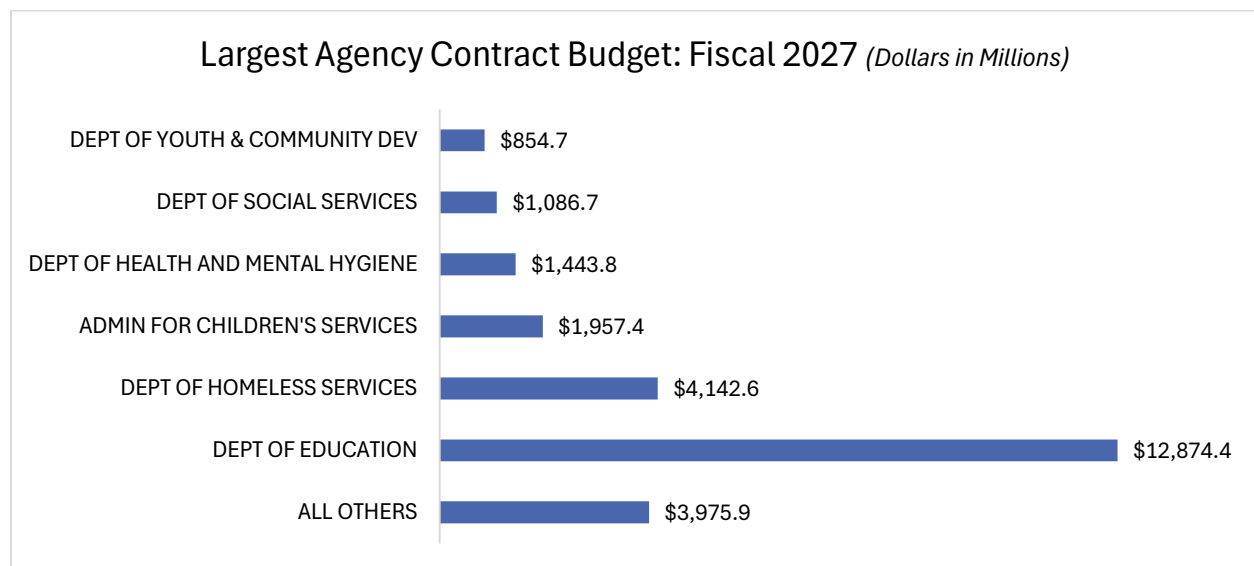
Budget Issues and Concerns, Including Federal and State Budget Risks

The Council continues to advocate for increased funding and headcount to help MOCS process contracts more efficiently. Delays for outstanding contract payments from the City jeopardize organizations’ sustainability and their ability to provide services to New Yorkers. The Council is concerned that organizations are suffering from year- long delays in the contracting and reimbursement process. Last year, the Council called for the administration to provide \$1.5 million to support 20 positions for MOCS’ service desk and \$1.9 million for 20 positions to reduce delayed payments to non-profits. The Council appreciates that the previous administration added \$1.5 million for 20 positions in the Executive 2026 plan for the service desk to handle the increased tickets. However, the call to add 20 positions to help reduce delayed payments to non-profits was not included. The Council is hopeful that the Mamdani Administration will provide funding for these positions and partner with the Council to reduce payment timelines to non-profits who provide vital services to New Yorkers. Additionally, the Office has a very high vacancy rate, currently 20.7 percent, primarily due to the 2 for 1 hiring restrictions imposed by the previous administration. The current Administration’s removal of the hiring restriction is a good first step towards enabling the Office to fill their vacant positions. However, the proposal to eliminate 50 percent of vacancies may hinder the long-term goals of improving the City’s procurement process.

