

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONTRACTS

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January 27, 2026
Start: 1:10 p.m.
Recess: 3:23 p.m.

HELD AT: 250 BROADWAY - 8TH FLOOR - HEARING
ROOM 2

B E F O R E: Lincoln Restler, Chairperson

COUNCIL MEMBERS:

Gale A. Brewer
James F. Gennaro
Kamillah M. Hanks
Inna Vernikov

OTHER COUNCIL MEMBERS ATTENDING:

Julie Menin, Speaker

A P P E A R A N C E S

Kim Yu, Director of the Mayor's Office of
Contract Services and the City's Chief
Procurement Officer

Charles Diamond, self

Ben Weinberg, Director of Public Policy at
Citizens Union

Alex Carmarda, Senior Policy Advisor for Reinvent
Albany

Paula Magnus, Deputy Director of Northside Center
for Child Development

Christopher Leon Johnson, self

2 SERGEANT-AT-ARMS: This is a microphone
3 check for the Committee on Contracts, recorded on
4 January 27, 2026, located in Hearing Room 2 by Nazly
5 Paytuvi.

6 SERGEANT-AT-ARMS: Good afternoon, and
7 welcome to today's New York City Council hearing for
8 the Committee on Contracts.

9 If you would like to testify, you must
10 fill out a witness slip with one of the Sergeant-at-
11 Arms.

12 At this time, please silence all
13 electronic devices and no one may approach the dais.

14 Chair, we are ready to begin.

15 CHAIRPERSON RESTLER: [GAVEL] Good
16 morning, or no, good afternoon, excuse me. It's
17 already been a long day. My name is Lincoln Restler.
18 I have the great privilege of Chairing our Contracts
19 Committee, and I would firstly like to thank our
20 Speaker for that opportunity and for that privilege.
21 I'm very grateful, and it's special to have Speaker
22 Menin at our very first Contracts Committee hearing.
23 We are joined by our Majority Whip Kamillah Hanks
24 from the North Shore, and my good friend, Gale
25 Brewer, who served with me on GovOps and has Chaired

2 everything else but not Contracts, as she stated
3 today.

4 I am very much looking forward to
5 improving our contracting process and creating more
6 transparency, accountability, and fairness in City
7 spending. Our procurement process is painfully slow,
8 rigid, and complex, and vendors, especially our non-
9 profit partners, wait far too long to be paid for
10 their work. I am truly excited to dig into this
11 morass, and I'm grateful once again to Speaker Menin
12 for the opportunity. I'm going to turn it over to
13 Speaker Menin for her opening statement to start
14 things off, and I just want to say how much I
15 appreciate the Speaker's commitment to improving our
16 procurement process, rooting out corruption, and
17 identifying cost savings. The over-reliance on
18 emergency contracts in previous administrations is
19 indeed an area that needs urgent reform, and I
20 commend the Speaker for making this a month one
21 priority. Thank you so much, Speaker.

22 SPEAKER MENIN: Thank you so much, Chair,
23 and I'm so excited about this Committee because I
24 think what the goal that we really want to have is to
25 try to restore people's faith in City government, and

2 the contracting process is opaque to say the least,
3 and in addition, we are really focused on ending this
4 practice of no-bid contracts that go on for years and
5 years and years where there's no competitive bidding,
6 so that's what I'm really going to focus my comments
7 on today.

8 So, thank you, Chair, for convening this
9 important hearing. Our City procures over 42 billion
10 dollars in goods and services annually, but the
11 current system is characterized by massive gaps in
12 transparency and accountability. In Fiscal Year 2025,
13 over 72 percent of all City contracts were registered
14 late, meaning work had already begun before anyone
15 even signed a contract. This lack of basic
16 administrative discipline creates a culture where
17 agencies can bypass standard contracting procedures
18 and, quite frankly, undermine the integrity of our
19 City's finances. The vulnerabilities in our emergency
20 procurement system became clear during the pandemic.
21 The de Blasio Administration used executive orders to
22 suspend Comptroller oversight entirely and spent
23 nearly 7 billion dollars on emergency contracts.
24 During that pandemic, Mayor de Blasio extended
25 emergency procurements over 100 times, and I just

2 want to be clear, an emergency means something that
3 is of short duration. An emergency does not extend
4 years and years and years, so we again are not trying
5 to target any one particular administration. This has
6 been happening for a very long time in City
7 governments, and the results have been predictable.

8 According to one Comptroller audit, the
9 Department of Sanitation awarded a 14-million-dollar
10 food distribution contract to a company whose owner
11 had pleaded guilty to obstructing the IRS just one
12 month before receiving the contract and which had no
13 prior experience, I want to repeat, no prior
14 experience in food delivery. That contract was
15 terminated after just three weeks due to poor
16 performance, but not before the City paid nearly 1.5
17 million dollars for inadequate services. We learned
18 the full scope of the waste when the City tried to
19 recoup some of that pandemic spending by selling
20 surplus equipment that it had purchased.

21 Approximately 224 million dollars' worth of COVID
22 supplies, including 12 million dollars in unused
23 ventilators still in their original packaging, were
24 auctioned off for roughly 500,000 dollars or simply
25 just given away. In fact, a junk dealer from Long

2 Island purchased those unused ventilators for merely
3 8 dollars per device. This amounted to just pennies
4 on the dollar.

5 Unfortunately, we did not learn from
6 these mistakes. According to a Comptroller report, by
7 late 2023, the City had committed approximately 5.7
8 billion dollars across 340 emergency contracts
9 related to asylum seeker services, but the lack of
10 coordination was staggeringly. Hourly rates for
11 comparable positions varied widely from 58 dollars to
12 over 200 dollars per hour across different contracts
13 for performing literally the exact same work. That is
14 unconscionable. Later, the 432-million-dollar DocGo
15 contract became a symbol of everything that is wrong
16 with our system. This was a no-bid emergency contract
17 awarded to a medical services company with literally
18 no experience in emergency housing. When Comptroller
19 Lander declined to approve the contract in September
20 2023, citing serious concerns about vendor
21 responsibility, the Adams Administration proceeded
22 anyway. The subsequent Comptroller audit found
23 millions wasted on unused hotel rooms, unauthorized
24 subcontractors who were never quite frankly even
25 properly vetted, and dangerous conditions including

2 mold in rooms that were housing asylum seekers. It
3 even led to an investigation by the State Attorney
4 General over the scale of fraud. This all could have
5 been avoided with a proper system of checks and
6 balances and competitive bidding, which, and I'm a
7 former small business owner, any small business owner
8 will tell you, you don't just take the first bid. You
9 don't use no bid. You always do competitive bidding,
10 which drives down the prices and makes sure that
11 there's accountability and transparency.

12 The Comptroller's 2023 report on
13 emergency procurements further revealed systemic
14 failures across the board. Nearly 85 percent of
15 emergency contracts were submitted for registration
16 more than 30 days after the work had already begun,
17 which means vendors operated for months without
18 finalized contracts or even proper oversight. Only 20
19 percent of emergency contracts had performance
20 evaluations on file, and just 3.5 percent of
21 emergency procurement dollars were awarded to M/WBES.
22 These numbers represent a system that has abandoned
23 basic principles of fiscal responsibility. These two
24 crises, both the COVID crisis of course and the
25 asylum seeker crisis, laid bare how emergencies are

2 often used, quite frankly, as an excuse to avoid the
3 competitive bidding rules that ensure taxpayers get a
4 fair deal. Under current law, there's no time limit
5 on emergency contracts, so they can go on in
6 perpetuity. The administration can invoke emergency
7 authority and operate under suspended oversight for
8 months or even years on end, as we have seen.

9 My first bill addresses the systemic
10 abuse of the emergency procurement process. By
11 limiting emergency contracts to 30-day terms and
12 requiring a hard 15-day deadline for submission to
13 the Comptroller, we are ensuring that any future
14 emergency is treated for what it is, a temporary
15 state of action and not a blank check to subvert the
16 law. The Adams Administration extended emergency
17 procurement powers for asylum seeker services for
18 over 18 months. At a certain point, that's not an
19 emergency anymore. It's just a workaround to avoid
20 competitive bidding. The 30-day limit forces the
21 administration to consider a simple question, is this
22 still an emergency?

23 The second bill I'm sponsoring targets
24 the lack of visibility into subcontractor
25 responsibility. Currently, prime contractors can use

2 a web of subcontractors to hide conflicts of interest
3 or provide false information to get a foot in the
4 door. We saw this with bad landlords like David
5 Levitin, who exploited loopholes to force the hire of
6 his own maintenance and extermination companies
7 without any competitive bidding whatsoever. A 2024
8 DOI report confirmed that these were not isolated
9 incidents, citing hundreds of concerns at City-funded
10 homeless shelters where executives held financial
11 stakes in the very subcontractors that they were
12 hiring. The Comptroller also found that among 292
13 emergency contracts reviewed, only 73 had even one
14 approved subcontractor recorded in the City's
15 tracking systems. We literally don't know who's doing
16 the work on most of these contracts. This legislation
17 will finally bring these relationships into light,
18 and sunlight is the best disinfectant, by requiring
19 contractors to disclose the names and business
20 addresses of every subcontractor's principal owners,
21 their business histories, and any contractual
22 relationships between the contractor and the
23 subcontractors. We are also significantly increasing
24 the penalties for those who attempt to defraud the
25 City. The current fines have not been updated in

2 decades and are often treated as a mere cost of doing
3 business. This bill increases the maximum fine for
4 fraudulent statements regarding bidders or
5 subcontractors to 100,000 dollars, ensuring that
6 lying to the City of New York actually carries a
7 heavy price.

8 In closing, I want to be clear about what
9 these reforms represent. We have a new administration
10 that campaigned on transparency and accountability,
11 and these bills give Mayor Mamdani the tools to
12 respond to future crises while maintaining the fiscal
13 safeguards that New Yorkers deserve. And I want to be
14 clear on the 30-day bill, if we need to go beyond 30
15 days, there are mechanisms in the bill to be able to
16 do so, but in a very responsible way. But more
17 importantly, these reforms are about building systems
18 that work regardless of who occupies City Hall. Good
19 procurement practices shouldn't depend on the
20 integrity of any individual mayor. We owe it to the
21 taxpayers to ensure that every single dollar spent is
22 tied to a verifiable service and a responsible
23 vendor.

24 So, thank you so much, and I will turn it
25 back over to our Contracts Chair, Chair Restler.

2 CHAIRPERSON RESTLER: Thank you so much,
3 Speaker Menin. Those were, I think, really powerful
4 remarks about how much work we have to do to clean up
5 our procurement process, especially our emergency
6 procurements, and I really am thrilled about the
7 legislation to ensure more transparency in
8 subcontracting, where there's just been so much shady
9 activity over the years, and I think this legislation
10 will make a big difference.

11 I also just want to take a moment to
12 thank Director Yu for joining us today on relatively
13 short notice. We really appreciate her presence.

14 So, we'll be, as the Speaker noted,
15 hearing three bills relating to emergency
16 contracting. The first piece of legislation proposed
17 by the Speaker, as she noted, would limit emergency
18 contracts to 30 days and require Comptroller and
19 Corporation Counsel approval for renewals.

20 The second bill, as also proposed by the
21 Speaker, would require detailed tracking of
22 subcontractors on all contracts and increase
23 penalties for false statements tenfold.

24 The third bill, proposed by our former
25 Contracts Chair, Julie Won, who did a great job

2 leading this Committee, would create a transparent,
3 searchable public procurement database so New Yorkers
4 can see how their money is being spent at every stage
5 of the contracting process.

6 Emergency contracting has increased
7 dramatically over the past several years. From COVID
8 to the asylum seeker crises, we saw endless emergency
9 executive orders under the two previous
10 administrations that resulted in thousands of
11 emergency procurements, thousands of emergency
12 procurements. During the asylum seeker emergency
13 under Eric Adams, there were over 340 emergency
14 contracts totaling 5.7 billion dollars.
15 Unfortunately, these contracts have resulted in
16 numerous scandals. As the Speaker mentioned, the
17 infamous DocGo scandal, which Comptroller Lander did
18 such a helpful job in uncovering. Another example
19 that received less attention were that agencies like
20 Health and Hospitals and NYCEM, the New York City
21 Emergency Management agency, used the same DCAS
22 master contract for security guards but paid wildly
23 different rates for the exact same service, wasting
24 millions of our taxpayer dollars. A 2023 Comptroller
25 report on emergency procurements reviewed 292

2 emergency contracts during the first two years of the
3 Adams administration, totaling 1.7 billion dollars.
4 Only 43 of those contracts, 15 percent of the total,
5 were submitted for registration within 30 days. So
6 even though they didn't have to go through a
7 competitive process, they only submitted 15 percent
8 of the contracts to the office for review within 30
9 days. 234 contracts had no performance evaluations on
10 file, and 60 million out of the 1.7 billion, just 3.5
11 percent, were awarded to M/WBEs. So, our emergency
12 procurements are failing to invest in M/WBEs across
13 the board.

14 It's, of course, essential that we have
15 mechanisms in place during an emergency to expedite
16 our painfully slow procurement process. When public
17 health or public safety is at risk, City government
18 needs to quickly and efficiently respond to serve New
19 Yorkers. But emergency procurements should be limited
20 to only when truly necessary. Emergencies that last
21 for four years are no longer emergencies. They are
22 simply new realities that must be handled through
23 long-term planning and competitively bid contracts.
24 Indeed, a competitive process yields better results.
25 It yields better vendors at lower costs. We need

2 deliberate policies to transition from emergency
3 contracts to longer-term contracts to keep costs
4 down, improve results, and strengthen oversight.

5 We have also seen troubling fraud issues
6 with subcontracting in both emergency and routine
7 contracts. In 2020, investigators found a homeless
8 shelter operator that received 500 million dollars in
9 City contracts. This gentleman has since gone to
10 jail. They had a network of unreported subcontractors
11 with no documentation of how funds were spent. A
12 subsequent Department of Investigation report in 2024
13 found hundreds of compliance concerns relating to DHS
14 shelter subcontractors, despite new processes,
15 including multiple instances where non-profit
16 executives had financial interests in for-profit
17 subcontractors. I just want to say that, again, this
18 is something that we've seen across the DHS system.
19 Non-profit organization holds the DHS contract,
20 subcontracts out work to for-profit entities, where
21 leaders from the non-profit are officers of the for-
22 profit entity and getting paid, again, on the
23 maintenance or security or other subcontracting work
24 that's involved in the shelter system. It's
25 disgraceful. The best way to effectively monitor

2 contracting issues - let me just say, Speaker Menin's
3 legislation would ensure that subcontractors cannot
4 be used as a loophole around our contracting review
5 and compliance standards.

6 The best way to effectively monitor
7 contracting issues is through increased transparency.
8 Council Member Won's proposed legislation will do
9 just that. PASSPort Public, under the Adams
10 Administration, was a positive step that enhanced the
11 public's access to City procurement transactions, and
12 through this legislation, we will be able to create a
13 comprehensive database of City procurements that is
14 easily searchable and accessible to all.

