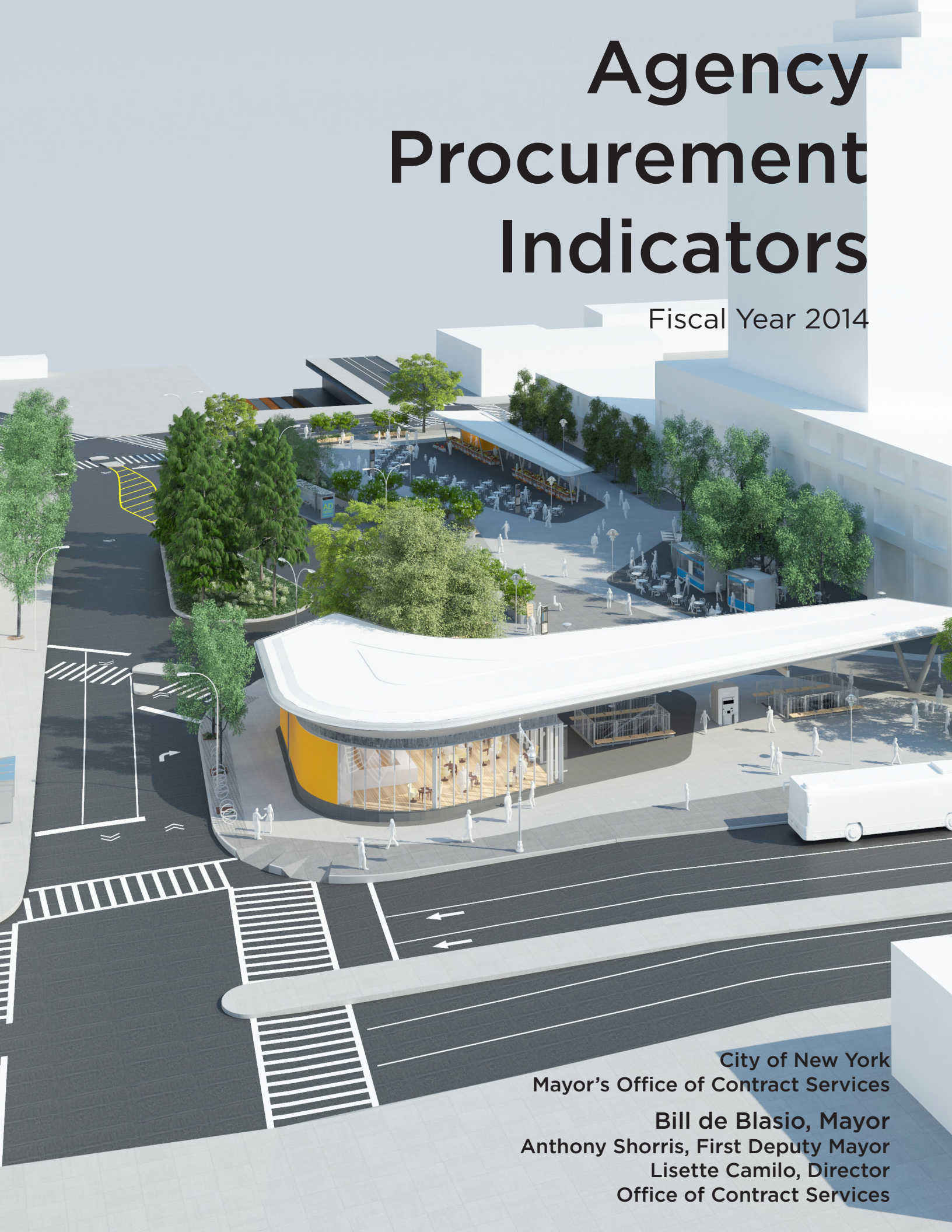
Agency Procurement Indicators

Fiscal Year 2014



City of New York
Mayor's Office of Contract Services

Bill de Blasio, Mayor
Anthony Shorris, First Deputy Mayor
Lisette Camilo, Director
Office of Contract Services

Cover Image: **Phase Two of the Fordham Plaza Reconstruction Project in the Bronx.**

Fordham Plaza

Cover image: Grimshaw Architects.

Fordham Plaza, located in the heart of the Bronx is a major transit and commercial hub adjacent to the busy Fordham Road retail corridor. The NYC Department of Transportation (DOT) partnered with the NYC Economic Development Corporation (EDC) and Department of Design and Construction (DDC) to design and construct the new Fordham Plaza.

The second phase of the Fordham Plaza Project will fully reconstruct the plaza with planted areas to provide shade and buffer pedestrians from bus and roadway traffic, lighting, fixed and moveable seating areas, wayfinding signage, enhanced waiting areas at bus stops, an Automatic Public Toilet, increased vending space, kiosks, a café building and enhancements to the Metro North entrance.

The new Fordham Plaza will play an important role in Mayor Bill de Blasio's Vision Zero initiative. Vision Zero combines education, smarter streets and strong enforcement to reduce dangerous and illegal behavior on City streets – including speeding, distracted driving and failure to yield to pedestrians. The goal of the initiative is to reduce injuries and fatalities on our streets to zero. The new plaza will help reach this goal by creating shortened pedestrian crossings, new direct crossings to deter jaywalking, and a 25% expansion in pedestrian space.

EDC provided a conceptual design plan and project support for the plaza. Together, DOT, DDC and EDC worked closely with the community to ensure the new plaza design met their needs. This project is partially funded by a $10 million U.S. Department of Transportation grant program to fund innovative projects around the country. DOT is pleased to partner with The Fordham Road Business Improvement District on the management, maintenance, and programming of this plaza.

On August 27, 2014, DOT Commissioner Polly Trottenberg and DDC Commissioner Dr. Feniosky Peña-Mora broke ground on phase two of the plaza reconstruction. The project is expected to be complete by fall 2015.

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EXECUTIVE SUMMARY

In Fiscal 2014, New York City (the City) procured more than $17.7 billion worth of supplies, services and construction, through more than 43,000 transactions. These procurements serve the public and reflect the ideals of fairness, integrity and value while addressing the vast scope and variety of City needs.

New York City continues to be one of the largest contracting jurisdictions in the nation. The City procured services needed to protect the health and safety of all New Yorkers, to invest in its infrastructure and overall economic development, to take care of New Yorkers in need and to provide City agencies with the goods and services necessary to further their missions.

This report tells the story of what New York City agencies bought during Fiscal 2014 and how those purchases were made. Indeed, how we buy is just as important as what we buy. Accordingly, the procurement system, as prescribed by the Procurement Policy Board (PPB) rules, is designed to achieve three main goals:

- To achieve the best value for the taxpayers' dollar, with high quality goods and services and timely delivery at fair and reasonable prices;
- To seek responsible business partners, i.e., vendors whose records of integrity, financial capacity and successful performance justify the use of tax dollars; and
- To ensure that our contracting process delivers fair treatment to all vendors.

In addition to creating an environment of fair and efficient contracting, the City strives to procure high-quality goods and services for the best value by soliciting bids from as many viable companies as possible. Fostering competition for the City's business also generates an important source of economic opportunity for thousands of businesses in New York and around the world. We also recognize that the procurement of goods and services has an impact on a number of policy considerations which the Mayor's Office of Contract Services (MOCS) also evaluates in this report, such as expanding opportunities for Minority and Women-Owned Businesses (M/WBE), reducing the human impact on the environment, and ensuring that the jobs created by City contracts provide opportunities for growth and advancement to workers through apprenticeship and prevailing and living wages where required.

In order to measure the City's success in achieving these goals, MOCS tracks key indicators of the performance of the City's procurement system.

