Testimony of Daniel Symon,
Before the New York City Council Committee on Contracts
Oversight Hearing – Update on the PASSPort Initiative
December 16, 2020

Good morning Chair Kallos and members of the Contracts Committee. My name is Dan Symon and I serve as the Director of the Mayor's Office of Contract Services (MOCS), and the City's Chief Procurement Officer. Today I will provide an update on the Procurement and Sourcing Solutions Portal (PASSPort) and our ongoing efforts to transform the City's procurement process. As you know, over the last few years, MOCS has evolved to become a procurement services agency while adopting technology to modernize traditional oversight responsibilities. Specifically, we are now organizing ourselves to shepherd agencies through each critical step in the procurement process – from centrally establishing a need for a good or service and releasing solicitations, to setting up contracts for vendors and capturing all oversight agency approvals. We have established a common platform for end-to-end collaboration by all key players in procurement, and with this, have entered a new era where true transparency can lead to data-informed improvements to process, more rational administrative policies, and a common experience for vendors across all agencies and industries.

Our implementation plans for PASSPort have been phased, prioritizing a reduction in burdens to providers first and foremost, and we have worked in parallel to engage sector leaders on conceptual designs for future releases while rolling out and stabilizing new functionality. PASSPort was first launched in August 2017 to allow vendors to more easily file and update legally required disclosures, removing the need for compilation of dozens to hundreds of pages of paper which required certification by notaries; after many years, we replaced the Vendor Information Exchange System (VENDEX). As providers were required to update filings related to contract actions, they created accounts and submitted information on their principals and organizations to remain in compliance. In turn, agencies used this and other information to execute more efficient background checks, speeding a critical step in the contracting process. Based on nudges from our office, agencies and advocates, providers also created accounts to prepare for future business with the City of New York. We scaled our approach to supporting the vendor community – establishing a central service desk to respond

to routine inquiries and maintaining a range of self-service materials to guide users as they complete various in-system tasks. We took many lessons from our experience with nonprofits and HHS Accelerator, knowing that any current or potential vendor may need a patient and committed person to help demystify government speak, translate requirements into clear actions, and serve as a liaison between agencies and vendors when necessary. Our second major release created a digital catalog for the City's requirements contracts and a system for managing invoicing and payments against those contracts, which reduced the cycle time for ordering from the requirements catalog by 23% and averaged four days from invoice approval to payment. There are now over 17,000 vendors with active PASSPort accounts.

VENDEX transformation was the first quick win for the team and we used this momentum to establish even stronger relationships with advocates and vendors in all industries. What they all wanted was greater insight into the contracting process – particularly knowing which steps were completed or next – and a predictable experience with solicitations. There was common ground with agency staff who also wanted to standardize and better track processes which involved oversight partners and vendors. And nearly everyone longed for a digital experience that could be used citywide and not just varied processes based on each agency.

The COVID-19 crisis afflicting our City and country since the spring has only further highlighted the need for a fully digital procurement transformation. While many agencies and vendors experienced disruptions to their normal operations, PASSPort allowed for some continuity and rapid support for essential service providers. It became apparent that activities such as submitting electronic documentation rather than stacks of paper, removing notary requirements, and accepting e-signatures instead of wet signatures would be required to support a digital, socially distanced procurement approach that limits in-person interactions.

Our most recent release of PASSPort has brought this vision to reality. Release 3 provides functionality for a fully digital end-to-end procurement process, starting from requisition all the way to contract registration. It allows agency and vendor users to manage contract amendments and change orders, while utilizing digital signatures to replace wet signatures.

This system release was accompanied by a major change management effort. We have created dozens of user materials, including manuals, quick guides, videos, webinars, and courses to guide each discrete task vendors and agencies must complete across different procurement methods. Along with that, our service desk has responded to thousands of inquiries seeking assistance with initial set-up and other activities in PASSPort since the original go-live date. Our trainings have been attended by over 3,000 participants just among agency procurement staff, and we have hosted over 500 representatives from different organizations at vendor-facing training sessions. Recognizing the need to put everything in a digital format, we have recorded these trainings and made them available as needed for system users through multiple different channels. Through this project we have found that users often prefer a self-guided learning approach - so we direct resources toward important, high volume tasks so users can become familiar with the system at their own pace.

In parallel, we are leveraging PASSPort and other tools to enhance public transparency into City contracting. As you remember, we launched the Public Access Terminal at our office earlier this year, which provides information on City contracts, vendors, and other procurement data to supplement what is already available in the public sphere through sources like Checkbook. This information is also available on our website, under the Public Reporting section of the PASSPort page on our website (www.nyc.gov/mocs). Our data shows that these resources have been downloaded hundreds of times this year, demonstrating the value of providing public accessibility to the spending of taxpayer dollars. We will continue to look at new ways to enhance the publicly available procurement dataset as we move further with PASSPort implementation.