15 The three pre-considered bills before us
16 today take critical steps to close loopholes in our
17 emergency procurement process so that, regardless of
18 who is in charge at City Hall, New Yorkers can trust
19 that there will be accountability, transparency, and
20 integrity in City contracts. While there was
21 widespread corruption in the Adams Administration, I
22 am confident that the Mamdani team is committed to
23 returning integrity to our government and instilling
24 confidence in the fairness of our contracting
25 process. I look forward to working with the new

2 Administration and Director Yu to address past abuses
3 of emergency contracting powers and ensure we have
4 laws and systems in place to prevent future
5 corruption.

6 Before we begin, I just want to recognize
7 the Contracts Committee Staff for their tremendous
8 work preparing for this hearing on short notice. I
9 have been really impressed by the team so far. Senior
10 Counsel Alex Paulenoff, who has deep experience on
11 the Committee; Policy Analyst Alex Yablon; Financial
12 Analyst Spencer Kuhn; and we somehow got our old
13 Committee Counsel from GovOps, Johari Frasier, to
14 follow us to contracts, which is a coup for this
15 Committee. Lastly, I just want to thank my Chief-of-
16 Staff, Molly Haley, who is the most brilliant person
17 I know, and I am very, very, very lucky to have her
18 as my partner in this work.

19 Council Member Wan is not able to be with
20 us today, but we really appreciate her leadership.

21 I'll now turn it over to the Committee
22 Counsel to administer the oath.

23 COMMITTEE COUNSEL PAULENOFF: Good
24 morning. Alex Paulenoff, Senior Counsel.

2 Will all members of the Administration
3 testifying today please raise your right hands?

4 Do you swear or affirm to tell the truth,
5 the whole truth, and nothing but the truth in your
6 testimony today and to respond honestly to Council
7 Member questions?

8 CHIEF PROCUREMENT OFFICER YU: I do.

9 COMMITTEE COUNSEL PAULENOFF: You may
10 begin when ready. Thanks.

11 CHIEF PROCUREMENT OFFICER YU: Speaker
12 Menin, Contracts Chair Restler, Council Member
13 Brewer, and Council Member Hanks, welcome. Thank you
14 for having me. I want to start by saying I have
15 prepared my remarks in my testimony based upon the
16 agenda that was given on the short notice, so I do
17 recognize that the introductory remarks gave mention
18 to the short notice of this hearing. I also want to
19 mention that my remarks and content will be forward-
20 looking, but I do really welcome the Council's
21 interest in procurement contracts and invoice
22 accountability, and I hope that this partnership can
23 be a fruitful one and one that we can continue
24 meaningfully in the months and years ahead as part of
25 Mamdani's new administration, as he calls a New Era.

2 So, with that, I'll turn over to my prepared
3 testimony.

4 So, good afternoon, Speaker Menin,
5 Contracts Chair Restler, and Members of the Contracts
6 Committee. My name is Kim Yu, and I'm the Director of
7 the Mayor's Office of Contract Services, what we like
8 to call MOCS, and I'm also the City's Chief
9 Procurement Officer. Thank you for the opportunity to
10 testify today, and on the three bills related to
11 procurement transparency, emergency contracting, and
12 subcontractor reporting.

13 MOCS serves as the City's central
14 procurement agency and oversees a procurement system
15 that supports over 42 billion dollars in annual
16 contracting activity across 41 mayoral agencies. Our
17 mission is to ensure that City procurement is fair,
18 transparent, efficient, and aligned with the
19 Administration's priorities and accountability,
20 vendor equity, and the timely delivery of essential
21 services for New Yorkers. At MOCS, our top priority
22 remains strengthening the City's role as a reliable,
23 responsive partner, particularly to the non-profit
24 providers that deliver essential services and anchor
25 the well-being of our communities. In that spirit,

2 MOCS has made it a priority to work closely with
3 Council on the discretionary funding process,
4 including the Discretionary Grant Pilot. The
5 Discretionary Grant Pilot offers a new way of
6 engaging with small community-based organizations to
7 ensure that they are able to quickly receive funding
8 that enables the work they are already doing to
9 support New Yorkers. As the City's central
10 procurement agency, MOCS is committed to partnering
11 with Council and our pilot agency partners to
12 implement and responsibly expand the pilot to support
13 streamlined workflows for both providers and
14 agencies, resulting in faster, more reliable payments
15 to awardees.

16 Over the last several years, MOCS has
17 made significant progress in modernizing the City's
18 procurement infrastructure and strengthening
19 procurement governance across agencies. We've
20 continued to expand PASSPort as the City's end-to-end
21 procurement platform, enabling agencies to manage
22 solicitations, evaluations, awards, contracts,
23 amendments, and vendor performance in a single
24 system. We've also launched PASSPort Public to
25 provide greater public visibility into procurement

2 activity, and we continue to improve data quality,
3 reporting functionality, and system integration with
4 partner agencies.

5 In parallel, MOCS has worked closely with
6 agencies to improve procurement planning, reduce
7 contract backlogs, and strengthen vendor engagement.
8 Through tools like agency procurement plans, targeted
9 technical assistance, and centralized oversight of
10 high-risk procurements, we have helped agencies move
11 more efficiently from solicitation to award and
12 registration, while maintaining appropriate fiscal
13 and legal controls.

14 With respect to emergency contracting,
15 MOCS coordinates with agencies and relevant oversight
16 partners, as appropriate, to support timely
17 procurement while maintaining required controls.
18 Emergency Procurement Authority is generally used
19 when urgent circumstances require rapid action to
20 avoid disruption to critical operations or essential
21 services to protect life, safety, and property. When
22 agencies seek to use Emergency Procurement Authority,
23 MOCS may provide general guidance and support, as
24 appropriate, and coordinate with other City offices
25 as needed. We have also strengthened internal

2 controls around emergency contracting by
3 standardizing agency guidance, improving
4 documentation protocols, and reinforcing expectations
5 around post-award review and reporting. These
6 measures are intended to promote responsible,
7 transparent, and fiscally sound use of Emergency
8 Contracting Authority. Ensuring strong oversight and
9 accountability in emergency contracting is a shared
10 priority. MOCS remains committed to continuous
11 improvement in procurement oversight, transparency,
12 and inter-agency coordination, particularly in high-
13 risk or time-sensitive contracting contexts.

14 We appreciate Council's continued
15 engagement on procurement reform and welcome the
16 opportunity to share our perspective on the three
17 proposals before the Committee today. Intro. 0163-
18 2026, Emergency Procurements. This bill would amend
19 the City Charter to limit the term of an emergency
20 contract to no more than 30 days, permit renewals
21 only in additional 30-day increments subject to
22 approval by Comptroller and the Law Department, and
23 require emergency contracts to be submitted to the
24 Comptroller for audit within 15 days of execution.
25 MOCS recognizes the Council's interest in

2 strengthening oversight and accountability in
3 emergency contracting. Emergency procurements are an
4 extraordinary tool intended to ensure continuity of
5 critical services and rapid response in urgent and
6 unforeseen circumstances. At the same time, we have
7 significant operational concerns about the
8 constraints imposed by the bill. A rigid 30-day cap
9 on emergency contracts combined with mandatory
10 Comptroller and Law Department approval for each
11 renewal could substantially hinder agency's ability
12 to maintain continuity of essential services during
13 extended emergencies. Many emergency conditions, such
14 as prolonged shelter operations, infrastructure
15 stabilization, or public health responses, do not
16 resolve within a 30-day window and require sustained
17 contracted services. Additionally, the proposed 15-
18 day submission deadline for audit may not be feasible
19 in complex emergency scenarios where contract terms
20 are evolving, documentation is still being finalized,
21 or agencies are operating under a severe operational
22 strain. MOCS looks forward to working towards a
23 balanced path that strengthens reporting,
24 documentation, and post-award oversight of emergency
25 procurements without introducing administrative

2 bottlenecks that could delay urgent service delivery
3 or create legal and operational risk. We welcome the
4 opportunity to work with the Council on alternative
5 approaches that preserve flexibility in true
6 emergencies while enhancing transparency and
7 accountability.

8 Intro. 0164 of 2026, Subcontractor
9 Information and False Statements. This bill would
10 require contractors to maintain and report detailed
11 information on subcontractors. It would increase
12 existing criminal penalties and establish new
13 criminal penalties for providing false or misleading
14 information in connection with bidding on City
15 contracts. MOCS supports the goal of improving
16 transparency and accountability in subcontracting
17 practices, particularly as it relates to compliance
18 with subcontracting commitments. Ensuring accurate
19 and timely subcontractor reporting is critical to
20 effective oversight enforcement and vendor equity
21 outcomes. Over the last several years, MOCS has
22 expanded subcontractor reporting and management
23 functionality within PASSPort. The platform now
24 supports subcontractor onboarding through PASSPort
25 account creation, subcontract approval workflows,

2 subcontractor payment validation, and enhanced data
3 collection around subcontracting activity. These
4 tools allow agencies to better monitor subcontractor
5 utilization and help ensure that subcontracting
6 commitments made at award are reflected in actual
7 performance. MOCS has also strengthened data
8 governance and compliance protocols related to
9 subcontractor reporting, including validation
10 requirements, documentation standards, and
11 coordination with agency ACOs and program staff.
12 These efforts are designed to improve data accuracy,
13 support enforcement where needed, and reduce
14 administrative burden on vendors, particularly small
15 businesses. We agree with the intent of this bill to
16 deter false or misleading subcontractor reporting and
17 to promote greater transparency in contracting. At
18 the same time, the bill would expand reporting and
19 compliance obligations for both vendors and agencies
20 and would require additional systems development,
21 data validation processes, and enforcement protocols.
22 Moreover, the Law Department is still reviewing the
23 bill for potential legal issues. As with other
24 procurement reforms, any new subcontractor reporting
25 requirements should be carefully calibrated to align

2 with existing PASSPort functionality, avoid
3 duplicative reporting, and minimize unintended
4 impacts on small businesses. We welcome continued
5 dialogue with the Council to refine this proposal in
6 a way that strengthens subcontractor transparency and
7 accountability while building on the City's current
8 systems and enforcement frameworks.

9 Intro 0156-2026, Procurement Database.

10 This bill would require the City to create and
11 maintain a public-facing procurement interface that
12 aggregates information across the contracting
13 lifecycle, including solicitations, awards,
14 contracts, amendments, expenditures, subcontractors,
15 and related performance data. MOCS currently operates
16 the City's centralized procurement platform,
17 PASSPort, which serves as the backbone of the City's
18 contracting system. PASSPort is the primary tool used
19 by agencies and vendors to manage procurements from
20 solicitation through registration and post-award
21 contract administration. Since its launch, MOCS has
22 expanded PASSPort through a series of phased releases
23 that introduced end-to-end procurement functionality,
24 integrated vendor management, and post-registration
25 features such as invoicing and payments. In 2024, the

2 City completed the migration of human service
3 contracts from HHS Accelerator into PASSPort,
4 bringing more than 15,000 contracts and 30,000
5 budgets into a single system and consolidating human
6 services, goods, and services contracting into one
7 platform. MOCS has also built out subcontractor
8 management and payment capabilities, introduced a
9 centralized document repository through PASSPort
10 Vault, and continues to enhance the system based on
11 regular feedback from agencies and vendors. These
12 efforts are aimed at strengthening usability,
13 consistency, and transparency across the procurement
14 process. To expand access to procurement data for
15 both internal and external stakeholders, MOCS
16 recently launched a new set of reporting tools. MOCS
17 Stat 1.0 is a Power BI application for agency
18 leadership and chief financial officers that provides
19 daily refreshed dashboards on invoice volumes,
20 processing times, aged invoices, budget activity, and
21 advance and recruitment trends. In parallel, MOCS has
22 launched a new vendor reporting module in PASSPort,
23 which gives vendors and agencies access to
24 standardized reports on invoices, contract budgets,
25 advances and recruitments, and solicitation activity

2 with additional reports under development. To
3 complement these internal and vendor-facing
4 improvements, MOCS also operates PASSPort Public and
5 PASSPort Navigator, which provides public access to
6 procurement information across multiple stages of the
7 contracting lifecycle. PASSPort Public offers
8 searchable records, data visualizations, and
9 downloadable datasets that allow the public, vendors,
10 and oversight entities to better understand City
11 procurement activity. MOCS supports the objective of
12 improving transparency and accessibility in
13 procurement. At the same time, much of the
14 information contemplated by this bill is already
15 publicly available through PASSPort Public, Checkbook
16 NYC, and existing agency disclosures or is being
17 actively delivered through new reporting tools and
18 system enhancements. We welcome continued dialogue
19 with the Council on how best to further strengthen
20 procurement transparency. Any new public-facing
21 interface should be aligned with existing PASSPort
22 functionality, current data governance standards, and
23 ongoing modernization efforts. It is also important
24 to preserve the flexibility needed for agile software
25 development so that the City can continue to iterate

2 and improve systems without being constrained by
3 inflexible or overly detailed legal requirements.

4 In conclusion, MOCS appreciates the
5 Council's focus on procurement transparency,
6 accountability, and vendor equity. We share these
7 goals and remain committed to advancing a procurement
8 system that is fair, efficient, and responsive to the
9 needs of New Yorkers. At the same time, we believe it
10 is essential that any new legislative mandates be
11 grounded in operational realities aligned with
12 existing systems and structured to preserve the
13 City's ability to deliver critical services,
14 particularly in emergency contexts. We look forward
15 to continuing to work collaboratively with the
16 Committee on Contracts as these bills move forward
17 and welcome further dialogue.

18 Thank you for the opportunity to testify.
19 I'm happy to answer any questions.

20 CHAIRPERSON RESTLER: Thank you so much,
21 Director Yu, and I'm going to turn it over to my
22 Colleagues for questions first, but I'll just start
23 with a brief statement.

24 I very much agree with your sentiment
25 that new legislative mandates have to be "grounded in

2 operational realities and aligned with existing
3 systems." I think that we struggled in the previous
4 Administration where people would fail to show up at
5 hearings. We wouldn't get responses from agencies
6 about legislation that we were pursuing. The
7 Legislative Affairs Division was non-existent, and so
8 we couldn't negotiate bills. We couldn't build on
9 existing realities. We just had to put forward the
10 best ideas we could to try to make government work
11 better in a very challenging landscape, and so I'm
12 very hopeful as this is my first hearing. It's the
13 beginning of a new Council. I think today's our first
14 day of hearings. Is that right? So, this is the
15 beginning of a new era for us with a new
16 Administration where we really hope and expect to
17 work collaboratively to solve problems together, and
18 so I hope that in advancing this package of
19 legislation, we'll be able to find those compromises
20 and really build off of the existing realities to
21 pass smart bills that advance transparency and
22 accountability and fairness in our contracting
23 system.

24 I think we have a few folks that are
25 interested. Oh, I failed to recognize Brooklyn's own

2 Council Member Inna Vernikov. Good to have you here
3 on the Contracts Committee. Council Member Vernikov
4 and I served together on GovOp, so we're happy to
5 have you.

6 Council Member Brewer and Majority Whip
7 Hanks would like to ask some questions. We'll start
8 with the Majority Whip and then go to Council Member
9 Brewer.