TAKING INVENTORY

Overall, procurements increased in Fiscal 2014 by about 14% over Fiscal 2013. Highlights from the Fiscal 2014 procurement cycle include:

- Eight agencies accounted for approximately 80% of the City's total procurement dollar value.
- The largest 25 contracts of the year accounted for very nearly half of the total dollars awarded. The Department of Sanitation (DSNY) tops the list of awarding agencies, owing to the award of two long term contracts for sanitation services, which are among the top 25 procurements in Fiscal 2014.
- Standardized services procurements made up the largest portion of the City's procurement volume, at 36% of registered awards, an increase from 30% in Fiscal 2013.
- There was a significant decrease in Human Services procurement from 33% in Fiscal 2013 to 17% in Fiscal 2014. This is consistent with expectations as a large number of new contract actions entered into in Fiscal 2013 were operational in Fiscal 2014 and did not require as many new procurement actions.

PROCUREMENT PROCESS

- The City procured more through larger contracts compared with prior years. About 86% of all purchasing dollars were from contracts that exceeded $3 million. By contrast, purchases for $100,000 or less accounted for only 3% of the total dollar value purchased, but almost 87% of the number of procurements processed.
- The City awarded 125 new concessions and collected nearly $50 million.
- Nearly half of the City's purchasing resulted from competitive procurements.
- Competitiveness remained steady with 98% of contracts showing high levels of competition.

HUMAN SERVICES

Human services contracts – contracts that agencies enter into with vendors (typically nonprofits) to provide services directly to clients and communities throughout the City – amounted to 17% of the total contract dollars awarded in Fiscal 2014.

- Long-term retroactivity in human service contracting decreased slightly to 8% of continuation contracts.
- MOCS and the City's human services agencies ameliorated cash flow problems caused by late contracting and similar challenges by utilizing the City's cash flow loan program – administered by the Fund for the City of New York. MOCS issued 188 loans to 115 vendors in Fiscal 2014, totaling $32.1 million.
- The City's Nonprofit Capacity Building and Oversight (CBO) unit held training sessions on best practices in nonprofit management attended by over 800 nonprofit leaders and staff from City agencies.
- There were 168 contracts registered in Fiscal 2014, valued at $163 million, subject to the Living Wage Law, which primarily affects workers on human services contracts. Though a reduction from the previous fiscal year, it reflects the decrease in the value of newly registered human services contracts in Fiscal 2014.
- During Fiscal 2014, human services procurements began to be issued through HHS Accelerator which significantly improved the process both for nonprofit providers and agencies.

CONSTRUCTION

To meet the design, construction and renovation needs of the City's infrastructure and built environment, the City's eight primary agencies for construction (Department of Design and Construction, Department of Environmental Protection, Department of Parks and Recreation, Department of Transportation, Department of Citywide Administrative Services, Department of Correction, Department of Sanitation and Housing Preservation and Development) entered into contracts that made up approximately 16% of all Fiscal 2014 procurements.

- During Fiscal 2014, agencies awarded 67 contracts, valued at over $547 million, under cost-saving Project Labor Agreements (PLAs). To date, 282 contracts valued at over $3.6 billion have been registered under a PLA.
- For 71 contracts, worth over $841 million, agencies mandated participation in apprenticeship programs to afford opportunities for New Yorkers to obtain well-paying construction jobs. All PLA contracts also provide for apprenticeship opportunities. In total, about 73% of the City's newly-awarded

construction procurements require vendors to have access to apprenticeship programs.

- The City continues to support wages in the construction industry. The city registered 1,273 contracts, valued at $2.4 billion, subject to prevailing wage requirements.

Supporting City Agencies through Goods and Services

To keep government running, City agencies procure everything from office furniture to ambulances, from cleaning services to information technology (IT).

- Agencies used 1044 requirement contracts and placed just over $1.2 billion worth of orders for goods and services. The most heavily used requirement contracts (by dollar value) were those for fuel and for payments related to the City's procurement card purchases (P-card). The most frequently used requirement contract was for office supplies from Staples. A total of 159 new requirement contracts were registered.
- In Fiscal Year 2014, nine agencies registered 104 new master agreements. Human Resources Administration (HRA) registered the most master agreements with 36.
- During Fiscal 2014, City agencies awarded construction contracts valued at more than $143 million that included at least one of fourteen possible Environmentally Preferable Purchasing (EPP) specifications. City agencies also registered over $18.9 million worth of contracts that were subject to the more comprehensive Green Buildings Law, Local Law 86 of 2005.

Expanding Opportunity form Minority-and Women-Owned Businesses

In this report, we measure the City's performance of the newly expanded and improved M/WBE program under Local Law 1 of 2013. This is notable as it is the first full year of the updated program's implementation. As further detailed in this report, the City has made substantial improvement in this area.

- The City has awarded more than $4.1 billion in procurements for certified M/WBE firms to date since 2007.
- In Fiscal 2014, agencies awarded over $548 million in prime contract awards and over $141 million in subcontract awards to certified M/WBE firms, notwithstanding the Program's applicability - a 57% increase in dollar value from Fiscal 2013.
- Agencies awarded over $424 million in prime contract awards and over $61 million subcontract awards to certified M/WBE firms on contracts subject to New York City's M/WBE Program – the highest dollar amounts in the history of the Program.
- Mayor Bill de Blasio appointed his counsel, Maya Wiley, to serve as Director of New York City's M/WBE Program.

In the pages that follow and in the appendices available online, we expand on each of the topics outlined above.

Credit: Marcello Rios/MOCS

The Municipal Building

TAKING INVENTORY

INTRODUCTION

New York City procures more goods and services than any other municipality in the country, and is one of the largest procurement jurisdictions at any level of government. In Fiscal 2014, the City procured nearly $18 billion of goods and services. This represents an increase of 8% relative to Fiscal 2013, reflecting the dynamic nature of the City's needs from year to year.

While all the Mayoral agencies subject to the Procurement Policy Board (PPB) rules are encompassed in this report, the vast majority of Fiscal 2014's procurements, in both value and volume, are accounted for by a select few. Eight agencies account for approximately 80% of the City's total procurement dollar value. The Department of Sanitation (DSNY) had the highest overall procurement value, representing a

Table I-1: Top 10 Agencies by Procurement Value

Agency		Count	Value	%
1	DSNY	1,661	$4,515,762,400	25%
2	SBS	287	$2,008,322,200	11%
3	DEP	3,103	$1,800,022,100	10%
4	DCAS	1,572	$1,408,300,600	8%
5	ACS	1,585	$1,297,252,900	7%
6	DDC	2,065	$1,253,620,600	7%
7	DOHMH	2,167	$917,814,900	5%
8	DoITT	855	$903,620,900	5%
9	DHS	435	$746,763,900	4%
10	DOT	1,039	$594,069,300	3%
All Other Agencies		28,552	$2,349,038,400	13%
Total		**43,321**	**$17,794,588,200**	

> *"This city has a legacy of leading the nation when it comes to protecting the health and safety of our environment. From resiliency planning to the restoration of our waterways, we are continuing that tradition."*
>
> **—Mayor Bill de Blasio.**[1]

nearly three-fold increase compared to its Fiscal 2013 value. In Fiscal 2014 DSNY procured several large, multi-year contracts to provide sanitation services to the City. The Department of Small Business Services (SBS) posted the second-highest procurement value, with significant investments in economic development. The Department of Environmental Protection (DEP) had the third highest procurement value, with numerous projects to improve water quality in New York City.