Citywide Contracting Budget



- The above chart shows the actual expense contract spending for Fiscal 2019 through Fiscal 2025, and the Fiscal 2026 and Fiscal 2027 contract budget in the Preliminary Plan. Actual citywide contract spending increased by 81.5 percent from Fiscal 2019 through Fiscal 2025. This increase was mainly driven by contracting needs related to COVID and the influx of asylum seekers. The current Fiscal 2027 contract budget is \$2.3 billion less than the current Fiscal 2026 budget. However, since adoption, the Fiscal 2026 contract budget has grown by \$4.4 billion, so it is likely that the Fiscal 2027 contract will increase over the course of the fiscal year to better align with the current year’s budget. The Fiscal 2027 contract budget of \$26.3 billion represents approximately 20.3 percent of the total Fiscal 2027 budget, while the Fiscal 2026 contract budget makes up 22.5 percent of the current Fiscal 2026 budget. This highlights the City’s procurement needs and the importance of the work MOCS does in registering and managing the City’s central procurement system.



- The Fiscal 2027 expense budget provides funding to support 17,626 contracts. The Fiscal 2027 contract budget is approximately \$2.1 billion more than the Fiscal 2026 adopted budget of \$24.3 billion. This is primarily the result of an approximately \$1.4 billion increase in the Department of Education’s (DOE) budget for due process, charter schools, and pupil transportation contracts. In addition, approximately \$1 billion was added to the Department of Homeless Services for homeless family services contracts.
- The majority of the Fiscal 2027 contract budget, \$22.4 billion, is administered by six agencies presented in the chart above. The DOE’s \$12.9 billion contract budget comprises nearly 48.9 percent of the Fiscal 2027 contract budget, supporting a vast array of services including charter schools, payments to contract schools for students with disabilities, and pupil transportation. For more information on specific agency budgets and agency contracts, please see <https://council.nyc.gov/budget/fy2027/>

Supporting Budget Charts

Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY26			FY27		
	City	Non-City	Total	City	Non-City	Total
MOCS Budget as of the Adopted FY26 Plan	\$40,936	\$8,140	\$49,076	\$31,451	\$8,142	\$39,593
Changes Introduced in the November 2025 Plan						
New Needs						
PASSPort Maintenance - MOCS	\$474	\$0	\$474	\$0	\$0	\$0
Subtotal, New Needs	\$474	\$0	\$474	\$0	\$0	\$0
Other Adjustments						
Subtotal, Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
Savings						
Subtotal, Savings	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, All Changes in November 2025 Plan	\$474	\$0	\$474	\$0	\$0	\$0
MOCS Budget as of the November 2025 Plan	\$41,410	\$8,140	\$49,550	\$31,451	\$8,142	\$39,593
Changes Introduced in the FY27 Preliminary Plan						
New Needs						
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
Subtotal, Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
Savings						
Subtotal, Savings	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, All Changes in the FY27 Preliminary Plan	\$0	\$0	\$0	\$0	\$0	\$0
MOCS Budget as of the FY27 Preliminary Plan	\$41,410	\$8,140	\$49,550	\$31,451	\$8,142	\$39,593

Source: New York City Office of Management and Budget

Budget by Unit of Appropriation

090 & 091 - Mayor's Office of Contract Services - PS & OTPS						
<i>Dollars in Thousands</i>						
	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27-FY26
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$19,647	\$19,811	\$26,303	\$26,272	\$26,011	(\$292)
Unsalaries	93	164	2	2	2	0
Additional Gross Pay	1,033	87	0	0	0	0
Additional Gross Pay - Labor Reserve	546	0	0	0	0	0
Overtime - Civilian	0	0	48	48	48	0
Subtotal	\$21,319	\$20,062	\$26,352	\$26,321	\$26,061	(\$292)
Other Than Personal Services						
Contractual Services	\$7,657	\$3,756	\$3,589	\$18,490	\$5,070	\$1,481
Contractual Services - Professional Services	13,982	6,749	5,779	8	5,779	(0)
Contractual Services - Waste Export	0	0	0	0	0	0
Supplies & Materials	1,391	1,156	1,976	1,466	624	(1,352)
Fixed & Misc. Charges	14	1	0	0	0	0
Property & Equipment	18	280	0	23	0	0
Other Services & Charges	225	1,622	11,381	3,243	2,060	(9,320)
Subtotal	\$23,287	\$13,564	\$22,724	\$23,229	\$13,532	(\$9,192)
TOTAL	\$44,606	\$33,627	\$49,076	\$49,550	\$39,593	(\$9,483)
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**The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.*

Source: New York City Office of Management and Budget