10 MAJORITY WHIP HANKS: Thank you so much,
11 Chair, and thank you so much for your testimony.

12 In my previous life running a not-for-
13 profit, I know the importance of the MOCS system and
14 ensuring payments are timely, but my question is
15 going to be more about the subcontractor oversight.
16 Former Comptroller Lander found that only a fraction
17 of emergency contacts had approved subcontractors
18 recorded in the City Payee Information Portal. One of
19 the bills we're hearing today would require detailed
20 subcontractor information to be maintained in the
21 City's contract database. What systems currently
22 exist for tracking subcontractor information?

23 CHIEF PROCUREMENT OFFICER YU: Thank you
24 for the question, Council Member Hanks, and thank you
25 for your previous experience serving non-profits.

2 It's certainly a very vital lived experience that
3 gets brought forward in the work that it certainly
4 adds to the work.

5 So, I'm familiar with the Comptroller
6 report that you are referencing. I actually can
7 visualize the bulleted list that I believe
8 Comptroller Lander also relied upon to draw the data
9 to write the analysis and then produce a set of
10 recommendations upon. I believe he referenced PIP,
11 the Payee Information Portal, HHS Accelerator, which
12 refers to the Health and Human Services Accelerator
13 system that was previously sunset under the prior
14 Administration, and then we also have FMS, the City's
15 Financial Management Services, that is overseen by
16 FISA, and then we also, as I testified to, we have
17 PASSPort.

18 MAJORITY WHIP HANKS: Thank you so much.

19 Are there safeguards to prevent a prime
20 contractor from being reimbursed prior to paying a
21 subcontractor?

22 CHIEF PROCUREMENT OFFICER YU: Council
23 Member, will you flesh out the question a little bit
24 more for me?

2 MAJORITY WHIP HANKS: So, the line of
3 questioning was that we're talking about are
4 subcontractors currently required to meet the same
5 responsibility standards as prime contractors? And
6 further, how does the City verify that prime
7 contractors are paying subcontractors appropriately?
8 I mean, I feel like this is a question of
9 accountability and figuring out whether we are
10 keeping track of how contractors, subcontractors are
11 being paid and in which time, and how do we verify
12 that?

13 CHIEF PROCUREMENT OFFICER YU: Thank you
14 for clarifying.

15 So, Council Member, I'll start by saying
16 that, as we always like to start when it comes to,
17 from the City contracting perspective, the City is in
18 the primary contractual relationship with the prime
19 contractor, and then that prime contractor is then in
20 the relationship with the subcontractor. So, the
21 City's primary relationship privity of contract is
22 with that first relationship, that first vendor, and
23 then there are PPB rules that govern the process of
24 how those subcontractors are identified, submit
25 themselves into the City systems that we just spoke

2 about. And then that enables transparency to see if
3 the approval, the payment, and then the reporting
4 capabilities. I'll also say that while the City has a
5 general process, it would be remiss of me to not
6 mention, because it has been often reported and
7 included, it's been reported by Comptroller Lander,
8 that the DHS portfolio of contracts has a different
9 process, and they have a slightly more rigorous
10 process that they treat their subcontractors. So, in
11 that, all that explanation, I'm not sure if I got to
12 your, got to...

13 MAJORITY WHIP HANKS: We'll get there.

14 CHIEF PROCUREMENT OFFICER YU: Okay. Go
15 ahead. I'm so sorry.

16 MAJORITY WHIP HANKS: So, I think that's
17 probably half of the issue. So, one of the bills that
18 are being heard today requires prime contractors to
19 provide additional information on contractors prior
20 to the subcontractor approval. Would this information
21 better help agencies understand the subcontractors
22 they have to approve and more easily track the
23 subcontractor performance?

24 CHIEF PROCUREMENT OFFICER YU: So, in
25 general, we support the spirit of the bill and the

2 overall goals of expanding reporting and compliance
3 obligations for both the vendors and the agencies.

4 However, we would just like to further have more
5 conversations as we develop the systems to enable the
6 legislation.

7 MAJORITY WHIP HANKS: That's fair, and we
8 look forward to working with you to do that.

9 Thank you so much for answering my
10 questions.

11 CHIEF PROCUREMENT OFFICER YU: Thank you.

12 COUNCIL MEMBER BREWER: Thank you. Go
13 ahead.

14 CHAIRPERSON RESTLER: No, I was going to
15 just turn it to you.

16 COUNCIL MEMBER BREWER: Okay. Thank you,
17 Chairman. We joke. We weren't going to get into jokes
18 right now.

19 CHAIRPERSON RESTLER: Mostly joke.

20 COUNCIL MEMBER BREWER: Yeah, mostly joke.

21 So, anyway, thank you for your testimony.

22 I guess I was Borough President during COVID, and I
23 was around for DocGo. And I have to say, under COVID,
24 I mean, I personally was helping EDC find masks. I
25 was calling Nevada. I was calling North Dakota. We

2 couldn't find a mask. But that should not hopefully
3 happen again. Whatever, we should be planning for
4 another emergency. And then along came the migrants,
5 which I wish there were more of them, but that's
6 another whole story. The issue there though was
7 DocGo. We had hearings. They're horrible. They were,
8 the food was lousy. The security was lousy.
9 Everything about them was lousy. And, of course, I
10 said that into the microphone every day. So, my
11 question is, you know, given this COVID experience,
12 asylum experience, and there were other, I'm sure,
13 emergency contracts, I have to say COVID made a
14 little bit more sense to me because we didn't have
15 any of the tools needed to save people's lives,
16 literally. I could go on the list. Whereas with the
17 migrants, we had the tool, we didn't have enough. It
18 wasn't like we hadn't had people who were homeless
19 before. But I don't understand in this new
20 Administration, how is it going to be different?
21 Because this DocGo, they still have other contracts
22 that I don't think they should even have now, but how
23 is it that that contract went on for a long time and
24 how will it be different? Obviously, if this bill
25 passes, it'll be very different. But in your eyes,

2 how could it be different in terms of emergency
3 procurement into the future? Some God-awful emergency
4 is going to show up, and so what are we doing to
5 prepare for that? Whether it's 30 days, 60 days, and
6 also not these contracts that go on forever that
7 aren't even relevant to the context with which
8 they're supposed to be taking care of the problem.
9 So, that DocGo was a bad, bad situation. So, how does
10 it look for the future from your perspective? How can
11 we change it?

12 CHIEF PROCUREMENT OFFICER YU: Council
13 Member, thank you so much. And thank you, as I
14 mentioned during Council Member Hanks, thank you for
15 bringing forward your past experience into the
16 conversation.

17 COUNCIL MEMBER BREWER: I can go on.

18 CHIEF PROCUREMENT OFFICER YU: Sure.

19 Please.

20 COUNCIL MEMBER BREWER: Go ahead.

21 CHIEF PROCUREMENT OFFICER YU: All right.

22 So, Council Member, as you mentioned, the City's
23 ability to step up and lead and provide the services
24 that New Yorkers need during a time of emergency is
25 really the heart of the matter at MOCS. The

2 procurement tools, the toolbox, emergency contract is
3 one of those tools. The other tools are citywide
4 contracts, master contracts, the expansion of P-card
5 usage, things that were brought forward, not just in
6 times of the asylum seekers or the pandemic. I'm
7 thinking back to Hurricane Sandy, even the emergency
8 of 9/11. So, preserving those sets of tools and using
9 those tools very well is something that requires City
10 leadership accountability, and I really look forward,
11 as I mentioned, to working with this Council to
12 having more conversations about lessons learned and
13 proactive steps in the future.

14 COUNCIL MEMBER BREWER: But do you have
15 any suggestions about how, or maybe you looked at
16 other cities or other states as to how they deal with
17 emergency contracts? Because I agree with the Speaker
18 that it shouldn't go on forever. It did with DocGo.
19 Maybe we have to do some preliminary work so that we
20 think about the hurricane or the storm or whatever,
21 and we're ready to have a correct application for the
22 contract. I don't know, but it didn't work. So, the
23 question is, what are we thinking about in the future
24 for emergency procurement? With all due respect, you
25 didn't really answer the question.

2 CHIEF PROCUREMENT OFFICER YU: Well,
3 Council Member, let me give it another try.

4 COUNCIL MEMBER BREWER: Okay.

5 CHIEF PROCUREMENT OFFICER YU: All right.
6 So, Council Member, I want to not have policy
7 conversations based on outliers...

8 COUNCIL MEMBER BREWER: Okay.

9 CHIEF PROCUREMENT OFFICER YU: Right, and
10 I also want to separate out the emergencies that I
11 just listed off in reference. Those are citywide
12 emergencies. For the most part, emergency contracts,
13 when we look at the data and we look at it fiscal
14 year to fiscal year, the main use of the emergency
15 contract is when we have a destabilized building, for
16 instance, and Department of Building goes in, they do
17 their inspection, and they say, this is not a safe
18 building any longer. HPD, we've got to declare an
19 emergency, and we've got to let out an emergency
20 contract.

21 COUNCIL MEMBER BREWER: So they can order
22 and do a demolition. Right.

23 CHIEF PROCUREMENT OFFICER YU: Exactly.
24 Exactly. Right. You are all familiar.

2 COUNCIL MEMBER BREWER: They do it all the
3 time.

4 CHIEF PROCUREMENT OFFICER YU: Yes. And
5 the length of those contracts, as you can imagine,
6 are more than 30 days, because it takes time to come
7 in to inspect, to see what's required to stabilize,
8 to have them stabilize, and then sign off that the
9 building is ready to be turned back over.

10 COUNCIL MEMBER BREWER: Okay. So, you're
11 saying that, all right, I mean, I guess what I'm
12 saying a little bit differently, in that case, I
13 assume there could be a fast decision by the
14 Comptroller and anybody else to say more time is
15 needed to take care of the inspection and the
16 demolition and so on and so forth. I mean, that does
17 seem possible. I am more concerned, as you suggest,
18 with some of these larger crises. A building, I
19 understand, but, I mean, DocGo went on forever, and
20 why? Do you have any, I don't know if you were around
21 during that horror.

22 CHIEF PROCUREMENT OFFICER YU: I have to
23 admit that that's something that I would have to take
24 back and come back around.

2 COUNCIL MEMBER BREWER: Tell them it was
3 horrible and they should get rid of them completely.
4 I'm just saying, I don't think we yet, but we can
5 keep working on the emergency contracts have a way
6 that, God forbid, something else like a hurricane
7 and, you know, happens in the city and that would be
8 a problem.

9 The other question would be the penalties
10 that do exist. The Speaker felt that they have
11 basically cost of doing business. Do you feel the
12 same way or do you think that those current for those
13 that are providing infraction for whatever reason
14 that they are sufficient or do you think they should
15 be higher in terms of penalties?

16 CHIEF PROCUREMENT OFFICER YU: Council
17 Member, would you indulge me? What penalties are you
18 referring to?

19 COUNCIL MEMBER BREWER: The Speaker was
20 talking about penalties for contractors and
21 subcontractors that, you know, break the rules. In
22 other words, they do, they're supposed to get fined.
23 Do you feel that's a sufficient amount of money or do
24 you think it's okay what the current status is?

2 CHIEF PROCUREMENT OFFICER YU: I would
3 welcome a further conversation to understand more
4 what she was referring to before I would reply to
5 that.

6 COUNCIL MEMBER BREWER: Okay.

7 And then there's some audit by KPMG
8 around emergency spending. Do you know when it'll be
9 completed? Do you know about it? What's going to
10 happen with that material?

11 CHIEF PROCUREMENT OFFICER YU: I can't say
12 that I know about that. I would love to see it when
13 it's finalized.

14 COUNCIL MEMBER BREWER: So, it does exist?
15 Is there an audit? Or you don't know?

16 CHIEF PROCUREMENT OFFICER YU: I don't
17 know.

18 COUNCIL MEMBER BREWER: Okay. Go ahead.

19 CHAIRPERSON RESTLER: Thank you very much,
20 Council Member Brewer. We will pass it over to
21 Council Member Vernikov, and then I will dig in.

22 COUNCIL MEMBER VERNIKOV: Thank you,
23 Chair.

24 Thank you for testifying here today. Just
25 a few questions. Regarding the breakdown of the

2 overall 42 billion, can you talk a little bit about
3 how much of that is related to emergency contracts,
4 if you know?

5 CHIEF PROCUREMENT OFFICER YU: I certainly
6 don't know readily, but I can circle back to you on
7 that.

8 COUNCIL MEMBER VERNIKOV: Okay, yeah, that
9 would be great.

10 And then do you know about
11 subcontractors? Same question, just subcontractors.

12 CHIEF PROCUREMENT OFFICER YU: So
13 generally speaking, that 42 billion is for the prime
14 contractors.

15 COUNCIL MEMBER VERNIKOV: Okay.

16 CHIEF PROCUREMENT OFFICER YU: Yes.

17 COUNCIL MEMBER VERNIKOV: And then can you
18 talk a little bit about how the passage of these
19 bills would improve fiscal discipline of the City, if
20 you believe they would?

21 CHIEF PROCUREMENT OFFICER YU: Thank you,
22 Council Member, for the question. So, I'll go through
23 them one at a time, if that's okay, and I can give
24 you my high-level feedback and then happy to dig in
25 further.

2 COUNCIL MEMBER VERNIKOV: Sure. Okay.
3 Thank you.

4 CHIEF PROCUREMENT OFFICER YU: Okay. So,
5 I'll just start at the top. So, 016, to amend
6 Administrative Code to mandate a public procurement
7 interface. We have seen prior versions of this bill.
8 They've been introduced since 2016, and most recently
9 in 2024. So overall, as I mentioned in the testimony,
10 much of this information is already readily available
11 on public-facing databases, such as PASSPort,
12 PASSPort Public, PASSPort Navigator, the
13 Comptroller's Checkbook, and so any new
14 legislatively-required publicly-facing interface
15 should be aligned with those existing systems from a
16 functionality perspective, from a data governance
17 perspective, and just to keep in line with what's
18 modern. So that's the first of the three.

19 And then the second Speaker's bill on
20 emergency contracting, limiting emergency contracts
21 to 30 days, requiring Comptroller and Law Department
22 approval for any 30-day renewal. We have not seen
23 this previously introduced, and as I mentioned in the
24 testimony, I appreciate, MOCS appreciates, the
25 Administration appreciates very much the Council's

2 interest in this piece of legislation, but we do have
3 some significant concerns about the constraints that
4 it would impose to the emergency contracting process.

5 COUNCIL MEMBER VERNIKOV: I'm sorry. Can
6 you just expound on the concerns, if you don't mind?

7 CHIEF PROCUREMENT OFFICER YU: As I was
8 mentioning when I was doing the question and answer
9 with Council Member Brewer, the main usage of the
10 emergency contract tool is when the City is
11 encountering a situation with a compromised building.
12 The building isn't safe, it's not safe for people to
13 walk in, to stay in there, and so the City Department
14 of Buildings will make the decision that they've got
15 to secure the location, and they'll say that it has
16 to come down, there has to be a demolition. Those
17 situations require more than 30 days. So, if we were
18 to put this time constraint on that type of
19 situation, it would add process, add time, it would
20 also add a Law Department review and approval, their
21 time and efforts, their cost, the Comptroller's
22 review time, the Comptroller needing to expend
23 resources to achieve the emergency contracting
24 method.