25 Largest Contracts

The 25 largest contracts for Fiscal 2014 represent initiatives by several agencies that are consistent with strengthening New York City's economy and infrastructure, maintaining the cleanliness of the city, supporting families and reducing the human impact on the environment. These 25 contracts also account for nearly 50% of the City's procurement spending in Fiscal 2014.

Standardized services procurements dominated the list of Top 25 Contracts with nearly $5 billion of spending. This includes contracts for City maintenance needs, such as $180 million in trucks used for refuse collection and disposal services from Mack Trucks, Inc. and $80 million in street sweepers from Global Environmental Products, Inc., which the Department of Citywide Administrative Services (DCAS) procured on behalf of DSNY. Another example of standardized services is the work performed by American Traffic Solutions, Inc. to operate and maintain the Red Light Camera/Bus Lane Camera system, which supports Mayor de Blasio's Vision Zero initiative.

Two DEP procurements in the 25 largest contracts table reflect the City's commitment to a cleaner, healthier New York City. For instance, DEP secured a $74 million contract with WDF Inc., which will construct new Glycerol facilities to Wastewater Treatment Plants to remove harmful nitrogen from water in the East River, Jamaica Bay, and Long Island Sound (see page 39).

Highlight: Supporting Nonprofits

The City has a history of supporting small human services vendors; the City can leverage procurements with experienced vendors in support of smaller service providers. For example, the fifth largest procurement of the year was procured by the Administration of Children's Services (ACS) with YMS Management Associates Inc. (YMS), a contractor that acts as a payment agent to disburse monthly voucher payments to small service providers who provide childcare services. This contract is valued at approximately $420 million, which mostly includes payments to the small service providers in addition to a small administrative fee to YMS.

[1] Speech announcing update to the New York City Air Pollution Control Code, April 22, 2014.

Table I-2: Top 25 Contracts of Fiscal 2014				
#	Agency	Vendor Name	Purpose	Contract Value
1	DSNY	Covanta 4Recovery, L.P.	Management, Transportation and Disposal Services	$2,857,787,000
2	SBS	New York City Economic Development Corporation	Citywide Economic Development Services	$1,665,534,000
3	DSNY	Waste Management of New York, LLC	Municipal Solid Waste Management	$1,120,000,000
4	DOHMH	Public Health Solutions	HIV/AIDS Master Contract	$471,000,000
5	ACS	YMS Management Associates Inc.	Payment Agent for ACS Voucher Programs	$418,808,500
6	DEP	New York Power Authority	Support for DEP Energy Efficiency Projects	$240,000,000
7	SBS	New York City Economic Development Corporation	Citywide Maritime Economic Development	$197,948,000
8	DoITT	Telesector Resources Group Inc. a Verizon Services Group	Citywide Master Service Agreement for Voice and Data Services	$185,000,000
9	DCAS	Mack Trucks Inc.	To Procure Truck, Collection, Rear Loading	$180,133,200
10	MOCJ	The Legal Aid Society	Indigent Criminal Defense Services	$177,212,300
11	DDC	Prismatic Development Corp.	Southwest Brooklyn Marine Transfer Station	$139,403,600
12	DHS	FJC Security Services, Inc.	Security Services for Manhattan/Bronx Shelters	$120,917,800
13	DOT	Tutor Perini Corporation	Design and Construction of the Replacement City Island Bridge over the Eastchester Bay in the Bronx	$102,688,000
14	DCAS	Consolidated Edison Company of New York Inc.	Natural Gas	$98,033,300
15	DoITT	Telesector Resources Group Inc. a Verizon Services Group	Provision of services and equipment for Network Customer Premise Equipment for the 911 System	$90,627,600
16	DPR	Central Park Conservancy Inc.	Maintenance, Programming and Operation of Central Park	$90,000,000
17	SBS	Brooklyn Navy Yard Development Corporation	Economic Development Services at Brooklyn Navy Yard	$82,727,000
18	DCAS	Consolidated Edison Company of New York Inc.	Purchase of Steam for New York City Government Buildings in Manhattan	$82,079,700
19	DCAS	Global Environmental Products Inc.	Street Sweeper Vehicles	$77,844,400
20	DEP	WDF Inc.	Carbon Addition Facilities at Various Waste Water Treatment Plants	$74,325,000
21	DOT	American Traffic Solutions, Inc.	Maintain Operate Red Light Camera/Bus Lane Camera System	$74,174,700
22	DoITT	Camelot Communications Group Inc.	Maintenance, Repair, and Modification for Intellipath, Key System, Voice Over Internet Protocol	$74,076,100
23	DCAS	The Brooklyn Union Gas Company	Natural Gas	$69,068,000
24	DSNY	Shaw Environmental Inc.	Environmental and post-closure monitoring and maintenance program for the Fresh Kills and Edgemere Landfills	$63,576,700
25	DPR	Central Park Conservancy Inc.	Construction services for Maintenance & Operation for the Central Park Central Park Conservancy	$60,000,000
Total Value				**$8,812,964,900**

HIGHLIGHT: SANITATION SERVICES

The largest contract procured during Fiscal 2014 was between DSNY and Covanta 4Recovery, L.P. (Covanta), to provide a variety of disposal management services valued at greater than $2.8 billion. This contract has a term of 20 years and is an essential tool for fulfilling the City's Comprehensive Solid Waste Management Plan. The contract reduces traffic in the City by efficiently transporting waste and creating energy from the solid waste.

According to the contract, DSNY will collect the solid waste from various collection districts, consolidate it with other waste at one of two Marine Transfer Stations (MTS) currently under construction in Queens and Manhattan and use Covanta-provided containers and rail barges in order to transport the waste. By utilizing the rail barges as an alternative means of transportation to more conventional garbage trucks, DSNY takes advantage of an environmentally friendly means of transportation while greatly reducing waste-related truck traffic in the City. After collecting the waste via rail barges, Covanta will also process the waste at its own Energy-From-Waste facilities. Covanta will convert the waste to energy, thereby additionally reducing the City's impact on the environment.

HIGHLIGHT: CITY ISLAND BRIDGE

In Fiscal 2014, New York City procured many contracts to help update its aging infrastructure. These projects will protect the City's investment in its infrastructure by extending the lifetime of various streets, bridges and buildings. Among these infrastructure improvements, the Department of Transportation (DOT) contract to fix the City Island Bridge stands out because of the large value of the contract. Moreover, it illustrates the City's commitment to making the concerns of its residents a priority.

DOT awarded a contract worth approximately $100 million to Tutor Perini Corporation (TP) to reconstruct the bridge over Eastchester Bay. However, residents of City Island and the Bronx were not satisfied with certain aesthetic and financial details of the design that had been proposed. Specifically, they felt that the high rise present in the original bridge design conflicted with the overall character of the neighborhood, which consists mainly of two to three-story buildings. The newly formed de Blasio Administration listened to these concerns, and collaborated with TP in order to create a new design.

The latest design has not only pleased Bronx and City Island constituents, but is also estimated to save the City approximately $5 million by the project's initial deadline of late 2016. Additionally, DOT is holding regular meetings with community members as the design progresses in order to ensure community participation. This contract, while procuring services that provide a noticeable improvement to previous infrastructure, underscores the de Blasio Administration's commitment to work closely with citizens in order to create a public good.

Credit: DOT

Rendering of the City Island Bridge

PROCUREMENT BY INDUSTRY

MOCS tracks procurements in six major industry categories: architecture/engineering, goods, construction services, human services, professional services and standardized services (see Glossary for definitions). Chart I-1 below reflects Fiscal 2014 procurement value by industry category. See Appendix A for agency-by-agency breakdowns of procurement by industry.

