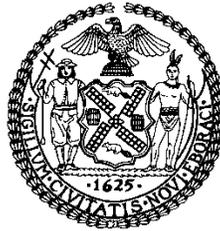


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Hon. Chaim Deutsch, Chair

COMMITTEE ON CONTRACTS

Hon. Ben Kallos, Chair

November 19, 2019

OVERSIGHT: DEPARTMENT OF VETERANS SERVICES' CONTRACTS

INTRODUCTION

On November 19, 2019, the Committee on Veterans, chaired by Council Member Chaim Deutsch, and the Committee on Contracts, chaired by Council Member Ben Kallos, will hold an oversight hearing on the New York City's Department of Veterans Services' (DVS) contracts. The Committees will examine DVS's contracting ability, its contracting relationship with veteran service organizations (VSO) and the Mayor's Office of Contract Services (MOCS), and how DVS' contracting might be streamlined and improved. Witnesses invited to testify include DVS, the Department of Citywide Administrative Services (DCAS), MOCS, veteran advocates, veteran services providers, veterans and other members of the public.

BACKGROUND

There are approximately 20 million veterans currently living in the United States.¹ In New York State alone, there are more than 800,000 veterans,² and in the NYC greater metropolitan area, there are over one million residents who are either service members, veterans, or a family member of a service member or veteran.³ NYC veterans are distributed throughout the city as follows: 58,815 (27.9% of total) in Queens, 54,178 (25.7%) in Brooklyn, 38,577 (18.3%) in Manhattan, 37,495 (17.9%) in The Bronx, and 21,502 (10.2%) in Staten Island.⁴ DVS estimates there to be 189,808 service members on active duty and 21,000 National Guard and reservists within the city.⁵ Of the total 210,808 NYC veterans, 6.5% are female, with the total racial makeup of all NYC veterans being: 59% white, 28% black, 3% Asian, 2% two or more races, and 1% American

¹ United States Department of Veterans Affairs. National Center for Veterans Analysis and Statistics. Veteran Population. *The Nation-Age/Gender*. Available at: https://www.va.gov/vetdata/veteran_population.asp.

² United States Department of Veterans Affairs. National Center for Veterans Analysis and Statistics. Veteran Population. *The States-Age/Gender*. Available at: https://www.va.gov/vetdata/veteran_population.asp.

³ New York City Department of Veterans' Services. About. NYC Veterans. *Facts & Stats*. Available at: <https://www1.nyc.gov/site/veterans/about/facts-stats.page>.

⁴ *Id.*

⁵ *Id.*

Indian/Alaskan Native.⁶ In addition, 88.1% of NYC veterans are employed, with their median income being \$34,794 for females and \$36,582 for males, with 10.1% of veterans living below the poverty line.⁷

The Department of Veterans Services (DVS)

DVS, formerly the Mayor’s Office of Veteran’s Affairs, was officially established in April 2016 by Local Law 113.⁸ With the establishment of DVS, NYC became the first major city in the United States to establish its own agency solely devoted to service members, veterans and their families.⁹ DVS views veterans as vital members of society who help NYC thrive, and work to match veterans with programs and services to support and enhance veterans’ lives.¹⁰ Regardless of the type, length, era of service or discharge status, DVS seeks to help veterans secure needed services.¹¹ DVS acts as a centralized hub for veterans, coordinating services with agencies at the City, state, and federal level, as well as through public-private partnerships.¹² Ultimately, DVS’s mission is “to foster purpose-driven lives for NYC service members, veterans, and their families: effective connections in the NYC community; targeted advocacy at a local, state, and national level; and compassionate service, ensuring we make it easier to access services and benefits they’ve earned.”¹³

In order to successfully and effectively integrate and support veterans and their family members into civilian life, DVS offers four main program areas. These areas are:

⁶ New York City Department of Veterans’ Services. About. NYC Veterans. Facts & Stats. *New York City Veterans Demographics*. Available at: <https://www1.nyc.gov/assets/veterans/downloads/pdf/NYCVeterandemographics.pdf>.

⁷ *Id.*

⁸ New York City Department of Veterans’ Services. *About*. Available at: <https://www1.nyc.gov/site/veterans/about/about.page>.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² New York City Department of Veterans’ Services. About. *Agency*. Available at: <https://www1.nyc.gov/site/veterans/about/agency.page>.

¹³ *Id.*

- Engagement & Client Services, which ensures that veterans gain access and have knowledge to navigate educational programs, find fulfilling and sustainable jobs, and create their own business opportunities;¹⁴
- Housing, which expands and improves housing and social service resources available to NYC veterans and their families, and aids constituents in navigating existing resources, with top priorities to end veteran homelessness and improves access to affordable housing;¹⁵
- VetsThriveNYC, which provides extensive health services for veterans and their families, ensuring that their mental, physical, and spiritual health needs are adequately met;¹⁶ and
- Careers, which connects veterans with the resources that are needed to succeed, with education, employment, entrepreneurship, and other resources being offered through the Veterans Success Network.¹⁷

DVS and Procurement

A large part of the process of funding and ensuring effective programming and services is procurement. Since July 10, 2016, DVS and DCAS have determined, through a Memorandum of Understanding (MOU) that for an initial period of DVS' existence, DCAS will provide DVS with certain support and guidance functions.¹⁸ Under the MOU, it was agreed that DCAS would provide

¹⁴ New York City Department of Veterans' Services. Programs. *Engagement*. Available at: <https://www1.nyc.gov/site/veterans/programs/engagement.page>.