2 COUNCIL MEMBER VERNIKOV: Okay.

3 Understood. Thank you.

4 CHIEF PROCUREMENT OFFICER YU: Okay. Do
5 you want me to round out and finish?

6 COUNCIL MEMBER VERNIKOV: Yes, please.

7 CHIEF PROCUREMENT OFFICER YU: Sure, okay.

8 And then the third of the three bills that are the
9 subject of today's hearing, increased penalties for
10 false statements by contractors, adding penalties in
11 relation to information provided for subcontractor
12 approval. It was previously introduced, but this is
13 the we're having a hearing on it, so MOCS supports
14 the overall goal, but we have some concerns about the
15 expanded reporting and compliance obligations for
16 vendors and agencies that may require further system
17 development.

18 COUNCIL MEMBER VERNIKOV: Understood. It
19 sounds like we need to work together to make it. I
20 look forward to that.

21 CHIEF PROCUREMENT OFFICER YU: Thank you.

22 COUNCIL MEMBER VERNIKOV: Thank you.

23 CHAIRPERSON RESTLER: Great. Thank you
24 very much to my Colleagues for their thoughtful
25 questions, and we have prepared a healthy number of

2 questions today, so we'll see how time elapses. But,
3 you know, as we've discussed at some length, we've
4 just seen this extraordinary increase in emergency
5 contracting from COVID to the asylum seeker crisis,
6 and while emergency contracting is of course a
7 necessary mechanism, you know, Mayor Adams issued an
8 executive order every five days for four years
9 without any attempt to come up with a new long-term
10 plan. Emergencies shouldn't last for four years.
11 Indeed, they're no longer emergencies at that point,
12 but this resulted in 763 emergency contracts totaling
13 5.9 billion dollars during the course of the Adams
14 Administration, and I appreciate very much that Mayor
15 Mamdani has ordered agencies to develop a phase-out
16 plan over the course of the less than next month, and
17 just in light of these recent kind of long-term
18 quote-unquote, I'm going to do the air quotes on
19 emergencies, has MOCS conducted any review of how our
20 emergency contracting processes can be improved?

21 CHIEF PROCUREMENT OFFICER YU: For this
22 calendar year, no.

23 CHAIRPERSON RESTLER: For this calendar,
24 well, just, we've seen a phenomenal increase in
25 emergency contracts over the last number of years.

2 I'm not asking if you've conducted a review in the
3 last two weeks. I'm asking if you've looked back at
4 the increase in emergency contracts being as
5 significant as they are, have you conducted any
6 review, and I think Council Member Brewer's getting
7 at the same point, for how emergency contracting
8 process can be improved?

9 CHIEF PROCUREMENT OFFICER YU: MOCS has
10 not, but we would welcome your partnership in doing
11 something like that.

12 CHAIRPERSON RESTLER: Okay. Do you want to
13 offer any policy suggestions today for us to consider
14 for how we can try to improve our emergency
15 contracting process and perhaps reduce our dependence
16 on these contracts?

17 CHIEF PROCUREMENT OFFICER YU: I'm happy
18 to have some further conversations offline, not
19 during the hearing.

20 CHAIRPERSON RESTLER: In Fiscal Year 2025,
21 previous fiscal year, the City processed more
22 emergency contract modifications than in any other
23 period of the Adams Administration, 1,325
24 modifications, according to a Comptroller report.
25 When the City issues emergency contracts, is there a

2 system in place to flag if this is going to be
3 longer-term work that should be transitioned to a new
4 contract under alternative sourcing or procurement
5 models? How does MOCS Facilitator track the
6 transition of emergency contracts?

7 CHIEF PROCUREMENT OFFICER YU: I'm going
8 to take a step back and just sort of explain that the
9 emergency contracting tool, as we all agree, is a
10 tool that is to be used judiciously.

11 CHAIRPERSON RESTLER: But it hasn't been,
12 right? It should be. I think what you're saying is it
13 should be, but it hasn't been.

14 CHIEF PROCUREMENT OFFICER YU: Yes.

15 CHAIRPERSON RESTLER: That's why we're
16 having the hearing.

17 CHIEF PROCUREMENT OFFICER YU: Well, I'm
18 happy to have that kind of a hearing at a different
19 time and just, as I mentioned at the top during the
20 preamble, I was really focused on the content of the
21 proposed legislation, but I'm happy... (CROSS-TALK)

22 CHAIRPERSON RESTLER: Isn't that the
23 substance of the legislation?

24 CHIEF PROCUREMENT OFFICER YU: Not so
25 much.

2 CHAIRPERSON RESTLER: Okay. That was my
3 read, certainly on Council Member Menin's
4 legislation, but go ahead, as you were saying.

5 CHIEF PROCUREMENT OFFICER YU: I'm happy
6 to sort of take all these back and have a further
7 follow-up conversation. I would welcome it, truly.

8 CHAIRPERSON RESTLER: Okay. When there's a
9 mod on an emergency contract, as there were 1,325
10 mods on emergency contracts last fiscal year, does
11 MOCS review that mod?

12 CHIEF PROCUREMENT OFFICER YU: No, we do
13 not. Under the Charter, under the PPP rules, we do
14 not.

15 CHAIRPERSON RESTLER: Should it?

16 CHIEF PROCUREMENT OFFICER YU: I will say
17 that it is the agencies who are first on the line in
18 working through the situation that is calling for the
19 need for an emergency contract. Certainly, MOCS has
20 an advisory role. We are here, we are available, but
21 legally we do not have a formal role in that.

22 CHAIRPERSON RESTLER: Right, but should
23 MOCS have a role in reviewing the 1,325 mods that
24 happened on emergency contracts last fiscal year?

2 CHIEF PROCUREMENT OFFICER YU: I would
3 welcome a conversation about it. I would say that the
4 emergency contracting laws and rules that are in
5 place in the Charter, in the PPB rules, and even in
6 the State General Municipal Law, they've withstood
7 the test of time and they're battle-tested, and
8 there's a certain amount of rigor that is applied
9 when emergency contracts go through the process
10 that's outlined in the law. They go through the
11 Comptroller review and approval, they go through the
12 Law Department approval and review, and then the
13 Comptroller ultimately registers those contracts.

14 CHAIRPERSON RESTLER: Right. I mean, I
15 hear you. You know, I would certainly say if we're
16 talking about, we wouldn't be having this hearing
17 today on these topics if the preponderance of
18 emergency contracts were around demolitions, right?
19 The reason we're having this hearing is because the
20 Adams Administration spent nearly 6 billion dollars
21 through emergency procurements for years on end
22 without any competitive process, without any
23 meaningful, thoughtful oversight, except for
24 Comptroller review. And even when the Comptroller
25 rejected contracts or refused to comply, the Adams

2 Administration went right ahead anyway, which may or
3 may not be legal. So, you know, if there isn't a
4 formal review of the mods that are happening on
5 emergency contracts, are you tracking these
6 modifications on emergency contracts? Like, is MOCS
7 aware of what's happening on emergency contracts?
8 Like, help me understand how you see your role in
9 this, even if there isn't a crisp Charter mandate
10 that MOCS is approving it.

11 CHIEF PROCUREMENT OFFICER YU: So, Council
12 Member, just to sort of respond to the first part. In
13 the reference to the contracts that have been
14 mentioned throughout the hearing, by the Speaker, by
15 Council Member Brewer, by yourself, as I bucketed,
16 those are outliers, and they were also contracts that
17 were entered into, and I'm not, excuse me, these were
18 contracts that were entered into in extraordinary
19 times, the asylum seeker crisis, and they were also
20 entered into and had the blessings of those who were
21 in the highest levels of government, Mayor Adams,
22 Comptroller Lander, Corporation Counsel. And if there
23 is truly a desire to look into those contracts, and,
24 you know, I am very eager to understand what Council
25 Member Brewer referenced as the KPMG audit in that

2 report. Let's dig into that, and let's do that, not,
3 you know, like, during the form of a hearing that was
4 very short noticed, as Council Member Restler, you
5 mentioned at the top.

6 Having said that, MOCS does receive, as
7 an informed oversight, as it does on many contracts,
8 notice of emergency contracts when they're first
9 entered into, and then also amendments on emergency
10 contracts. And also, in our relationships with the
11 agencies, and their overall performance on
12 procurements, and how they're planning their
13 contracts, we maintain those steady weekly check-ins
14 and engagements, and ask them how they're doing on
15 all their contracts, emergency contracts included.

16 CHAIRPERSON RESTLER: Okay. So, you are
17 notified, you are aware, you do check in with
18 agencies on it. Do you work with those agencies to
19 then transition those emergency contracts to standard
20 procurements?

21 CHIEF PROCUREMENT OFFICER YU: Yes.

22 CHAIRPERSON RESTLER: Is there a record or
23 progress to show over these past four years of having
24 done that successfully, just considering, again, the
25

2 phenomenal scale of emergency procurements that we
3 saw from COVID to the asylum seeker crisis?

4 CHIEF PROCUREMENT OFFICER YU: It's
5 something that we can certainly circle back on.

6 CHAIRPERSON RESTLER: Okay. That would be
7 helpful, because if that is occurring, it would be
8 good to know. I didn't have any indication of that in
9 advance of this hearing.

10 And just for awareness, are you able to
11 share with us, like, how many emergency contracts
12 relating to the asylum seeker crisis are still
13 active?

14 CHIEF PROCUREMENT OFFICER YU: I certainly
15 have some data prepared, Council Member, but to be
16 very precise about the data, I'd want to circle back.

17 CHAIRPERSON RESTLER: Okay. We will
18 definitely seek that information in writing.

19 You know, my understanding is that, in
20 addition to the mega site in the South Bronx on
21 Bruckner, there's still approximately 150 migrant
22 hotels that are operating, housing approximately
23 30,000 individuals. That was at least as of November,
24 significantly down from the peak, but still a healthy
25 number of people.

2 Is there a... well, I'll wait for the
3 Mamdani plan later this month or next month for how
4 we're transitioning some of these contracts.

5 I wanted to ask about 30-day duration,
6 and then I'm going to pass it to, let me just finish
7 on this bill, and then I'll pass it to Council Member
8 Gennaro, and then I'll come back on the other bills.

9 So, 30-day duration. Proposed legislation
10 on emergency contract duration would limit emergency
11 contracts to 30-day terms with renewals requiring the
12 approval from both the Comptroller and Corp Counsel.
13 Could you share any insight on, like, a typical term
14 of an emergency contract, a range? Do you maintain
15 the data on emergency contracts for, kind of, what is
16 a standard length? It totally varies case by case.
17 Any insight you can share, just so we have a sense as
18 a Council of what, how 30 days compares and
19 contrasts.

20 CHIEF PROCUREMENT OFFICER YU: We
21 certainly have metrics, and now that I have some
22 insight into your thinking and what the question is,
23 I'm happy to take that back. I don't want to provide
24 data that I have that it might not be directly
25 responsive to what you're asking, Council Member.

2 CHAIRPERSON RESTLER: Okay.

3 And what's the typical time frame
4 currently required to process an emergency contract
5 and to process a renewal, just to understand that 15-
6 day time frame.

7 CHIEF PROCUREMENT OFFICER YU: What would
8 you count as process? That may help, and if you don't
9 know, you can certainly...

10 CHAIRPERSON RESTLER: No. I mean, I think
11 it's from the time that, I guess you would consider
12 when it appears in FMS as the conclusion, so the
13 start point, I imagine, is, you know, when Law
14 Department and the Comptroller's Office begin their
15 review, or you tell me, what's the right start point
16 on it?

17 CHIEF PROCUREMENT OFFICER YU: So, maybe
18 if I could do a little bit of storytelling about the
19 process of emergency contract, and let me use, let's
20 say, the most frequent, the DOB example of an unsafe
21 building that DOB has declared in need of an
22 emergency declaration, and then they will refer that
23 over to their sister agency, HPD. The first step
24 would be seeking that there is an emergency
25 situation, and the Law Department and the

2 Comptroller's Office have to agree and approve that
3 such a circumstance exists. And under the PPB, I
4 don't know if I'll quote it exactly, but the
5 emergency condition exists if there is a threat to
6 life, safety, person, or property. And so you can
7 imagine, using that standard, the Law Department and
8 the Comptroller's Office, depending on the severity
9 of the emergency or the exigency of the
10 circumstances, they may turn around, yes, that is an
11 emergency situation within minutes. Or they may say
12 that this needs a little bit more time and
13 deliberation, and the prior approval, as it's called
14 in the law, is not given in the minutes, but maybe
15 it's given in a few days, maybe a week, and it would
16 really depend upon the emergency. So, after an agency
17 is able to obtain prior approval by both the Law
18 Department and the Comptroller's Office, the agency
19 effectively has the go-ahead to do an emergency
20 procurement, which means that they can do a
21 streamlined procurement process. They can do
22 something as simply picking up the phone and calling
23 a vendor that they know is competent, qualified, and
24 will be responsible to receive that City contract.
25 And because of the emergency powers that exist in the

2 law, that vendor, once it's selected by the agency,
3 has the go-ahead to do that work and effectively has
4 an emergency contract with the City of New York,
5 despite the fact that it has not been registered by
6 the Comptroller's Office and does not show up in FMS.
7 But the reality is, for an emergency contract to be
8 paid, it does have to show up in FMS, as you
9 mentioned, Council Member. And so the time that it
10 will take for the documentation to be produced and
11 for it to get to the Comptroller's Office for review
12 and registration will really vary on the
13 circumstances. And I'm happy to flesh out what some
14 of the examples are and the metrics are that roll up
15 into that very general process I just described.

16 CHAIRPERSON RESTLER: Okay. What I'm
17 trying to get at is a 30-day renewal. If we're
18 looking at average, if we're looking at metrics for
19 how long it's taking to get a contract in place, an
20 emergency procurement in place in the first place,
21 how does that inform a 30-day contract? How long is a
22 renewal taking on average now? How does that inform
23 the renewal timeframes here? You know, beyond,
24 separate and apart from the demolition vendors or a
25 kind of localized incident, for citywide emergencies,

2 do you think that a 30-day renewal timeframe will
3 impact the City's ability to attract appropriate
4 vendors?

5 CHIEF PROCUREMENT OFFICER YU: I do.

6 CHAIRPERSON RESTLER: Could you elaborate
7 or give specific examples?

8 CHIEF PROCUREMENT OFFICER YU: Well, I
9 know that there's a shying away from using the one
10 that I keep bringing up, the Department of Building
11 one and the HPD one. But for a general contractor who
12 has requirements such as insurance and bonding, if
13 they know that they are going to have to do not just
14 a process with the City for a City contract
15 generally, and that it has to be re-upped or re-
16 approved, potentially renegotiated every 30 days,
17 that does not provide them a lot of assurance or
18 stability that they're really looking for when
19 they're entering into a contract, particularly an
20 emergency contract.