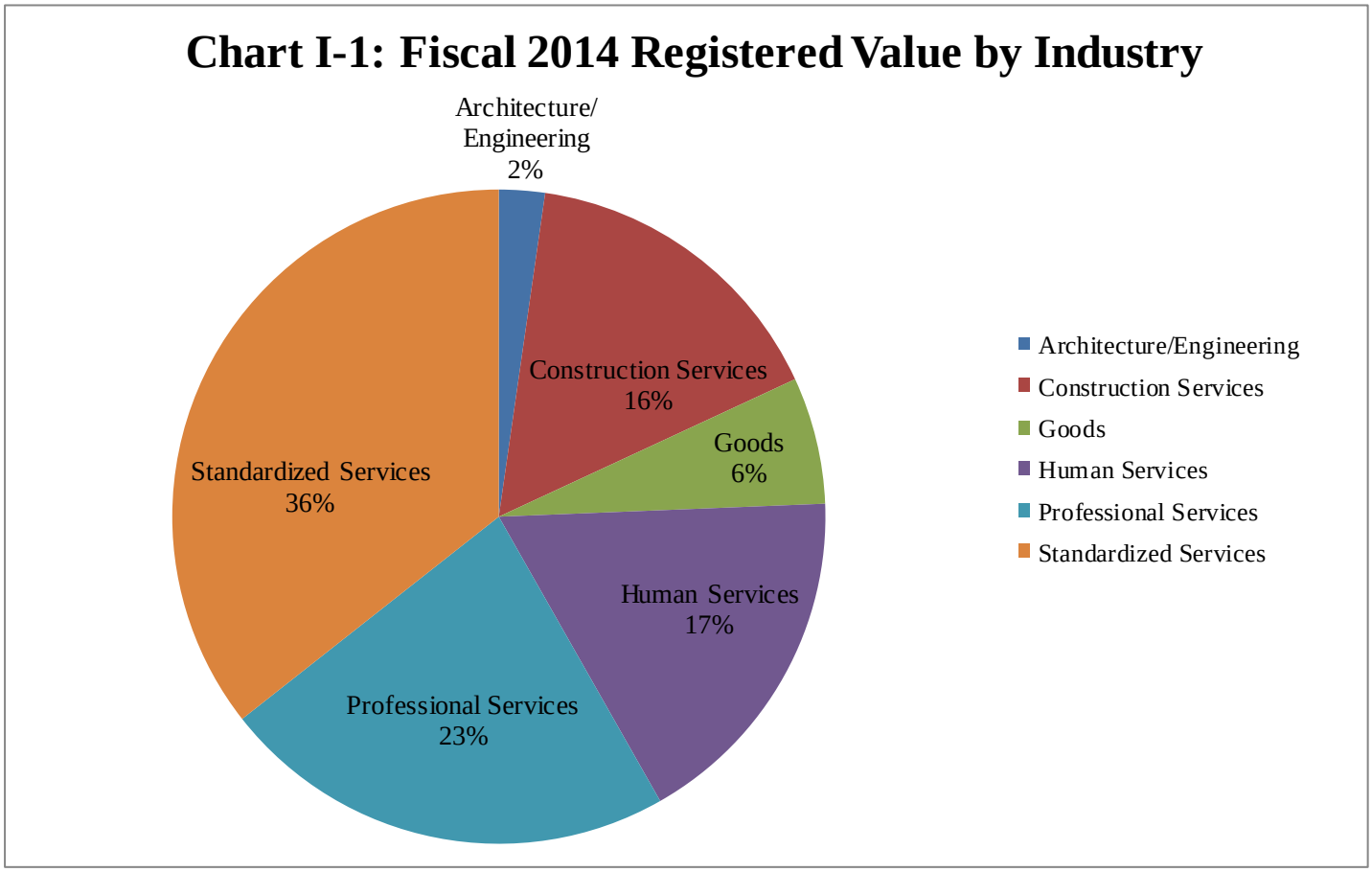
Some industry categories shifted significantly in Fiscal 2014, which illustrates the cyclical nature of procurements, as areas with large volumes of new procurements in previous fiscal years require fewer contract actions in subsequent years.

The largest industry category was standardized services, representing 36% of all value, an increase from 30% in Fiscal 2013.

There was a significant decrease in human services procurement from 33% in Fiscal 2013 to 17% in Fiscal 2014. This is consistent with expectations as a large number of new contract actions entered into in Fiscal 2013 remained operational in Fiscal 2014, lessening the need for new human services procurements.

The largest industry increase was in professional services, which went from 10% of all procurements in Fiscal 2013, to 23% in Fiscal 2014.

There was a slight decrease in construction services from 17% in Fiscal 2013 to 16% in Fiscal 2014 and in architecture and engineering from 4% in Fiscal 2013 to 2% in Fiscal 2014.

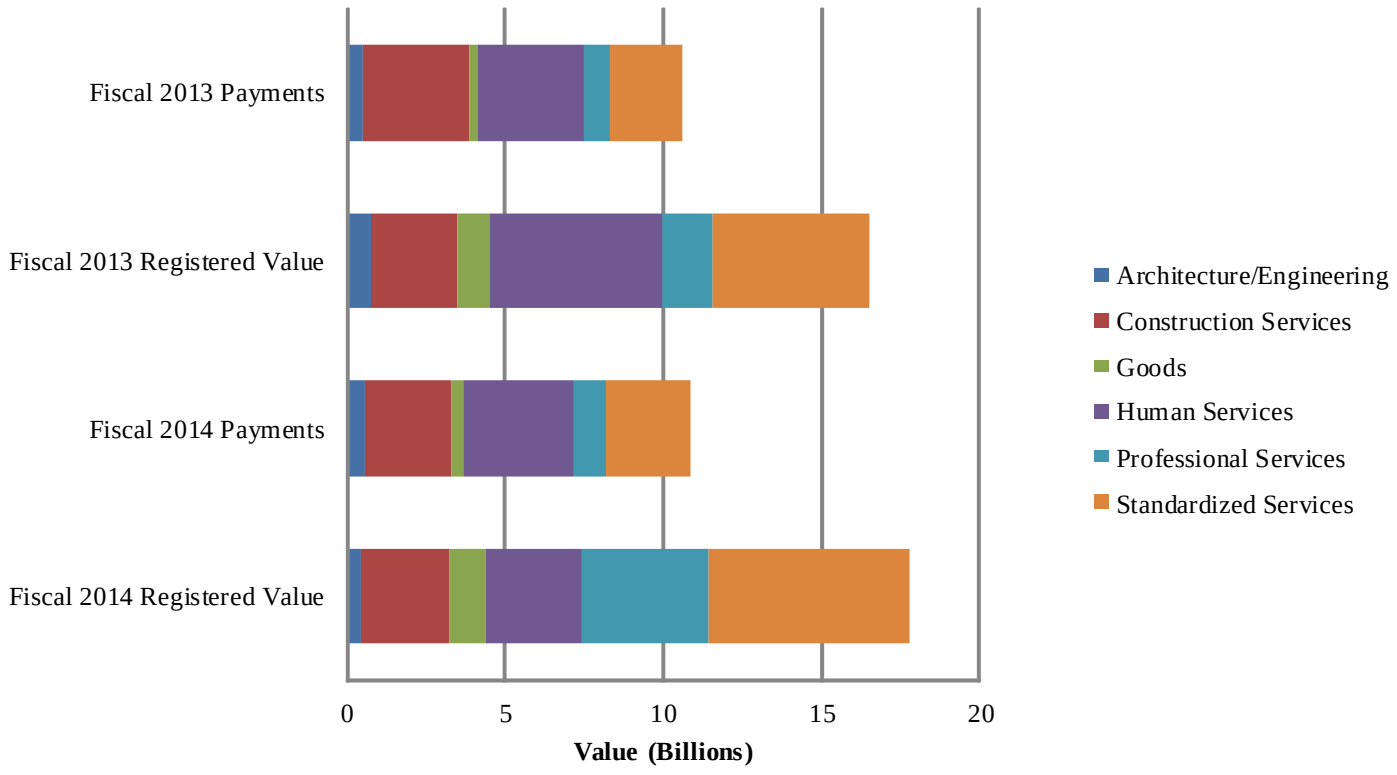


REGISTRATIONS V. PAYMENTS

This report tracks procurements by the fiscal year in which they are registered and counts the full value of the contract in that year, even if those contracts have terms spanning multiple years. Because the proportion of multi-year contracts is generally constant from year to year, this measure provides useful comparative information about procurement volumes. However, the registration of large, multi-year procurements, for a single contract or for a group of contracts within a project or program, can significantly increase the reported annual total. For example, the largest contract in Fiscal 2014 was awarded to Covanta for management, transportation and disposal services of waste with a value of $2.8 billion to be paid out over 20 years.

