



Legislation Text

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Res. No. 2144

Resolution calling upon the Mayor of the City of New York to reduce the unnecessary use of private contractors and consultants to perform public services typically performed by civil servants.

By Council Members Foster, Brewer, Comrie, Fidler, Gentile, James, Koppell, Lappin, Liu, Stewart, Mark-Viverito and White.

Whereas, The City of New York routinely contracts with private companies to provide public services, such as social services, health or medical services, housing and shelter assistance services, legal services and employment assistance services; and

Whereas, Since 2005, New York City's contract expenditures have increased by 36%, from \$6.8 billion in Fiscal Year 2005 to \$9.2 billion in Fiscal Year 2009; and

Whereas, The allocation for Fiscal Year 2009 funds over 18,000 contracts and represents an increase of \$2.4 billion from Fiscal Year 2005; and

Whereas, Contracting public services out to private companies drains funds, hurts morale and reduces the reliable civil service workforce in City agencies; and

Whereas, While some of the 18,000 contracts are necessary for the effective functioning of City government, thousands of such discretionary contracts use contractors and consultants to carry out functions that should be performed by City workers at a considerably lower cost; and

Whereas, Concern exists that private sector employees are hired without the merit and fitness examinations and background checks that the City requires for civil service workers; and

Whereas, According to union research, the Human Resources Administration ("HRA") and the City Department of Education are using temporary clerical workers to perform routine daily functions at a higher

cost than City workers, and the City could arguably save approximately \$2.4 million by eliminating the contracts with temp agencies and converting these temporary workers into City employees; and

Whereas, Some unions also maintain that HRA is contracting-out millions of dollars in custodial services when such jobs could be performed by Job Training Participants in the Transitional Workfare Program; and

Whereas, Union research indicates that this change would arguably produce savings of more than \$14.5 million for the City, while improving the lives of the families of workers assigned to the Transitional Program; and

Whereas, The City Department of Transportation is hiring contractors to install regulation and enforcement signs on City streets and sidewalks at almost three times the cost of the work done by the City's Traffic Device Maintainer, according to union research, arguably costing the City \$2.9 million; and

Whereas, In July 2008, New York State Governor David Paterson issued Executive Order No. 6: Ensuring the Cost-Effectiveness of Contracts for Personal Services, which established a Task Force on Personnel Services Contracting, composed of the Civil Service Commissioner, Deputy Secretary of Labor and Finance and others; and

Whereas, Under Executive Order No. 6, Qualified Personal Services Contract ("QPSC") means any contract entered into by a State agency with any private party pursuant to State Finance Law § 163, under which: (a) the agency believes that a majority of the costs of the contract are attributable to compensation of the contractor's personnel, and (b) the agency can reasonably anticipate it will incur costs for the compensation of personnel of \$1 million or more over any twelve-month period; and

Whereas, Under the Executive Order, a State agency may not enter into QPSCs unless the agency has first determined that: (a) the contractor can carry out the task more efficiently or effectively than State employees, (b) the contractor can carry out the task for lower cost than such State employees, and (c) the contract is necessary to protect public health or safety or for some other compelling reason; and

Whereas, Executive Order No. 6 promotes transparency and openness for State agencies, private contractors and the public; and

Whereas, Since Governor Paterson issued Executive Order, State expenditures for personnel and professional services have been reduced by more than \$100 million; and

Whereas, With New York City facing cuts to vital public services, such as health, education, fire and sanitation, elected leaders must stop unnecessary contracting out of public services to the private sector; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the Mayor of the City of New York to reduce the unnecessary use of private contractors and consultants to perform public services typically performed by civil servants.

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