21 CHAIRPERSON RESTLER: As you look back at
22 the migrant crisis and think about large emergency
23 procurements that the City pursued, can you think of
24 examples in that instance where it may have been
25

2 challenging to identify vendors that would have
3 agreed to terms of a 30-day contract?

4 CHIEF PROCUREMENT OFFICER YU: I want to
5 be very consistent with how I started. I'm not going
6 to speak about those asylum seeker contracts that
7 were under the prior Administration because, quite
8 frankly, I don't know.

9 CHAIRPERSON RESTLER: Okay. Fair.

10 What would happen if the Comptroller did
11 not approve a 30-day renewal? Structurally, the Mayor
12 and the Comptroller often have a combative
13 relationship, I think almost always have a combative
14 relationship. Council Member Brewer can disagree or
15 she can come up with a counterexample for me. But,
16 you know, it's a reasonable enough scenario to
17 anticipate. Would the Mayor's Office be able to deem
18 an emergency contract if the Comptroller failed to
19 cooperate or just plow ahead as they did with DocGo?
20 Are there legal risks to such an approach? I'm just
21 trying to understand what are the dynamics here if a
22 Comptroller is uncooperative.

23 CHIEF PROCUREMENT OFFICER YU: That is
24 something that I would certainly want to confer with
25 the Law Department about and defer to them as well

2 and give them the opportunity to opine on something
3 like that, on that type of a scenario.

4 CHAIRPERSON RESTLER: Any insights that
5 you can share with us today or any thoughts?

6 CHIEF PROCUREMENT OFFICER YU: I would
7 just really be mindful that the City of New York and
8 the governance, the respective elected officials,
9 have certain powers and responsibilities, and any
10 sort of stepping in others' toes or in other people's
11 lanes are, you know, structurally, it's potentially
12 asking for conflicts to arise so I would just, you
13 know, be mindful of...

14 CHAIRPERSON RESTLER: You worked in the
15 Comptroller's Office, right?

16 CHIEF PROCUREMENT OFFICER YU: I did.

17 CHAIRPERSON RESTLER: Okay. So, you've
18 been on both sides of this. I mean, I raise it
19 because for a standard contract, if the Comptroller's
20 Office is uncooperative, the Administration can just
21 deem it and move right ahead and it doesn't really
22 matter, as far as I understand. You can please feel
23 to correct me as the expert. But in emergency
24 procurement, the Comptroller's Office is actually
25 required to sign off. There's a different level of

2 approval that is expected. Am I bringing that down
3 correctly? So, there's just a different level of
4 power and responsibility and authority that's being
5 given to the Comptroller's Office with an ongoing
6 renewal mechanism on emergency contracts, which could
7 inform how confident vendors feel in a contract that
8 has a 30-day renewal notice, right?

9 CHIEF PROCUREMENT OFFICER YU: Certainly,
10 Council Member. Additional, was it cooks in the
11 kitchen? Right?

12 CHAIRPERSON RESTLER: So, and just
13 wondering, have you reviewed this proposed
14 legislation with the Law Department?

15 CHIEF PROCUREMENT OFFICER YU: I have not.
16 Certainly, they are reviewing it.

17 CHAIRPERSON RESTLER: Because they're the
18 lead agency on emergency procurements, right? As
19 you've said, MOCS is not. The Law Department is from
20 the mayoral side. You have not discussed it with
21 them? Okay.

22 And then just one more question on this,
23 and then I'm going to pass it to Council Member
24 Gennaro. 15-day registration. The bill would require
25 agencies to submit contracts to the Comptroller's

2 Office within 15 days. A 2023 report by the
3 Comptroller's Office found that only 43 of 292
4 emergency contracts were submitted within 30 days. So
5 again, that's, I don't know, less than 15 percent.
6 Could you please explain why an agency might not be
7 able to submit a contract within this period? You
8 have the contract. The contract exists, right? Why is
9 it so hard for agencies to then submit the contract
10 to the Comptroller's Office? Is it a staff capacity
11 issue? Is it hard for vendors to send the needed
12 info? Is there staffing up in an emergency? Like,
13 what's the challenge there?

14 CHIEF PROCUREMENT OFFICER YU: I believe
15 there are a myriad of number of challenges
16 potentially, and I think some of those you listed are
17 some of them, but I'm happy to dig into that further
18 and come back in our further conversations.

19 CHAIRPERSON RESTLER: Council Member
20 Gennaro, did you want to jump in? Another former
21 member from GovOps that we're happy to have follow us
22 to Contracts?

23 COUNCIL MEMBER GENNARO: Thank you. Thank
24 you, Mr. Chairman, Madam Director. I got here late. I
25

2 was at another hearing, and it's more of an
3 observation than a question.

4 On a couple of instances since I've been
5 here, there were questions that you couldn't answer
6 because you did not have the data in front of you. We
7 get that. But on four or five times, and the
8 Chairman, this is a new Committee Chairmanship, he
9 needs a good relationship with you. He wants to
10 cultivate one. I don't really care. So, he cares, I
11 don't.

12 CHAIRPERSON RESTLER: We all want to be
13 nice.

14 COUNCIL MEMBER GENNARO: Yeah. It's a nice
15 thing. But the way to be nice to the Council is a
16 couple of times you said, I'd rather talk about this
17 offline. I'd rather not say it here and rather not do
18 it here. It's like you have an answer, but you don't
19 want to say it, but that's not how this works. I
20 don't want to usurp the authority of the Chair but,
21 if you have the answer, you're supposed to say it,
22 and just responding that you'd rather not do it here
23 on the record in front of the people here, in front
24 of the people who are watching on the livestream, in
25 front of people who may see it at some later date.

2 Again, Chairman's a very nice fellow. But it's like
3 when I come to a hearing and somebody has an answer,
4 I expect them to sort of come out with it and the
5 chips fall where they may. I know this was put
6 together in a short time and I get all that, but to
7 me, it's like unseemly and non-cooperative to someone
8 whose reply is I don't really want to talk about it
9 here in front of a bunch of people, we should get
10 together in caucus, behind closed doors, and figure
11 something out. That just doesn't work for me, and I
12 don't think that should be the paradigm for you or
13 any witness that comes before this Committee. Not
14 that it's really my thing to say. And I'll just say
15 also that it is customary protocol in the Council,
16 you keep calling him Council Member Restler, I
17 believe his title is Chairman Restler or Mr.
18 Chairman. So, I just want to put that on record and,
19 you know, be a pain in the neck so there you have it.
20 You can respond or not respond, but please don't say
21 let's talk about it offline because that is an
22 inappropriate response. Thank you, Mr. Chairman.

23 CHAIRPERSON RESTLER: I think the year was
24 1999 when Council Member Gennaro was first elected to
25 the City Council, is that right?

2 COUNCIL MEMBER GENNARO: 2001 when
3 dinosaurs roamed the earth.

4 CHAIRPERSON RESTLER: 2001. Excuse me. I
5 knew it was a special. I didn't realize it was in
6 '01. But we're grateful for...

7 COUNCIL MEMBER BREWER: We're all under
8 the specials. You were elected in...

9 COUNCIL MEMBER BREWER: We all came in
10 2001.

11 CHAIRPERSON RESTLER: Right. Oh, but I
12 thought you came in a special before (INAUDIBLE)

13 Got it. So you're right, Council Member
14 Brewer came in in '02 so we appreciate your long
15 history and strong advocacy for the institution.

16 I did want to ask about differing pay
17 rates off the same contracts. I have asked about this
18 a couple of different times at GovOps hearings of
19 DCAS, Mayor's Office of Operations, and others over
20 the past few years. But, you know, this security
21 guard example just stuck... really upset me for how we
22 could have the same existing backdrop contract and
23 have different agencies pay such radically different
24 sums off of that contract for the same exact service.
25 Not to mention the fact that there was a DHS contract

2 with a vendor providing the same service for yet a
3 fraction of that price. Basically, Health and
4 Hospitals paid 117 dollars per hour for security
5 guards, NYCEM paid 79 dollars per hour for security
6 guards off the same contract, DHS had a contract with
7 a unionized security guard operation for 24 dollars
8 per hour. This is, you know, this could save
9 taxpayers millions of dollars per month for security
10 guards so help me understand what went wrong there?
11 What should have happened? Who didn't provide the
12 oversight that was needed in the negotiation of that
13 contract to deliver the best price for the City?

14 CHIEF PROCUREMENT OFFICER YU: Thank you
15 for the question, Chairman Restler, and my apologies
16 if I addressed you in a manner that offended you. It
17 was not my intention.

18 CHAIRPERSON RESTLER: Nope.

19 CHIEF PROCUREMENT OFFICER YU: And it's
20 not my practice to let things gloss over, and I
21 appreciate you and Council Member Brewer, but I also
22 don't want to miss my opportunity to address Council
23 Member Gennaro. Thank you for your years of service
24 as a public servant and thank you for your thoughts
25 on the appropriate behavior and decorum for this

2 hearing. I'll say that I have appeared. I have
3 prepared. I have testified. I have answered
4 questions. And it is my intent to have a
5 professional, cordial, collegial relationship with
6 this Council, and it is in all of our interests in
7 the City of New York to do our best, and so thank you
8 for that.

9 COUNCIL MEMBER GENNARO: And thank you,
10 and I stand by my comments. Thank you.

11 CHIEF PROCUREMENT OFFICER YU: Thank you.
12 They are received.

13 Chairman Restler, I want to pivot back to
14 your question. So, thank you for it. I appreciate it
15 very much. And I will share that we did do some
16 preliminary digging into this, but I do want to be as
17 robust and thoughtful in reply to this inquiry of
18 yours so I can commit to talking to DHS and DSS and
19 coming back to you on this because I know it is of
20 interest to you, Chairman.

21 CHAIRPERSON RESTLER: I appreciate it. You
22 know, I think one of the best ways for us to reduce
23 our reliance on emergency contracts is to have good
24 backdrop contracts available. Like I presume this
25 DCAS security card contract was a backdrop contract

2 that they had that people could buy off, that
3 agencies could buy off of to easily step up in an
4 emergency to bring security guards in to help with a
5 new shelter or whatever it may be, but the lack of,
6 you know, so it should be a good alternative, but
7 then what are the oversight mechanisms that we should
8 have in place off of these backdrop contracts that
9 DCAS I would assume primarily holds but other
10 agencies could hold that for sister agencies and
11 brother agencies to benefit from. Like how do we
12 ensure the right oversight so that the City is always
13 getting the best price for something that's been
14 competitively bid and is intended to be in place to
15 make it easy for agencies to take advantage of City
16 services or of City vendors?

17 I'm very keen on this KPMG audit that
18 they've been doing at DOI's behest around asylum
19 seeker spending. Have they been in contact with you
20 about this? Do you have any sense of their timing?

21 CHIEF PROCUREMENT OFFICER YU: I read
22 about this KPMG report for the first time in that
23 City article with the outgoing DOI Commissioner and
24 Council Member Brewer, I believe that that is what
25

2 you were referring to. That's the extent of my
3 knowledge. I look forward to reading it as well.

4 CHAIRPERSON RESTLER: Okay. Cool. Me too.

5 One of the bills we're hearing today
6 would increase penalties for false statements in
7 subcontracting tenfold since the current penalties
8 have not been updated in decades. Are you aware of
9 like, does MOCS track false statements in
10 subcontracting? Is there a sense of scale of this
11 issue that you might be able to provide insight on?

12 CHIEF PROCUREMENT OFFICER YU: I'm not at
13 this time, but it's something that I can certainly
14 commit to coming back to you on.

15 CHAIRPERSON RESTLER: My sense is that one
16 of the challenges with this legislation is that
17 amazingly, many of our agencies still rely on paper-
18 based subcontracting. Could you elaborate on the
19 technological challenges in implementing the
20 subcontracting transparency legislation? Can you
21 break down what agency processes are still paper-
22 based? Is MOCS working with City agencies to end
23 paper-based processes in the year 2026? I certainly
24 hope so. We actually have good... well, I will stop on
25 my legislation, but yeah, could you provide some

2 insight here on just how hard it is to move off of a
3 paper-based system?

4 CHIEF PROCUREMENT OFFICER YU: Oh boy.
5 What a question. As you can imagine, moving from a
6 paper-based system to a digital system is
7 challenging, and it requires a lot of what folks like
8 to say, change management, right? It requires really
9 understanding your audience. In this case, the
10 context is subcontractors. So, you've got to get
11 their attention, their willingness, and you've got to
12 incentivize them to submit themselves into a system
13 on top of all the other things that they are already
14 doing, and that is first and foremost, likely running
15 their business. But the incentive is payment, right?
16 And their submission to the City system will allow
17 them to receive their payment for their subcontractor
18 work. It was not so long ago that the City of New
19 York had a paper-based procurement system, and we are
20 now fully digital. But the subcontractor component
21 is, as I mentioned, some other portions of my
22 testimony, more challenging on another layer because
23 it is our primary relationship with the prime
24 contractors. So, we've got to often manage our

2 subcontractor relationships through those prime
3 vendor contracts and so it is a process.

4 CHAIRPERSON RESTLER: Do you know if there
5 are agencies that have a fully online subcontracting
6 system?

7 CHIEF PROCUREMENT OFFICER YU: Well...

8 CHAIRPERSON RESTLER: System for tracking
9 all subcontractors?

10 CHIEF PROCUREMENT OFFICER YU: All the
11 agencies are using PASSPort. And within PASSPort,
12 there's a subcontractor module, and that is in
13 addition to the system that the Comptroller and the
14 Mayor oversee, PIP. And I would say that that
15 subcontractor module, if my memory serves me right,
16 was turned on last calendar year so it is fairly new
17 in the grand scheme of City contracting.

18 CHAIRPERSON RESTLER: Okay.

19 CHIEF PROCUREMENT OFFICER YU: And while
20 we certainly see a lot of activity there, there's
21 more work to be done.

22 CHAIRPERSON RESTLER: But in the not
23 distant future, all subcontracting should be properly
24 tracked in PIP?

25 CHIEF PROCUREMENT OFFICER YU: PASSPort.

2 CHAIRPERSON RESTLER: In PASSPort. But the
3 City's Pay Information Portal, PIP, should have all
4 subcontracting information recorded?

5 CHIEF PROCUREMENT OFFICER YU: Well, PIP
6 would just be... and this is a little bit outside my
7 expertise, but it is just really their accounting
8 information for the purposes of payment.

9 CHAIRPERSON RESTLER: Okay. The idea that
10 we'd be tracking all of this information for
11 subcontractors feels very straightforward. Are the
12 technological challenges in implementing the bill,
13 you think, the greatest obstacle?

14 CHIEF PROCUREMENT OFFICER YU: I believe
15 there are some operational challenges. There are some
16 legal concerns about the criminal penalties that I
17 would have to defer to the Law Department on. So,
18 those are some of the considerations.