The value of payments made on contracts each year is much less than the value of new contract registrations. Chart I-2 below provides information on the total payments made by City agencies on their contracts, both those contracts registered in Fiscal 2014 and those registered in prior years but still active in Fiscal 2014. While this year's procurement total is noticeably higher than the previous year, payments to vendors remained roughly the same, increasing by less than 3%. In addition, while the value of contracts registered in architecture/engineering increased significantly in Fiscal 2014 and decreased significantly in human services, the proportion paid out in each industry remained relatively constant.

Chart I-2: Fiscal 2014 Registrations v. Payments



Procurements by Contract Size

Table I-3 below presents overall procurement volume at various dollar values. See Appendix B for year-to-year totals of individual agencies. In Fiscal 2014, contracts valued at $3 million or more totaled 86% of the overall dollar value of citywide procurements. These larger contracts represented slightly greater than 1% of the total number of procurements made. By contrast, purchases for $100,000 or less accounted for only 3% of the total dollar volume purchased but 87% of the number of procurements processed.

Table I-3: Dollar Value of Contracts by Contract Size

Group	Fiscal 2014		Fiscal 2013		Fiscal 2012		Fiscal 2011	
	Value	%	Value	%	Value	%	Value	%
<$0[2]	-$311,362,800	-2%	-$469,831,300	-3%	-$325,804,400	-3%	-$494,618,400	-3%
$0.01-$100K	$451,724,800	3%	$371,033,300	2%	$383,798,900	4%	$369,473,100	2%
$100K-$1M	$1,091,119,900	6%	$1,168,837,900	7%	$1,172,425,900	11%	$1,150,658,900	8%
$1-3M	$1,329,486,600	7%	$1,759,012,900	11%	$1,250,493,400	12%	$1,768,765,300	12%
$3-25M	$3,683,114,800	21%	$4,726,596,200	29%	$3,964,757,100	38%	$5,368,642,900	36%
>$25M	$11,550,504,600	65%	$8,955,989,500	54%	$4,086,387,500	39%	$6,803,756,800	45%
Total	**$17,794,587,900**	**100%**	**$16,511,638,500**	**100%**	**$10,532,058,400**	**100%**	**$14,966,678,600**	**100%**

Economic Development Corporation

The Economic Development Corporation (EDC) is a local development corporation under contract with SBS. It is one of the main conduits the City uses to deliver economic development services to the public.[3] The total value of contracts procured by EDC for Fiscal 2014 was over $460 million, almost twice last year's value. Though not subject to the PPB rules, EDC procures their contracts similarly to City agencies. The procurement methods used by EDC include: public bidding and request for proposals (47%), sole source, small and micropurchases (4% combined). The remaining amount (49%) represents EDC's other methods, which include funding and interagency agreements. In Fiscal 2014, most of EDC's contracts (54%) supported construction, valued at $250 million, 36% for professional services, valued at $166 million and the remaining 8% for architecture and engineering, valued at $39 million.

Credit: EDC

EDC, working with the Rockaway community, DPR, and the U.S. Army Corps of Engineers, began the second phase of improvements in Fiscal 2014, which will provide more long-term protection for Rockaway.

[2]Procurement actions also include modifications of existing contracts. Modifications may be negative, which occur when an agency requires less of a good or service than it initially anticipated. As Table I-3 indicates, there were approximately $311 million worth of negative amendments, bringing the contract dollar value lower than the registered amount. Modifications may also be positive, which occurs when an agency requires more of a good or service than anticipated, making the contract dollar value higher than when originally registered.

[3]EDC supports these efforts by conducting planning and feasibility studies, performing financial analyses, guiding projects through necessary public approvals and packaging various City programs and financing incentives.

Franchise and Concession Review Committee

Franchises

A franchise confers the right to a private entity to ocupy or use City property, such as streets or parks, to provide a *public* service, such as telecommunications or transportation. The Franchise and Concession Review Committee (FCRC) approved four franchise transactions in Fiscal 2014, all of which were information services franchises. The City's 60 existing franchises yielded greater than $200 million in revenue, including greater than $131 million from cable television and $48 million from street furniture (i.e., bus shelters, newsstands and automatic toilets) during the reporting period.

Concessions

A concession allows a private entity to use City-owned property for *private* use that serves a public purpose. Examples include: restaurants and snack bars in City parks; parking lots and gas stations; sports and recreation facilities such as golf courses, tennis courts, swimming pools and ice-skating rinks; holiday markets; pedestrian plazas and amusement parks. In Fiscal 2014, five agencies awarded 125 new concession awards for which revenue projections were estimated at greater than $21.8 million over the course of multi-year terms. Agencies awarded 85% of these concessions through competitive sealed bids (CSB) or request for proposals (RFP), and the rest by sole source or other methods of selection. Of the new concessions in Fiscal 2014, the Department of Parks and Recreation (DPR) made greater than 89% of the awards, representing greater than 99% of the value for citywide anticipated revenue.[4]

During Fiscal 2014, the City collected more than $50 million in revenue from operating concessions. DPR took in nearly $46 million, with 55% coming from sports, recreation and events. Another significant source of DPR's revenue came from food-related concessions, constituting 32% of DPR's revenue. DCAS collected more than $800,000 from occupancy permits. EDC collected nearly $2.4 million from occupancy permits and the City's downtown Manhattan heliport. NYC & Company (NYC & Co.), the exclusive worldwide licensing agent for the City of New York, responsible for the development, management and protection of the City's intellectual property, collected almost $1 million in fees for merchandise bearing City-owned trademarks and logos.

Highlight: Mega Bloks

NYC & Co., on behalf of SBS, negotiated a concession agreement with MEGA Brands who produces the proprietary Mega Bloks, unique construction building sets, blocks and other related accessories. MEGA Brands approached NYC & Co. to obtain a license to create products containing the City's proprietary marks. NYC & Co. negotiated with MEGA Brands to pay yearly licensing fees to the City. MEGA Brands will add to its line of World Builders with products branded with the NYPD logo starting this fall.

Credit: MEGA Brands

New York City licensed products

[4]In addition to DPR, five other agencies awarded concessions during Fiscal 2014: DEP, DOT, DCAS, HPD and NYC & Co., on behalf of SBS. In addition to the 125 concession awards noted above, DPR also issued 192 short-term (less than 30 days) permits, requiring neither approval nor hearings, yielding $762,439 in revenue. The FCRC approved five other requests to negotiate sole source concessions, one by DPR, two by NYC & Co. and two by DOT, which had not reached the award stage as of the end of Fiscal 2014.