While Release 3 has hosted a range of different procurement types, our onboarding strategy has placed a particular emphasis on making sure that M/WBE and small nonprofits are prioritized for support in the early stages of the system's release. Our staff worked closely with agencies to ensure that these procurements were properly configured and prioritized for early deployment in the system, and the associated vendor pools were aware of how to find and respond to these solicitations. For council discretionary contracts, we undertook a major process improvement to bundle these awards into single contracts per provider, reducing the

contract volume by about two thirds. After the August and September transparency resolutions, we bulk uploaded roughly 1,700 discretionary contracts into PASSPort. Agencies and providers are currently in the process of moving toward registration, with many vendors working through document submission and approval. The decision to prioritize these areas of procurement reflects MOCS' ongoing commitment to level the playing field for all entities seeking to do business with the City and make sure the contracting process is accessible to all organizations, no matter their size.

While it is still early, we are already seeing promising results. Our vendor and nonprofit communities have provided positive feedback on their ability to move through the contract process in a simplified, digital environment, while providing invaluable feedback on specific process pain points we can address through system enhancements or tailored user materials.

As we stabilize Release 3 and continue in-flighting contracts from retiring systems, we are also preparing for Release 4. Release 4 primarily brings new financial features into PASSPort by adding functionality for invoicing, budget allocation, and payment through interfacing with the City's Fiscal Management System (FMS). Drawing on lessons we learned from HHS Accelerator, centralizing these tasks creates the opportunity for standardization and additional transparency. With Accelerator, we were able to establish a cost manual for human service providers, standardize invoice guidance, and enhance performance management for financial staff. Just within the last few weeks, we published a new invoicing manual to standardize practices and speed up payments to nonprofits. We hope to expand on these gains for the financial side of City contracting through Release 4.

Release 4 will also update and replace the last remaining core functionality that PASSPort has not fully addressed, which is prequalification management. Prequalification management under Release 4 will shift the existing process from HHS Accelerator into PASSPort, in keeping with our longstanding goal to centralize major contracting tasks in one place. Overall, this last major release brings the complete end-to-end process for Citywide contracting, from requisition to payment, into a centralized digital location, while featuring new in-kind tools for Citywide procurement staff.

With regard to the bill before us, Intro. 1627, we are happy to see that our goals align with those of the City Council. PASSPort promotes transparency, timeliness of contract registration, and a preference for digital solutions, and builds on successes we have seen with early releases and Accelerator. By fully digitizing the contracting process and making milestones visible to all parties, we hope to build a more timely contract registration process through greater clarity on process requirements for all parties. If data indicates a need for us to move faster in certain areas, we absolutely should, and we must establish realistic targets related to each procurement so we start contracts on time. MOCS is committed to making timeliness data readily available to all relevant parties for a given contract and reporting on aggregate performance. We believe full digitization and its associated transparency will bring improved timeliness to City procurement and look forward to sharing our results.

However, we are very concerned with Intro. 1627's proposal of setting timelines for each step of the procurement process and for the oversight review that each agency charged with oversight must undertake. Procurements vary in scope and complexity, and we do not want to disadvantage our negotiating position nor reduce the rigor associated with due diligence steps.

 Establishing set timetables could interfere with the work of agencies charged with oversight of the contracting agency. Some contracts are lengthy and complex, requiring significantly more time to review than other more straightforward ones. At times, contractors propose terms that are unacceptable and thus require significant re-negotiation in order to obtain the best possible result for the City, requiring additional time beyond the oversight agency's control. Moreover, if the oversight agency identifies an issue that needs to be fixed by the contracting agency, that can also prolong review of the contract. For these reasons, limiting the oversight agency's time to review may be counterproductive and could compromise its ability to thoroughly analyze and review complicated contracts or address unforeseen problems.

Overall, the PASSPort project will remain critical to achieving our shared goals of bringing greater transparency, timeliness, and integrity to Citywide procurement. As the City continues to respond to the COVID-19 crisis, it is more important than ever that we maximize

use of fully digital solutions, ease the burden for our human services sector, and put equity at the heart of the recovery. Consistent with this approach, we rolled out the biggest release of PASSPort yet with a heavy focus on getting M/WBE's and small nonprofits successfully onboarded first, with promising results so far. Leveling the playing field and making it easier for anyone to do business with the City is at the heart of what we do at MOCS, and we are pleased to see the attention this major initiative has received. I look forward to sharing further results as we continue with digital transformation. I am joined by First Deputy Director Ryan Murray, General Counsel Victor Olds, and Deputy Director Erin Villari. We would be happy to take any questions you have at this time.