19 CHAIRPERSON RESTLER: (INAUDIBLE) the
20 transparency piece.

21 CHIEF PROCUREMENT OFFICER YU: I believe
22 we're in line.

23 CHAIRPERSON RESTLER: Okay. And I think I
24 asked about kind of your awareness of false
25 statements by subcontractors recently. Are you aware

2 of large fines, or do you think that the fine amounts
3 being as modest as they are are an ineffectual
4 deterrent?

5 CHIEF PROCUREMENT OFFICER YU: I honestly
6 would have to dig into that a little bit more to
7 offer you a meaningful opinion.

8 CHAIRPERSON RESTLER: I would like to ask
9 about the searchable database. So, forgive me, I'm
10 new to this Committee. So, could you just explain on
11 the record the differences between Checkbook NYC,
12 PASSPort Public, and PASSPort Navigator?

13 CHIEF PROCUREMENT OFFICER YU: I cannot
14 explain... well, I've previously used Checkbook. I
15 don't use Checkbook in my regular day-to-day.

16 CHAIRPERSON RESTLER: But just the value
17 or the functionality of each.

18 CHIEF PROCUREMENT OFFICER YU: Sure.

19 CHAIRPERSON RESTLER: In comparison.

20 CHIEF PROCUREMENT OFFICER YU: So, the
21 three of them, my understanding, all transparency
22 tools. All public-facing. Checkbook, one in my
23 history lessons will serve me well, I hope, stood up
24 under Comptroller Liu and really was to provide some

2 transparency into the money that was going out, kind
3 of like a checkbook, like a ledger.

4 CHAIRPERSON RESTLER: Right.

5 CHIEF PROCUREMENT OFFICER YU: Right?

6 PASSPort Public provides more transparency as it
7 relates to the procurements and solicitations. So if
8 I, as a non-profit, Kim Yu, would like to provide
9 child care services to the City of New York, I can go
10 to PASSPort Public and see who has some opportunities
11 on the horizon, such as ACS, maybe DYCD, and I can
12 learn of those solicitations and I can prepare myself
13 to compete for those opportunities. PASSPort
14 Navigator is similar that it provides, not so much of
15 a public, but more of an internal, some more internal
16 opportunities for procurements and contracts.

17 CHAIRPERSON RESTLER: And so if we were to
18 pass some version of Council Member Won's
19 legislation, do you think the optimal model would be
20 to kind of integrate it into PASSPort Public? Is that
21 the right kind of existing tool that's closest to
22 what she has envisioned?

23 CHIEF PROCUREMENT OFFICER YU: It is
24 possible. I do want to say that there are some, maybe
25 some devil in the details, some things around the

2 margins that the law is looking for that may not be
3 readily available and may not be appropriate for
4 public consumption.

5 CHAIRPERSON RESTLER: Could you give
6 examples of what kind of stuff?

7 CHIEF PROCUREMENT OFFICER YU: I want to
8 say maybe a vendor's address.

9 CHAIRPERSON RESTLER: Okay. But with some
10 concerns around privacy to be discussed further, the
11 general gist of what Council Member Won is trying to
12 achieve is through updates to PASSPort Public, and my
13 understanding, I guess the fiscal impact statement is
14 ours so it was estimated as 400,000 dollars a year or
15 something to do this. This is not a heavy
16 technological lift. These are relatively modest
17 modifications to PASSPort Public to achieve the
18 vision of what she's outlined?

19 CHIEF PROCUREMENT OFFICER YU: I would
20 have to dig into that fiscal impact statement again,
21 in contrast to... (CROSS-TALK)

22 CHAIRPERSON RESTLER: (INAUDIBLE) that's
23 ours. It's not OMB's, right? We haven't got OMB's yet
24 so OMB may have a different opinion. They always do.
25 But I'm sure it'll be less money, don't you think?

2 But OMB submitted one last year. Excuse me. Oh, thank
3 you very much, Molly. So, OMB submitted one last
4 year. They estimated it 400,000 dollars. That's where
5 that money came from. So, we have the same figure.
6 So, sorry. This is not the first time this bill was
7 heard. So, they estimated it 400,000 dollars a year,
8 which I'm sure they developed in consultation with
9 your office. That's a pretty small amount of money
10 for a technology project, which I interpret to mean,
11 we're talking about relatively modest modifications
12 to an existing tool to be able to comply with the
13 spirit of her legislation. Is that basically right?

14 CHIEF PROCUREMENT OFFICER YU: I would
15 want to look at it again and refer to the
16 technologists and also the budget folks who provide
17 much more expertise in understanding the cost and the
18 technical requirements.

19 CHAIRPERSON RESTLER: And just to share it
20 on the record so that we have it. In last year's
21 fiscal impact statement from OMB, "it is anticipated
22 that MOCS would require 398,000 dollars to hire two
23 additional developers to expand PASSPort
24 capabilities. MOCS also anticipates incurring
25 potential expenses associated with contracting a

2 consultant to expand platform usability." So, what's
3 described, at least by OMB, is a relatively modest
4 lift over just a two-year period to be able to
5 facilitate compliance with this to, I think to make
6 PASSPort Public an even better tool for New Yorkers
7 to understand what's happening in procurement
8 processes citywide.

9 I just want to check with Colleagues. Do
10 you guys have additional? Council Member Brewer does
11 have an additional question.

12 COUNCIL MEMBER BREWER: Just very quickly,
13 just so I understand, because I am, you're fixed on
14 some things, I am fixed on DotGo. So, when there
15 were, perhaps just in the press, because you were not
16 maybe able to see the amendments or the mods and so
17 on, but when you see in the press the bad food, the
18 security issues and so on, what happens? What
19 happens? I mean, that was an emergency contract.
20 Would that be something that was stopped by the
21 Comptroller? That's when it was renewed, but all of
22 those things were ongoing. There's no way to do
23 anything about that, right?

24 CHIEF PROCUREMENT OFFICER YU: So, Council
25 Member Brewer, if I could, I would want to take a

2 step back and say, traditionally, what should happen,
3 right?

4 COUNCIL MEMBER BREWER: Okay. That would
5 be helpful.

6 CHIEF PROCUREMENT OFFICER YU: Because
7 what you're describing, I want to say, is a situation
8 where a vendor and the City are in a relationship and
9 the vendor is not performing to the expectation of
10 the City, right? And in those scenarios, there are
11 processes that exist, such as a performance
12 evaluation, right? And that performance evaluation
13 is, as it is in other contexts, a tool for
14 communication to let everybody know that this is not
15 working well, right, and there's room for
16 improvement. So, there's that. And then also, because
17 it is a contractual relationship, there's always
18 some, depending on the terms of the contract, there
19 are some, maybe some penalties, right? Sometimes they
20 mean liquidated damages. Sometimes they mean
21 withholding payment. Or sometimes it means breach of
22 contract. You know, we are not going to continue this
23 relationship. And then even outside of that
24 contractual relationship, vendors place a great

2 amount of significance in their relationship with the
3 City as a whole.

4 COUNCIL MEMBER BREWER: Right because they
5 may want other contracts.

6 CHIEF PROCUREMENT OFFICER YU: Right.
7 Exactly. And there are mechanisms in place where,
8 that MOCS does properly oversee, where we would ask,
9 you know, the agency that was letting that contract
10 to provide documentation that that performance on
11 that contract was not satisfactory, and so that other
12 agencies would know about that.

13 COUNCIL MEMBER BREWER: Got it.

14 CHIEF PROCUREMENT OFFICER YU: But that's
15 all generally speaking.

16 COUNCIL MEMBER BREWER: That would be for
17 whether, emergency or not, any contract would go
18 through the same process.

19 CHIEF PROCUREMENT OFFICER YU: Right.

20 COUNCIL MEMBER BREWER: Okay. I guess,
21 because there is an emergency, you know, you tend to
22 not necessarily have somebody else to jump in, and
23 that's sort of why there is an emergency. But I do
24 think in that situation, so we don't have it again,
25 maybe we need different processes for emergency

2 contracts. I don't know. But, you know, in a general
3 contract, you know, you're providing the services for
4 the non-profit, but this is emergency. And so, I'm
5 just saying, that was so egregious, I guess I have to
6 say, that we just don't want that to happen again,
7 and I think we should be looking at it. There may be
8 other contracts that were similarly challenging, but
9 that one really stuck with me. And so, I'm just
10 saying, that's what we need to look at. I don't know
11 whether it's this legislation, or additional, or
12 something else, but that one was high on my list of
13 how in the world did we get to this point. Not only
14 was it expensive, it was lousy service, and that's
15 not fair. So, I appreciate the process, but I'm just
16 asking something to consider would be a different
17 process for something that egregious, because it
18 didn't work. Thank you.

19 CHAIRPERSON RESTLER: I really appreciate
20 those sentiments, Council Member Brewer, and I agree
21 with them very much. And I think that one of the
22 things that we're trying to get at in the hearing
23 today is that we recognize the importance of
24 emergency procurement. We've now used the example of
25 the HPD demolition emergency contract, nobody's

2 trying to make that any, I don't, I don't think the
3 intention of this legislation is to make that process
4 any more challenging for City agencies to execute. I
5 think the concern is when we've seen 763 emergency
6 contracts relating to the migrant crisis totaling
7 close to 6 billion dollars over the last four years
8 with very limited oversight or accountability and
9 little data to show how those contracts are being
10 transitioned to standard procurements, that's when we
11 have concerns. And as Council Member Brewer, I think
12 eloquently, you know, articulated, some of those
13 emergency contracts have seen corruption, as frankly,
14 we saw far too much corruption across the Adams
15 Administration. So, there is less oversight, there is
16 less review of an emergency procurement. And we want
17 to make sure that that our money is being well spent
18 every single time.

19 I had one other question and I did just
20 want to share that we did receive testimony from the
21 IBO, which I think was helpful and appreciated their
22 written testimony since they're not here. I'll just
23 note that they have recommended that the Mayor and
24 Comptrollers should be required to renew their joint
25 decision to use emergency procurement every two years

2 after the original registration date. That's another,
3 I think, approach that I think has merit just to be
4 looking at how do we create some guardrails here
5 around emergency procurements. They also, you know,
6 said that making PASSPort Public a better tool for
7 the public to provide real transparency on the
8 workings of City procurement has value as well. So,
9 it doesn't comment too specifically on Council Member
10 Won's bill, but says that that is a noble goal. And
11 so, I just appreciate the IBO's smart insights on
12 those two points.

13 The question I want to ask you is we
14 often use this data point that over 40 billion
15 dollars in City spending goes to contractors, goes
16 out to vendors. Do you know of that 40 billion
17 dollars, how much goes to subcontractors?

18 CHIEF PROCUREMENT OFFICER YU: I do not.
19 It's something that we need to dig into. I do not.

20 CHAIRPERSON RESTLER: Because my guess
21 just would be that it's substantial. That's an
22 informed guess. But it's obviously substantial. Let
23 me state that differently. It's many, many, many,
24 many billions of dollars, and there should be
25 tighter, there should be real transparency and

2 accountability for how that money is being spent. And
3 so, I'm really hopeful that Council Member Menin's,
4 or Speaker Menin's, I've got to get used to that
5 still, Speaker Menin's legislation that would ensure
6 that agencies and their vendors are reporting crisply
7 and clearly on every subcontractor will help us
8 understand how that money is being spent and ensure
9 that some of the shenanigans that we've particularly
10 seen among DHS shelter operators, but that I think
11 we've seen more broadly, could be brought under
12 control.

13 I think that's it for us. We're good. On
14 short notice, once again, thank you for coming in and
15 joining us today. Look forward to working together.
16 We appreciate your time very much. Director Yu, I
17 hope you have a great rest of your afternoon.

18 We are going to transition to public
19 testimony, which I have a document for, of things I'm
20 supposed to read. Thank you, Alex.

21 I now open the hearing for public
22 testimony. I remind members of the public this, I'm
23 going to do this as fast as I can because I just have
24 to do it. I remind members of the public this is a
25 formal government proceeding and that decorum shall

2 be observed at all times. As such, members of the
3 public shall remain silent at all times.

4 The witness table is reserved for people
5 who wish to testify. No video recording or
6 photography is allowed from the witness table.
7 Further, members of the public may not present audio
8 or video recordings as testimony, but may submit
9 transcripts of such recordings to the Sergeant-at-
10 Arms for inclusion in the hearing record.

11 If you wish to speak at today's hearing,
12 please fill out an appearance card with the Sergeant-
13 at-Arms and wait to be recognized. When recognized,
14 you will have three minutes to speak at today's
15 hearing.

16 If you have a written statement or
17 additional written testimony and wish to submit for
18 the record, please provide a copy of the testimony to
19 the Sergeant-at-Arms. You may also email written
20 testimony@counsel.nyc.gov within 72 hours of this
21 hearing. Audio and video recordings will not be
22 accepted.

23 I will now call up the first panel, which
24 is Charles Diamond, Paula Magnus from the Northside
25 Center, Alex Camarda from Reinvent Albany, and Ben

2 Weinberg from Citizens Union, who was the number one
3 most frequent flyer at the GovOps Committee. We
4 welcome him back to Contracts.

5 Okay. You all can feel free to testify in
6 whichever order you are so moved.

7 CHARLES DIAMOND: Thank you, Chair
8 Restler, thank you, Council Member Brewer, and
9 Counsel Paulenoff. It's lovely to be here for my
10 first time in a personal capacity. As Counsel
11 Paulenoff knows, I served as counsel for the Mayor's
12 Office of Contract Services for three years in the
13 Adams Administration. I served the Comptroller's
14 Bureau of Contract Administration for two years in
15 the Stringer Administration. Both of those crises,
16 the COVID and asylum emergency contracts, were eras
17 that I lived through from different points of view.
18 I'd note, if you remember, Comptroller Stringer, in
19 fact, sued Mayor de Blasio over that suspension of
20 procurement authority, which I was also involved in
21 so I have a deep love and understanding of emergency
22 contracting. I thought it would be remiss in my
23 newfound personal capacity if I did not take the
24 opportunity. Chair, you had asked, what is the right
25 amount of time. My personal opinion, you said 30

2 days. I think it needs to be 90, and I'm going to
3 tell you why very briefly. The analysis of, are we
4 going to use an emergency contract, as the nerds
5 would say, a PPB 306, right? The question is going to
6 be, what are my other options? Could I use a
7 negotiated acquisition? Could I use an M/WBE small
8 purchase? Can I do an RFP, right? In each of those
9 instances, the truth of City contracting is none of
10 those options takes less than 90 days to start
11 getting in the books. So, I would say this. Every
12 single emergency will be 30 days plus two renewals,
13 which I just think if we're going to take a real hard
14 look at this, I think we can be realistic in looking
15 at it. The second thing I would say is a downside. I
16 think this is very, very real. If we have a system
17 where you're legally only able to have a 30-day
18 contract, take the demolition example, which is real,
19 the problem is that that legal lack of certainty will
20 absolutely hurt competition. There are going to be
21 vendors that say, well, it's going to take me 60
22 days. We're going to say, yeah, I know, but
23 technically I got to go to the Comptroller, a lot of
24 people are going to go, yeah, my lawyers tell me that
25 that means I can't do this. That's a real, I think,

2 hammer, which I think 90 days lessens that because it
3 is much more realistic for our normal emergencies.