HIGHLIGHT: SHAKE SHACK

In Fiscal 2014, one of the more iconic New York City concessions was re-solicited by DPR through an RFP. Since opening in 2004, Shake Shack has become a landmark and a destination for tourists and New Yorkers alike. It has made Madison Square Park a destination for burger lovers from all corners of the globe. Shake Shack was awarded the concession again through a competitive process for a 12-year term. Beginning in the second year, Madison Square Park Conservancy, a nonprofit partner of DPR dedicated to keeping the park a bright, beautiful and active place, will receive the higher of a minimum fee ($765,000 in year two, escalating to $932,529 in year 12) or 11% of gross receipts derived from the operation of the Licensed Premises.

Credit: Marcello Rios/MOCS

Shake Shack Concession, Madison Square Park

HIGHLIGHT: NEWTOWN CREEK WASTEWATER TREATMENT PLANT

New York City has long been a worldwide leader in the quest to reduce the negative impact of humans on the environment. Commitments to a reduced environmental footprint, however, are not only found in procurement initiatives, but in concessions as well.

While concessions are generally the province of golf courses and hot dog stands, DEP awarded a concession to Brooklyn Union Gas Company, a subsidiary of National Grid, to conduct residual digester gas recovery operations at the Newtown Creek Wastewater Treatment Plant. Brooklyn Union Gas Company teamed up with Waste Management of New York to produce a reliable, clean and renewable source of energy.

In order to produce this renewable energy source, the companies needed a facility that would be able to accommodate the spatial requirements of the proposed project. Due to the proximity of National Grid to the Newtown Creek Wastewater Treatment Plant, DEP reached an agreement to allow the two companies to use the Wastewater Treatment Plant via a concession.

The Newtown Creek Wastewater Treatment Plant recycles wastewater, which creates the methane-heavy gas that Brooklyn Union Gas Company converts to renewable energy, reducing annual greenhouse emissions by approximately 90,000 metric tons. This project will help the City reach its goal of reducing citywide greenhouse gas emissions by 30% by 2017. It highlights the City's commitment to environmental sustainability and serves as a model for other municipal governments across the United States.

Credit: DEP

The Newtown Creek Wastewater Treatment Plant

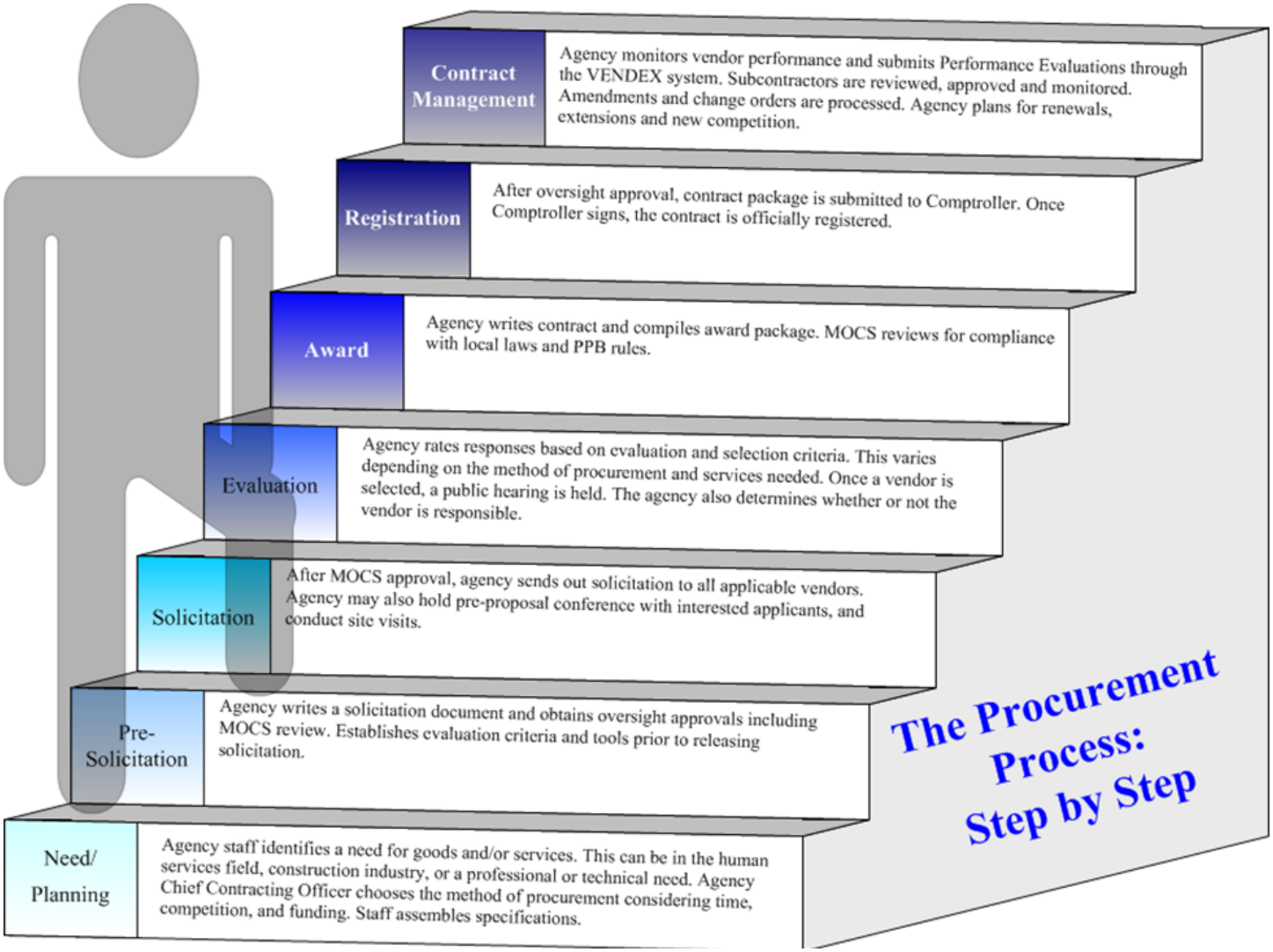
Revocable Consents

A revocable consent is the City's grant of a right to a private entity to construct and maintain certain structures on, over, or under City property, for *private* improvements. As the name implies, the City has the right to take away this permission at any time. In exchange for fees paid to the City, revocable consents are generally for the sole use and benefit of the recipient, who in most cases is required to own or lease the property that will benefit from the structure. The City grants revocable consents for a variety of private improvements, such as sidewalk cafes, bridges, benches, cellar doors, ramps, pipes and tunnels.

An individual or organization may apply for a revocable consent from the sponsoring agency, which will review the petition and conduct public hearings. The approval process may also include a review by elected officials, local Community Boards or the City's Public Design Commission. MOCS oversees compliance with the applicable laws and regulations before the revocable consent is granted.

DOT registered 114 revocable consents, with a total projected revenue value of more than $31 million, for private improvements on, over, or under City streets and sidewalks.

The Department for Consumer Affairs (DCA) registered 439 revocable consents for new or renewed sidewalk cafés, with a total projected value of just greater than $6 million in revenue for the City. In addition to renewal applications for existing sidewalk café revocable consents, DCA received more applications for new sidewalk café agreements than the previous fiscal year due to the growing demand by restaurants to offer new outdoor dining areas to their customers.