¹⁵ New York City Department of Veterans' Services. Programs. *Housing*. Available at: <https://www1.nyc.gov/site/veterans/programs/housing.page>.

¹⁶ New York City Department of Veterans' Services. Programs. *VetsThriveNYC*. Available at: <https://www1.nyc.gov/site/veterans/programs/vetsthrivenyc.page>.

¹⁷ New York City Department of Veterans' Services. Programs. *Careers*. Available at: <https://www1.nyc.gov/site/veterans/programs/careers.page>.

¹⁸ Page 1. New York City Department of Veteran' Services. About. Partners. Documents and Memoranda of Understanding (MOUs). *DVS DCAS Functions*. Available at: https://www1.nyc.gov/assets/veterans/downloads/pdf/DVS_DCAS.pdf.

DVS with support and guidance for 18 months, with the ability to renew this term to provide services to the public.¹⁹ Such support and guidance included utilizing: DCAS' Fiscal Business and Management to prepare certain budget reports, review hiring and salary adjustments and forecast personnel services budgets; DCAS' Administration to provide administrative support functions in the operational areas of human resources, payroll and timekeeping, labor relations and disciplinary proceedings; and, importantly, DCAS' Citywide Procurement to perform procurement related functions.²⁰

As part of DCAS' Citywide Procurement line of service, DVS assigned a liaison to DCAS' Agency Procurement, with the initiation of the procurement process requiring that DVS submit a completed requisition form and an approved fiscal certification to DCAS' Citywide Procurement line of service.²¹ Under the MOU, DCAS could provide DVS with tasks, including:

- reviewing scope of service/specifications and pricing documents prepared by DVS;²²
- preparing, reviewing and approving required procurement documents;²³
- conducting pre-bid/pre-proposal conferences in conjunction with DVS liaisons;²⁴
- Representing DVS at public hearings;²⁵
- Liaising with and obtaining required oversight approvals from the Office of Management and Budget, MOCS, NYC Law Department, and the Office of the NYC Comptroller, and ensure that all procurements comply with applicable local

¹⁹ *Id.*

²⁰ *Id.* at pages 2 and 3.

²¹ *Id.* at page 2.

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

laws and adhere to Mayoral directives, the Procurement Policy Board Rules and the City Charter;²⁶

- Preparing and approving Financial Management System document, upon selection of a vendor;²⁷
- Creating a Purchase Order (PO) document in DCAS' PO System;²⁸ and
- Sending/emailing an Approved PO to the awarded vendor, copying DVS' liaison.²⁹

Since the establishment of DVS, the agency has held ten active contracts, totaling \$2.1 million.³⁰ These contracts have included the provision of professional computer services, the buying of office furniture, and other expenditures with the following vendors: Rangam Consultants Inc., GCOM Software LLC, Herman Miller Inc., Gartner Inc., Syracuse University and Payor Alliance for Veterans Employment LLC.³¹

Currently, there are only two active contracts procured by DVS, totaling \$1.7 million.³² One contract is with Syracuse University in relation to VetConnectNYC, which has been renewed through September 30, 2020, totaling \$514,000, with approximately \$201,250 spent.³³ The other contract is with Payor Alliance for Veterans Employment LLC in relation to veteran employment that began on December 20, 2018 and ends on October 29, 2021.³⁴ This contract totals \$675,000, with zero dollars spent to date.³⁵

²⁶ *Id.*

²⁷ *Id.* at page 3.

²⁸ *Id.*

²⁹ *Id.*

³⁰ New York City. Office of the Comptroller. CheckbookNYC. *Department of Veterans' Services Active Contracts Transactions*. Available at: <https://www.checkbooknyc.com/contract/all/transactions/constatus/A/contcat/all/doctype/MMA1~MA1~CTA1~CT1~DOI~RCT1/agency/220>.

³¹ *Id.*

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

As the initial 18 month guidance period with DCAS has passed, DVS presumably now handles their own contracts, although the internal process for handling these contracts is unclear, as DVS does not have a Chief Contracting Officer (ACCO). To this end, the lack of transparency has frustrated advocates and VSOs, who have complained that the process for receiving and using discretionary funding is difficult and unclear. Advocates have recommended that DVS acquire a dedicated ACCO to help DVS allocate financial resources and contracts to veterans groups and initiatives with meaningful urgency and prioritization.

The Mayor's Office of Contract Services (MOCS)

MOCS is responsible for overseeing the City's procurement system. It establishes policies and procedures for the implementation of Procurement Policy Board (PPB) rules and local laws.³⁶ MOCS is also responsible for maintaining the City's central contract registry and auditing agency procurement contracts.³⁷

While DVS's procurement budget is relatively small compared to large contracting agencies, MOCS would still conduct standard agency oversight and contract management should DVS have a dedicated ACCO to manage its procurement budget.

CONCLUSION

Today's hearing will provide an opportunity for DVS, DCAS, MOCS, veteran advocates and other interested stakeholders to provide feedback on DVS' contracts and its procurement process. The Committee hopes to better understand DVS' procurement ability, as well as to determine what gaps exist in terms of procuring contracts for DVS and what challenges VSOs face in receiving funding and contracts. In addition, the Committee would like to gain feedback from

³⁶ See New York City. Mayor's Office of Contract Services. *About MOCS*. Available at: <https://www1.nyc.gov/site/mocs/about/about-mocs.page>

³⁷ See *id.*

DVS, DCAS, MOCS, advocates and stakeholders on ways to improve the current system of procurement for DVS, and the need for or feasibility of requiring DVS to have a Chief Contracting Officer to procure and handle contracts.