4 Finally, you asked about total emergencies. I would
5 say this in my personal experience. Already, the Law
6 Department and the Comptroller won't let you do an
7 emergency contract for longer than a year because
8 that's how long it takes to do the most complicated
9 RFP. Of course, you could do no more than a year, but
10 there are a handful of examples where it goes beyond.

11 I can think of two COVID contracts that were three or
12 four years because of bonding, as Director Yu stated.

13 I'd also say there are times, and maybe in the
14 future, we can use an NA for that instead of an
15 emergency, but I would say I think there are
16 exceptions where we will need to do a long emergency
17 contract, as weird as that seems, but I think all of
18 these are correct. I think 90 days is the right time.

19 Finally, I would say this. You would also, Chair, as
20 you're correctly dancing around the topic of where is
21 MOCS in all of this, let's face it. We have the Law
22 Department and the Comptroller. If our answer is more
23 of the same approvers, the Law Department and the
24 Comptroller's Office approved DocGo. They approved it
25 twice. Fred Lander approved it twice and then failed

2 to register it, but he approved it twice. And I don't
3 blame them structurally. They have limited roles. The
4 Law Department is there to approve as to form.
5 They're there to approve as a legal sufficiency.
6 They're not really there to say, is this a good deal.
7 And if we are asking them to do that, is that really
8 their day job? And the Comptroller's Office,
9 similarly, they have statutory limitations on what
10 they're allowed to do. Are they really the best
11 person to say this is a bad deal? No, they'll do it
12 anyway, as we all know, but it's not necessarily the
13 strongest tool. So, I would certainly encourage the
14 idea of ensuring that MOCS is statutorily written
15 into any rules regarding emergency contracts. I think
16 that would be appropriate given my personal
17 experience on both sides of the aisle. I'll stop
18 there. Happy to answer any questions.

19 CHAIRPERSON RESTLER: That's great
20 testimony. Thank you very much. We really appreciate
21 your expertise. We'll do questions at the end of the
22 panel.

23 BEN WEINBERG: Good afternoon, Chairman
24 Restler and Members of this Committee. My name is Ben
25 Weinberg. I'm the Director of Public Policy at

2 Citizens Union, a nonpartisan good government group.
3 I want to congratulate this Committee for its first
4 hearing and thank you for dedicating it for such an
5 important topic. It comes at a critical moment for
6 New York City government. As was mentioned here, the
7 outgoing mayoral administration left behind a legacy
8 tarnished by corruption scandals, weakened
9 accountability, and eroded public trust. And
10 restoring integrity to City Hall and City government
11 must be a top priority for both the new Mayor and
12 this Council, and this is why we appreciate Speaker's
13 Menin's recognition in a recent interview that the
14 Council will look back at what happened over the past
15 few years and strengthen oversight mechanisms. The
16 three bills before the Council today are an important
17 step forward in that effort. As was mentioned,
18 emergency procurement and subgrant contracting are
19 essential tools. But at the same time, these areas
20 are also riddled with gaps with insufficient
21 enforcement, creating conditions that invite misuse
22 of public funds, conflicts of interest, and in some
23 cases, actual corruption, as was mentioned here. We
24 thank Speaker's Menin and Council member Won for
25 introducing these bills and for advancing reforms

2 that would bring greater scrutiny and clear reporting
3 and stronger oversight, and we look forward to seeing
4 these measures move forward and strengthened where
5 necessary to meaningfully address the vulnerabilities
6 that have come to light. But I would also like to
7 mention that there is more that the Council can do as
8 it reflects on the lesson of the last several years,
9 as the Speaker had mentioned and as it examines the
10 structural weaknesses that demand serious legislative
11 action beyond contracts. One area is conflicts of
12 interest and cronyism in appointments. And that we
13 saw under the last administration that's enabled by
14 insufficient ethical safeguards for incoming
15 officials, by opaque guidance from the Conflicts of
16 Interest Board. Another area is the largely
17 unregulated lobbying environments where we have
18 insiders that evade contribution limits through
19 bundling. We have insider lobbyist to trade campaign
20 consulting for access, or that benefit from lax
21 enforcement by the City Clerk's Office. Many of these
22 weaknesses have legislative solutions that have been
23 proposed by Members of this Body, including Council
24 Member Restler and Brewer, and we look forward to
25 seeing them advanced. Looking back also means

2 protecting the City's oversight agencies from funding
3 cuts and from erosion of capacity, as well as
4 advancing a mechanism to remove a mayor for serious
5 misconduct, two proposals that were put forward by
6 the Charter Commission established by this Council.
7 We encourage the Council to prioritize those
8 proposals. In closing, today's bills represent a
9 meaningful response to real failures that have
10 undermined public trust. We urge the Council to
11 continue this work, learning from what went wrong,
12 strengthening oversight, and restoring integrity
13 across City government. Thank you.

14 CHAIRPERSON RESTLER: Thank you, Ben.

15 ALEX CARMADA: Good afternoon, Chair
16 Restler, Members of the Council Committee on
17 Contracts. My name is Alex Carmarda. I'm the Senior
18 Policy Advisor for Reinvent Albany. Reinvent Albany
19 is a watchdog organization that advocates for open
20 and accountable government in New York. We support
21 all three bills before the Council today with some
22 recommendations to strengthen them. We also have one
23 new proposal for your consideration that's not in a
24 bill form. As was mentioned by this Committee
25 multiple times today, there were ongoing

2 investigations in the Adams Administration for the
3 432-million-dollar emergency contract with DocGo,
4 providing temporary housing for asylees, its payments
5 to hotel operators, and several other contracts that
6 came under review as well. We're glad to see the
7 Council moving quickly to embrace their oversight
8 role in this first hearing and move legislation to
9 ensure transparency of contracts, a very important
10 issue. Regarding Intro. 156, the Council Member Won
11 bill on a public procurement interface, as I think
12 the Director spoke to, we think that PASSPort Public
13 is the ideal place to put this information that the
14 bill mandates. The bill leaves it open-ended,
15 providing some flexibility to create public
16 procurement interfaces, suggesting there could be
17 more than one location where this information's put.
18 We think it should be in PASSPort Public. And we
19 support the legislation, but we have several
20 recommendations to strengthen it. First and foremost,
21 the City Charter already requires that contracts be
22 published, and they are not as far as we can tell.
23 They're scattered across different agencies, but most
24 of them are not published. That's Section 1064 of the
25 Charter that requires that. And so we think that

2 PASSPort Public or whatever other public interface
3 ultimately reveals this information in the Won bill,
4 contracts should be part of that. They should be able
5 to be downloaded, and any information that needs to
6 be redacted, like pricing, could be redacted. We
7 think the City's caution list of vendors should be
8 published and archived. This is a list that we've
9 FOIled and many others have. There have been 89
10 requests since 2017 to MOCS. It's not proactively
11 made available. It includes the debarred entities and
12 those companies that have been found non-responsible
13 by the City. This is something the federal government
14 publishes proactively, and they even include archived
15 lists dating back to 2015, and the City should do it
16 as well. We think any of the information that's put
17 into the portal that's required by the bill should be
18 machine-readable and downloadable. That would enable
19 groups like ours to scrutinize the information, sort
20 it by different factors and columns, and provide an
21 additional level of review that will help to ensure
22 the integrity of the contract process. You also heard
23 today that there are many different databases, many
24 different laws that relate to disclosure of contract
25 information. It's really actually hard to wrap your

2 head around all of them. We think that this bill that
3 Council Member Won has should specify which areas of
4 law and which portals the Chief Procurement Officer
5 should review before new information is placed in
6 PASSPort or another public-facing interface. Some of
7 these have already been mentioned today, certainly
8 PASSPort, PIP, FISA, the City Record, the City Agency
9 Procurement Plans. These are all sources with
10 contract information. Some of them are internal, some
11 of them are public-facing, but they should be
12 reviewed for this information because as the Director
13 spoke to, the subcontractor information is certainly
14 available in the internal databases before the City,
15 and that information should be coordinated and
16 integrated so that it can be in this public-facing
17 database. And ultimately, we think a beta test should
18 be done of the new database so that stakeholders like
19 Reinvent Albany and other groups and even contractors
20 can see it and give recommendations related to it
21 before it's finalized.

22 Regarding the Speaker's Bill,
23 specifically Intro. 163, that requires joint approval
24 of extension of emergency contracts, you know, we
25 think it's a good idea to have the Corporation

2 Counsel and the City Comptroller approve these
3 renewals or extensions of emergency contracts. You
4 know, we're not sure of the exact time frame. I think
5 30 days, 90 days, whatever the appropriate amount is.
6 I think the important thing is that that renewal
7 takes place, and it's for a short period of time, not
8 these open-ended, very lengthy emergency contracts
9 that we've seen. You know, we've been looking at this
10 issue for a long time. We issued a report on it.
11 We've supported contractor review, the pre-audit
12 process of contracts before they go out the door at
13 the state level, dating back to the Cuomo
14 Administration. This has been a practice that has
15 really gotten much worse under COVID by governors and
16 mayors across the country, and we think it reduces
17 the integrity of contracts. And I think you saw what
18 the previous administration and with the scandals
19 that have occurred, that it's something that we need
20 to address. And we would note for the particular Bill
21 163 that we also think there should be a notice to
22 the City record anytime there's a renewal of an
23 emergency contract, which currently is only required
24 as is practicable and frequently not done.

2 For Intro. 164, we support increasing the
3 penalties. I mean, they're absurdly low at the
4 moment, 100 to 1,000 dollars. That's, you know, for a
5 company, the cost of doing business for many of the
6 large companies that are getting these emergency
7 contracts so certainly support an increase there. And
8 then as far as the subcontractor information that the
9 Speaker is seeking in her bill, it appears to be
10 required for one of the contract databases in Section
11 6116.2 of Title 6, but not in the area where this
12 bill would add it, which I think is the FISA database
13 so there may be value in adding it there as well.

14 And then the last thing, our kind of
15 proposal that's not currently in legislation, we
16 suggest that the Council also look at the Doing
17 Business campaign contributions. Currently under the
18 Doing Business law, emergency contracts are exempted
19 from the lower campaign contribution limits. So, if a
20 company wanted to make donations to an elected
21 official around the time of an emergency contract,
22 they would not be subject to the lower campaign
23 contribution limits, and so we think that should be
24 addressed as well. Thank you, and I welcome any
25 questions you may have.

2 CHAIRPERSON RESTLER: Thank you for that
3 very thoughtful testimony.

4 And last but not least, I'm happy, the
5 first non-profit provider to come before the new
6 Contracts Committee. Ms. Magnus, thank you for
7 joining us.

8 PAULA MAGNUS: Yeah. I was feeling a
9 little out of place here, but I think I can fit in. I
10 do want to say good afternoon to you, Chair Restler
11 and Council Member Gale Brewer, got a long history of
12 support with Northside. We are always honored to see
13 you continuing your role. For 80 years, Northside has
14 served New York City most vulnerable children and
15 families. And today we serve about 1,000 each day
16 across Manhattan, the Bronx, and Brooklyn, and
17 through 20 through clinics and schools throughout the
18 city for childhood programs and therapeutic services.
19 Now, we don't get a lot of emergency one-time
20 contracts, but as far as we're concerned, every
21 contract we have is an emergency because it is
22 serving the community that's most in need, and so we
23 thought we would still speak to this issue because it
24 affects getting your money. We applaud the Speaker
25 and the Council Member for addressing the procurement

2 inefficiencies. We understand that emergency contract
3 is limited, but it still has to have this important
4 accountability. Every dollar matters and needs to be
5 accounted for. However, we urge the Council to
6 address how chronic underfunding combined with
7 procurement delays can be a problem. We've heard some
8 different pricing that was quoted here. Again,
9 something that should be addressed and some are
10 underfunded, some are overfunded. What's going on
11 with that? And again, every dollar matters. And so
12 our reality is we operate contracts that fail to
13 cover the true cost of service. Sometimes they're not
14 transparent to see all the details. And we sometimes
15 have to wait eight to 12 months. I'm not sure about
16 how long you wait for your contracts to be
17 registered. I would hope that an emergency is done
18 that day, but I don't know. But needless to say, if
19 it takes that long to register a contract, we're in
20 panic mode. And why is that? Because payroll has to
21 be covered and operating costs have to be covered,
22 not to mention you're competing for limited funds in
23 this time. So, when contracts take over, you need to
24 register and we must front the money. No payment is
25 certain. And we're faced with choices, which is to

2 either reduce staff, turn away children in crisis and
3 struggle, as I mentioned before, to meet payroll. So
4 again, emergency situations, I'm sure they're even
5 more important. But we strongly support transparency.
6 That should be done with all contracts, emergency as
7 well. It shouldn't take that long. I'm here in 30, 90
8 days. Whatever you all have found to be effective is
9 what should be used because we shouldn't be waiting
10 long, and it should be able to track how long it is
11 taking and how many organizations and subcontractor
12 amounts and all the above. As you reform these
13 emergency procurements, we urge you again also just
14 to take a look at the cost, making sure they're fair,
15 whether that involves MOCS, which we deal with daily,
16 and also establishing a longer span of time wherever
17 it's appropriate so there's not all the bureaucracy
18 with the paperwork because that already takes up your
19 emergency time. I do want to thank the leadership as
20 always and Council Member Brewer has been leading the
21 city for many years. We can't thank you enough for
22 your support. I want to personally say that from
23 Northside, but we always welcome the opportunity to
24 work with whomever to provide solutions because in
25 the end, that's what it's all about. And I will

2 comment on one City employee that I found that has
3 been very much working with us. That's Michael
4 Sedillo. He is the Executive Director of the Not-For-
5 Profits here at the City. I don't think he's been in
6 that position very long, but he needs to be kept and
7 there needs to be other staff hired like him so I
8 just want to give a good shout out where I see the
9 City does some great things because he picks up his
10 phone, he actually answers it. and he will say, I
11 can't do this, I can't do that, but I'll refer you to
12 this person and he follows up to make sure it happens
13 so I can't express enough how helpful he has been.
14 And he's the person I call every time I have a
15 problem with the City. So anyway, thank you all so
16 much for this opportunity to speak before you.

17 CHAIRPERSON RESTLER: I'll say he was
18 hired by the de Blasio administration and he stuck
19 around. He's a good guy.

20 CHARLES DIAMOND: He worked at MOCS for a
21 very long time.

22 PAULA MAGNUS: He knows what he's doing
23 and he responds.

24

25

2 CHAIRPERSON RESTLER: I'm happy to hear
3 that. Thank you for sharing that and thank you for
4 your testimony.

5 Do you want to ask any questions?

6 I'll be brief. Firstly, Alex, just want
7 to thank you for the thoughtful edits or suggestions,
8 amendments to Council Member Won's bill, especially
9 about the publication of contracts. I think that's a
10 smart idea and ensuring that the data is machine
11 readable and downloadable is critically important so
12 just want to thank you for those helpful suggestions.