PROCUREMENT PROCESS

INTRODUCTION

A well-functioning procurement system is critical to meeting the daily needs of the City. There are a number of key agencies involved with overseeing the rigorous contracting process – the Office of Management and Budget (OMB), the Law Department, SBS, Division of Labor Services (DLS), the Department of Investigations (DOI), MOCS and the contracting agency – of selecting, evaluating and ultimately awarding a contract to the best vendor for the job. Three goals guide the City's efforts:

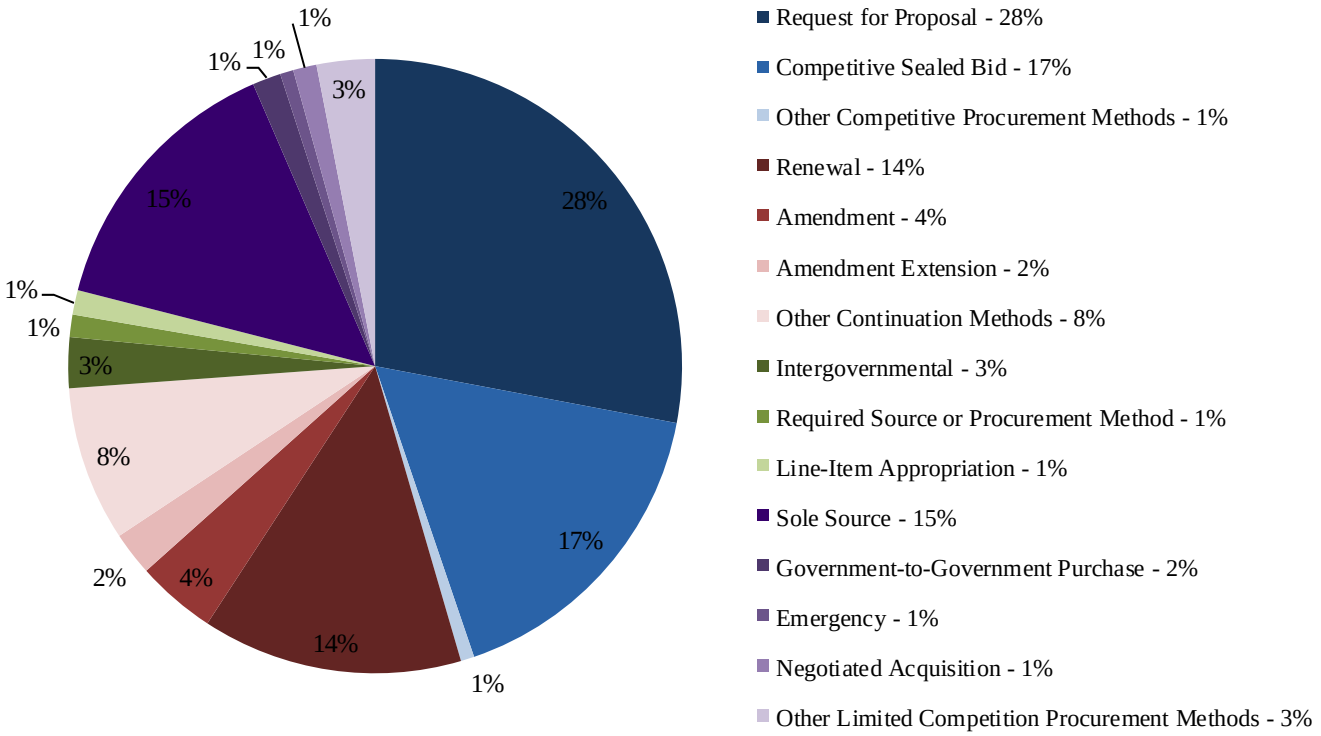
- achieve the best value for the taxpayers' dollar, with high quality goods and services and timely delivery at fair and reasonable prices;
- seek responsible business partners, i.e., vendors whose records of integrity, financial capacity, and successful performance justify the use of tax dollars; and
- ensure that our contracting process delivers fair treatment to all vendors.

PROCUREMENT BY METHOD

Chart II-1 reflects the total Fiscal 2014 procurement volume by dollar value for each of the procurement method categories tracked in this report. Agencies select the appropriate procurement method based on their business needs and the City's procurement rules.

By value, nearly half of all City procurements use four competitive methods: competitive sealed bids, with vendors selected on a low bid basis; accelerated procurements, a fast-track bid process for commodity purchases such as fuel that must be obtained quickly due to shortages or rapid price fluctuations; competitive sealed proposals (also referred to as RFPs), with vendors chosen based on price and quality-based factors, and small purchases, a less formal competitive process for purchases valued between $20,000 and $100,000. Year-to-year comparisons of procurement volumes by various methods of procurement are shown in Appendix D.

Chart II-1: Dollar Value of Contracts Citywide by Method of Procurement



The next largest group of procurements, accounting for 28% of Fiscal 2014 procurement value, consists of six methods used to continue or enhance existing contracts. These include: renewals, used when the initial contract provides specific terms for continuation, typically at the City's option; amendment extensions, which allow the addition of up to one year to any current contract; negotiated acquisition extensions, which allow a negotiated additional term of the initial contract; amendments, which allow a change to the amount of funds in a contract to reflect programmatic needs; and change orders, classified as either construction change orders or design change orders, which amend the contracts that support capital construction projects so that ongoing work can be completed.

Approximately 22% of the Fiscal 2014 procurement value used methods subject to limited or no competition. These methods include:

- sole source awards, where only one vendor is available for the needed goods or services;
- emergency contracts, where public health or safety considerations dictate the need for a rapid contract action;

- negotiated acquisitions, where agencies may reduce or eliminate competition based on such considerations as time sensitivity, confidentiality or the existence of few competitors in the market;
- innovative procurements, where the City attempts an innovative procurement method not specifically contemplated in the PPB rules (see page 21);
- micropurchases, used for purchases valued at no more than $20,000;[5]
- government-to-government contracts, where the City's vendor is itself a government entity;
- task orders, a contract entered into based on a previously agreed-upon umbrella contract called a master agreement that sets out the terms and conditions of the contract;
- buy-against procurements and assignments, which are used to substitute a vendor when it defaults, fails to fulfill its responsibilities or becomes unable to continue providing services or supplying goods;
- and subscriptions, used for periodicals, off-the-shelf training events, or memberships in professional organizations.

Agencies also procure goods and services via intergovernmental procurements, where the City "piggybacks" on contracts held by other government agencies, typically state or federal entities and methods not subject to the PPB rules, such as required/authorized source awards, where an outside entity (also typically a state or federal agency) determines either how the City chooses a vendor or whom the City chooses and line item discretionary awards, where elected officials are authorized to designate the vendors and the amounts of the awards (see page 31).

The most frequently used procurement method is a micropurchase, which makes up 64% of the total number of Fiscal 2014 procurements, via greater than 27,000 actions. Because micropurchases reflect only purchases of $20,000 or less, this method accounts for a very small share of overall contracting value (approximately 1%). By contrast, RFPs and competitive sealed bids account for 45% of Fiscal 2014 procurements by value, although these two methods comprise a far smaller number of procurement actions.

Detailed definitions of all these methods are included in the Glossary to this report. Appendix C details year-on-year procurements by method totals.

Cycle Time

Cycle time is an important indicator of efficiency within the procurement process. However, it should be noted that the City, as a municipality, has public policy goals other than speed as a priority. Local laws and programs, such as Local Law 63 and the M/WBE Program, may potentially add time to individual solicitation timeframes. However, these efforts add accountability and transparency to the procurement process while furthering diversity and other important aims. Cycle times may also be affected by various factors, such as complicated vendor integrity issues, insurance requirements, labor law compliance and budget challenges that delay final contracting decisions. MOCS works with City agencies to help address these issues, balancing the overall goal of efficient procurement process with the need to resolve these vendor issues with care and thoroughness.