13 I did just want to ask Charles, one
14 suggestion would be to modify the time frame, you
15 suggested, 90 days. Another idea, I don't believe, I
16 can't speak for the Speaker, obviously, but I don't
17 believe the intent of this legislation is around the
18 demolition contracts. So, if you take the localized
19 incidents out and you consider emergency procurements
20 that are based on a mayoral executive order or a
21 state of emergency that exists in the city, however,
22 smart lawyers would define that, which I am not one
23 of, what do you think is an appropriate time frame
24 for that type of issue, for the COVID situations, for

2 the monkey pox situations or whatever it may be,
3 public health emergencies?

4 CHARLES DIAMOND: Completely, and Chair, I
5 think you're hitting the nail on the head, and my
6 personal opinion is I don't think timeline is
7 necessarily the cause of the issue as much as a
8 symptom. So, to my opinion, my personal opinion was I
9 wouldn't put any timeline on it because, again, I
10 think the Law Department and the Comptroller's Office
11 already do a pretty darn good job of saying, after 90
12 days, they're going to be saying, well, why don't you
13 do this, why don't you do that, why don't you do
14 this, why don't you do that. And if you have great
15 answers to that, the bonding situation, where
16 actually I need this for two years because it's about
17 this thing or this random thing, then we should kind
18 of keep that alive. My personal opinion is we should
19 not necessarily, I don't think the timing is the
20 issue.

21 CHAIRPERSON RESTLER: If there was a time
22 limitation, then you wouldn't be able to do bonding
23 at all.

24 CHARLES DIAMOND: Yes. And then you'd have
25 to do a completely different form of contract type.

2 So, I'd say this. The reason you do an emergency is
3 how fast you need it in the shortest term, not
4 necessarily how long it's going to last.

5 CHAIRPERSON RESTLER: Right.

6 CHARLES DIAMOND: In that regard, I do
7 think, I think we put an unfair burden on the
8 Comptroller and the Corporation Counsel. It makes
9 great sense. In 1989, we say, okay, we have a lot of
10 process with procurement, we need an off ramp. So
11 long as the Comptroller and the Corp Counsel say it's
12 okay, I'm sure it'll be fine. That makes sense. I
13 might have had the same logic, but I think for the
14 reasons we've been discussing, they are not best
15 placed to be saying, hey, you know, NYCEM's doing
16 something kind of similar, not even with an emergency
17 contract, with something else, and they're getting a
18 better price than this. The Law Department's not
19 going to have that in front of them, even if they do
20 have structural knowledge of it. And to an extent,
21 the Comptroller does. Again, it's already somewhat
22 adversarial. It's not quite the same thing. So, I
23 think we're, again, the issue is not necessarily the
24 legal sufficiency. Even with DocGo, the Comptroller
25 didn't feel comfortable, I'll let him speak for

2 himself, but at least did not deny prior or final
3 approval. He failed to register it. In that sense,
4 I'm guessing, because, again, it's not like the legal
5 sufficiency wasn't there. It was just a bad idea. And
6 to that extent, I do think the way that we solve this
7 gargantuan issue, and I think the Speaker said it
8 very well, we went from COVID, we're taking a breath,
9 saying let's write up some plans, get some more on-
10 call contracts, and then asylum hit. And I think it
11 was, I don't think we're that, you know, we know what
12 we need to do. We need more on-call contracts. We
13 need more things that allow us to take advantage of
14 our purchasing power to negotiate way before the, you
15 know, we need it tomorrow, which is really when it
16 costs us money. But fundamentally, I think we need a
17 procurement expert to be taking the ball on the
18 mayoral side because at the end of the day, an agency
19 doesn't, I'll tell the famous story. Someone asked me
20 about MOCS' involvement in PPP 306. It doesn't exist
21 in there. It's not in Charter 315 because the Charter
22 doesn't conceive of MOCS, considers the mayor
23 approving it, MOCS exists to apply that approval.
24 Agencies wouldn't consider that, you know, it's a
25 feature, not a flaw. What's the best part about a PPP

2 306? I don't have to worry about MOCS. They only have
3 to worry about two people, Law Department and the
4 Comptroller. And they're not necessarily asking those
5 questions. So, I do think we need to take a harder
6 look at the structure of who is approving it, who is
7 accountable for this because I don't think we have
8 the right people kind of in those positions, having
9 been in the positions of having to try and approve it
10 or not approve it. But I would, yeah, so I don't
11 think timeline is the cause. I think it's a symptom.
12 But I do believe we do need to do something, but I do
13 think 90 days is the lowest I would go in that
14 regard. Because I think before that, then it's just
15 false because...

16 CHAIRPERSON RESTLER: There's no other
17 option.

18 CHARLES DIAMOND: Something that takes 68
19 days, it's not going to be any different than 30
20 because it's going to be an emergency contract
21 nonetheless. Because as you well know, a normal
22 contract is going to be taking you so much longer.
23 So, I don't think we can separate the DOB demolition
24 from the COVID in that way, but we have to. We have
25 to.

2 ALEX CARMADA: If I could just jump in on
3 that. I mean, I think with the DOB demolition, I
4 mean, I'm not aware of any scandals or issues around
5 that type of contract. I mean, you could do something
6 where you could. CHAIRPERSON RESTLER: HPD does the
7 demolition contract, just for the record.

8 CHARLES DIAMOND: Correct.

9 CHAIRPERSON RESTLER: It doesn't matter.

10 ALEX CARMADA: I mean, I think you could
11 potentially apply different time frames or not have
12 as frequent renewals for those types of contracts or
13 you could look at it from a dollar threshold.
14 Obviously, we're concerned about the largest
15 contracts. I mean, look, the Director called I think
16 the DocGo contract an outlier. But if you look at
17 these things by dollar value, I would imagine that
18 there are many emergency contracts that have a very
19 high dollar value, and maybe the more frequent number
20 is these demolition contracts.

21 CHAIRPERSON RESTLER: Yeah. I mean, we
22 should take a look at how many HPD does. I mean, over
23 the years, worked with Vito and AnnMarie on these
24 different times when the demolitions were necessary
25 and their team would make it happen. But no, I mean,

2 as I think I've said now 16 times in the hearing, we
3 wouldn't be having this hearing today if we were
4 talking about HPD demolitions. We're having the
5 hearing about the 763 contracts totaling 5.7 billion
6 dollars under Eric Adams on emergency relating to the
7 migrant crisis and how that money has unfortunately
8 been misspent too many times and all of the
9 limitations we know exist with emergency procurements
10 that are not as rigorous as our standard procurement
11 process. So, you know, we are where we are. I do
12 think that there are unanticipated implications with
13 a tight timeframe that we need to think through very
14 carefully. We also want to make sure that there's
15 ongoing review and oversight and that we're trying to
16 transition those contracts to standard procurements
17 as soon as is feasible. So, how do we balance all of
18 that is what we're going to have to figure out as
19 this legislation gets negotiated and we move it
20 forward, and we'll look to solicit feedback from the
21 Law Department and the Comptroller's Office that have
22 the most direct expertise on these topics. And I'm
23 sorry, they weren't with us today.

24 I guess the one other thing I'd love to
25 ask is just the, so the Comptroller did not register

2 an emergency procurement for DocGo, right, and it had
3 no impact.

4 CHARLES DIAMOND: Yeah. I can speak to
5 that. And you had said it very well. And you've been
6 around City government where you know that term
7 deemed registered, right? The City can normally kind
8 of overpower a failure to register a normal contract.
9 That's built into the '89 Charter. I think it goes
10 with the spirit of it was the idea that the
11 Comptroller can use their bully pulpit to say, I
12 think something's wrong, but they can't stop it
13 absent a very specific thing about corruption, which
14 has only, I think, ever been triggered once since
15 '89. So yes, normally you can override it. What
16 happened with DocGo, and again, you asked the
17 question of what happens if you fail to approve.

18 CHAIRPERSON RESTLER: Right.

19 CHARLES DIAMOND: In my experience, what I
20 would say is that if either the Law Department or the
21 Comptroller fails to approve at either of their two
22 stages, prior approval, which is me saying, here's
23 the need, can I go pick up the phone, and final
24 approval, which is me saying, okay, here's the deal I
25 got. At both of those times, if either of the

2 entities says no, you are dead in the water and you
3 have to start from scratch. That is how it works with
4 an emergency procurement. The reason that did not
5 happen with DocGo is because the Comptroller did
6 approve it and then failed to register it, which
7 meant you can deem it registered. Because what is
8 registration ultimately? It is the act of putting it
9 in FMS. Can you write a check? Can you cut a check
10 off of it, which is why it's so crucially important.
11 But in that sense, again, so the contract was legally
12 effective. Now, I will say this. I'll leave it to the
13 Law Department. There's more legal nuance than that.
14 But suffice it to say, yeah. And that's why it's a
15 little bit different. But I'd often say this, Chair.
16 There is no contract in the entire City of New York
17 where the Comptroller has more power than an
18 emergency contract, and that's been true since '89.

19 CHAIRPERSON RESTLER: And this legislation
20 would give dramatically more power to the
21 Comptroller's Office.

22 CHARLES DIAMOND: Yes.

23 CHAIRPERSON RESTLER: Understood. I think
24 you explained that crystally clear so thank you for
25 edifying me and on the record.

2 I'm happy if you have any final comments
3 from the panel.

4 ALEX CARMADA: Yeah. Just one other thing.
5 I think that would help the Council's oversight. I
6 mean, we mentioned in our testimony that the
7 contracts under the Charter are supposed to be made
8 available online. Certainly, the Council can acquire
9 them more so than the general public and see
10 provisions that wouldn't otherwise be available to
11 the general public. But I've been on the other side
12 of contracting. I've done this for companies, for
13 vendors, for telecommunications companies, real
14 estate companies, construction companies in different
15 capacities, and almost all of these contracts have
16 standards written into them, performance standards,
17 and usually there's provisions and contracts that
18 also enable either side to get out of the contract
19 within a certain period of time. So, if there's a
20 highly visible contract where there's been a scandal
21 and the Council gets a copy of it, they can see the
22 performance metrics. They can see the ability of the
23 City to get out of the contract and they can use that
24 for their oversight purposes.

2 CHAIRPERSON RESTLER: Yeah. It's true. I
3 mean, look, I think we all know the City can
4 essentially discontinue a contract at a moment's
5 notice whenever it sees fit for whatever reason it so
6 determines, and that's, as I understand it, baked
7 into basically every City contract. Charles can
8 correct me.

9 CHARLES DIAMOND: I would briefly note
10 that, of course, that de Blasio would famously with
11 that concession, the former Trump golf course, City
12 ended up having to pay 20 to 25 million dollars, in
13 my personal opinion, Chair, because they used the
14 wrong out, which is that there was at will, but it
15 was decided to use it because they breached the rule
16 of law provisions. The reason I say is that although
17 I would agree the City should be very aggressive in
18 getting out of our contracts when we see fit and
19 indeed sometimes eating a fee, it is true also that
20 courts, that's a famous example where we got hurt
21 harder than the contract would have hurt us otherwise
22 simply by trying to withdraw, but we should certainly
23 use that tool aggressively.

24 CHAIRPERSON RESTLER: I raised that to
25 say, we know the City essentially has that power. The

2 question of kind of when it's used and what are the
3 implications of its use in areas where we have a hard
4 time recruiting and retaining vendors like shelter
5 operations or where there could be real term
6 consequential impacts like childcare providers, like
7 we have to be really deliberate and the management on
8 the administration side, the leadership, deputy
9 mayors, commissioners have to be very careful in when
10 they use those oversight functions, and I imagine
11 that previous administrations have been reticent to
12 be as transparent as they could be because they're
13 not trying to create a lot of outside pressure that
14 could make it harder for them to defend difficult
15 decisions. It's not to say it's right. It's not to
16 say it's wrong. I'm not defending it. I'm just trying
17 to kind of think through and explain it to myself.
18 But you're right. It's required that this information
19 be public. It should be public. It should be easily
20 accessible and searchable. And information that needs
21 to be redacted should be redacted. And it should be
22 as simple as that. Such as shelter locations
23 shouldn't be made available even if we know where
24 they all are anyway. That's not in the spirit of the
25 state law that provides some protection and privacy

2 to recipients of public assistance. So, with that, I
3 think we will thank this esteemed and informative
4 panel. We really appreciate your time today.

5 Last but not least, one of our great
6 frequent flyers across the City Council as a whole,
7 Christopher Leon Johnson.

8 CHRISTOPHER LEON JOHNSON: Thank you,
9 Chairs Brewer and Restler. My name is Christopher
10 Leon Johnson. I support the bills. This needs to be
11 done. I don't know why that they didn't do this under
12 Eric Adams' Administration, but we moved on, we moved
13 on. He's no longer here. We have the Mamdani
14 Administration now. I hope that when these bills get
15 passed, Mamdani lets us go through. He doesn't veto
16 these bills. Look, I'm calling on the City Council to
17 call for people to start to call themselves more as
18 lobbyists in the City Council. I'm calling the City
19 Council to make it aware that there's two people that
20 should be registered as lobbyists in the city of New
21 York. Ben Furnas of Transportation Alternatives.
22 Ligia Guallpa of Worker Justice Project, Los
23 Deliveristas. And because I think there's a bill
24 that's introduced by Julie Menin when it comes to
25 subcontractors, and I'm going to call Mr. Lincoln

2 Restler to start asking these like Transportation
3 Alternatives and Ligia Guallpa why they don't
4 register themselves as a non-profit themselves as the
5 Worker Justice Project when it comes to getting these
6 contracts and discretionary funding and why are they
7 hiding under Third Sector New England? Basically, I
8 believe that it shouldn't be like that. If they're
9 being recognized as a City and they'll say, oh, we're
10 recognized by the City of New York, they should be
11 coming, be registered as the Worker Justice Project
12 instead of Third Sector New England because a lot of
13 people get thrown off when it comes to discretionary
14 funding doled out and contracts getting doled out.
15 You have to search up through Third Sector New
16 England, and I think that this should be part of that
17 too where the Worker Justice Project must be
18 accounted for when it comes to getting contracts from
19 the City because they should be, if they don't want
20 to be, they should be registered as a subcontractor
21 because where's that money going? They get a million
22 dollars in money all the time. Where's that money
23 going? And you need to start asking Ben Furnas who is
24 the owner of Transportation Alternatives who works
25 and oversees the Worker Justice Project and asks

2 Ligia Guallpa where's that money going. You're
3 getting all that money from the City from
4 discretionary funding and where's that money going?
5 So, that's all I got to say.

6 CHAIRPERSON RESTLER: Thank you very much
7 for your testimony. I will just say, there are
8 requirements around the legal names of organizations
9 and how those are used and there are requirements
10 around who needs to register as a lobbyist and what
11 activities necessitate that, and so I imagine these
12 organizations are very well-informed about what those
13 criteria are but appreciate your testimony today and
14 the suggestion and thank you for joining us at the
15 hearing.

16 CHRISTOPHER LEON JOHNSON: Thank you.

17 CHAIRPERSON RESTLER: With that, we will
18 adjourn our first Contracts Committee hearing of
19 2026. Thank you. [GAVEL]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date February 5, 2026