For this report, MOCS worked closely with the Mayor's Office of Operations and the Mayor's Office Data Analytics to calculate cycle times for the CSB method for the last three fiscal years (Table II-1).

Overall cycle times for CSBs have been relatively consistent with median days staying within a 20-day range. As the data shows, while the City has made advances in reducing cycle times, at least from Fiscal 2013 to 2014, there is still room for improvement.[6]

Table II-1: Competitive Sealed Bids Cycle Time

Agency	Median Cycle Time		
	2014	2013	2012
ACS	280	305	221
DCAS	154	154	168
DDC	183	155	150
DEP	160	213	174
DHS	232	146	118
DOC	126	310	196
DOITT	126	176	116
DOT	279	212	177
DPR	142	137	143
DSNY	212	459	288
FDNY	231	201	197
HPD	291	278	142
HRA	189	252	130
NYPD	148	195	210
Citywide	**167**	**176**	**157**

[5]Effective Fiscal 2014 the micropurchase threshold was increased from $5,000 to $20,000 by the concurrent action of the PPB and the City Council.

[6]For the first time in this report, the cycle time analysis is based on information available in APT, the City's procurement database of record, which captures most, but not all solicitations, rather than survey data. The cycle times were calculated based on the City Record notice date and the date of the submission to the Comptroller. The days represented are calendar days, not business days.

Intergovernmental

The City also has the option to utilize contracts procured by the federal or New York State governments through the intergovernmental procurement method. These contracts give the City access to price advantages available at volume discounts and pre-established contract terms. In Fiscal 2014, as noted previously in this report, approximately 3% of all citywide contracting was conducted through the intergovernmental procurement method. Of those intergovernmental purchases, approximately 70% were through New York State Office of General Services (OGS) contracts, and approximately 30% were through the U.S. General Services Administration (GSA) Federal Supply Schedule contracts.

New York State Office of General Services

The New York State OGS is the state's central procurement office, which establishes and manages contracts by the state and by local governments statewide. New York City is authorized by State law to purchase goods and services through OGS contracts. The City's ability to utilize OGS contracts allows the City to benefit from favorable pricing and contract terms previously established by New York State, and allows the City to save on administrative costs. OGS awards contracts on the basis of lowest price and/or best value to a responsive and responsible vendor, in compliance with the State Finance Law and the City's PPB rules.

State law also allows the City, with OGS approval, to use a public contract held by entities and municipalities in other states. This "piggybacking" protocol further expands the City's available pool of potential contracting opportunities and allows the City to leverage the purchasing power of other state municipalities in order to obtain the best value for goods and services.

General Services Administration

GSA is the federal government's procurement arm, establishing and maintaining contracts on behalf of all federal agencies. Many GSA Federal Supply Schedule contracts are available to the City. The City uses GSA contracts for several programs:

Cooperative Purchasing Program

The E-Government Act of 2002 authorized the Cooperative Purchasing Program, through which state and local governments can purchase IT goods and services through GSA's Schedule 70. Under the Local Preparedness Acquisition Act of 2008, the Cooperative Purchasing Program was expanded to include Schedule 84, which the City uses to purchase security and law enforcement equipment. The City's participation in the Cooperative Purchasing Program allows the City to obtain discounts that are particularly beneficial when purchasing fast-evolving technology and law enforcement equipment.

Disaster Recovery Purchasing Program

The Disaster Recovery Purchasing Program, authorized by the John Warner National Defense Authorization Act of 2006 and by the Federal Supply Schedules Usage Act of 2010, allows state and local governments, including the City, to buy from all Federal Supply Schedules in preparation for, response to and recovery from major disasters. This program greatly expands access to federal contracts for the purposes of homeland security and critical life and safety missions, facilitating disaster management planning and bolstering recovery efforts.

Competitiveness in City Procurement

Competition is a good indicator of the City's ability to obtain the best deals for goods and services. The review focuses on two competitive procurement methods: RFPs and CSBs. This allows a more precise analysis of competition, because these types of procurements are open to all qualified vendors.

In Fiscal 2014, the level of highly competitive procurements remained consistent at 98%. This high percentage indicates that City agencies were able to benefit from competitive procurements as vendors actively pursued these awards. Table II-2 shows year-over-year competitiveness by industry sector. For all industries, competitiveness levels remained high.[7]

Table II-2: Citywide Competition Level by Industry (Dollar Value)

Industry Sector	% of Highly Competitive Procurements				
	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Architecture/Engineering	100%	100%	100%	99%	91%
Construction Services	97%	97%	97%	98%	88%
Goods	88%	92%	89%	87%	98%
Human Services	96%	100%	99%	82%	95%
Professional Services	100%	99%	92%	99%	69%
Standardized Services	100%	92%	90%	91%	89%
Total	**98%**	**98%**	**95%**	**88%**	**89%**

In Fiscal 2014, MOCS also introduced new benchmarks to look at how City agencies are performing within three different ranges of competition. These include looking at competition levels by industry for procurements with less than three responses, three to five responses, and more than six responses. In our study of this data, we found high percentages of procurements that received six or more responses in the following industry categories: architecture/engineering (87%), construction services (89%) and human services (90%). Similarly, the data indicates high percentages of procurements that received three to five responses in professional (78%) and standardized services (98%) industries. MOCS will continue to study these categories in an effort to identify areas that need improvement and areas where City agencies are performing well.

Performance Evaluations

Documenting vendor performance is critical to successful contract management and is useful in determining whether a vendor should receive future contract dollars. Under the City's PPB rules, a prospective vendor that has performed unsatisfactorily in the past is presumed to be non-responsible. The vendor may not receive future contracts unless the agency determines either that the circumstances surrounding the unsatisfactory performance were beyond the vendor's control, or that the vendor has appropriately corrected the performance problems.

The PPB rules require that all open contracts be evaluated for performance at least once per year. The three major performance evaluation criteria are: (1) timeliness of performance; (2) fiscal administration and accountability and (3) overall quality of performance. Agencies complete evaluations electronically through the VENDEX[8] system and MOCS distributes the evaluations to vendors. Once the vendor has been given time to review and respond to the evaluation, MOCS posts the evaluation to the VENDEX system as a resource to agencies in determining prospective contracting actions.

Overall performance across the City's vendors in Fiscal 2014 matched last year's level, with 94% receiving an overall rating of satisfactory or better. Approximately 92% of those vendors received such a rating with no underlying problems reported.

[7]This report defines a "highly competitive" procurement as one with at least three responses.
[8]VENDEX is a public database that tracks vendor information as provided by vendors, City agencies and law enforcement organizations.

Procurement Training Institute

MOCS continues to work with DCAS's Training Center to provide City agency procurement staff with a full curriculum on best practices and compliance with City procurement rules and regulations. The senior procurement personnel of Mayoral Agencies — Agency Chief Contracting Officers (ACCOs) and their deputies — are required to complete an initial Procurement Training Institute (PTI) certification within two years of their appointment and thereafter, to recertify every five years by participating in continuing education program and activities. During Fiscal 2014, 590 unique individuals attended one or more of the 31 classes offered, though some participants attended multiple courses throughout the year.[9] Although many courses were geared toward assisting City procurement staff with their professional responsibilities, attendees included various other agency staff members (of both Mayoral and Non-Mayoral agencies). Some classes were created to help the nonprofit vendor community as well (see page 29). In Fiscal 2014, 18 individuals received initial PTI certifications and another 14 were recertified bringing the total of certified procurement staff in the City to 139.

Credit: Marcello Rios/MOCS

A Procurement Training Institute class on Project Labor Agreements

Emergency Preparedness

An emergency condition is an unforeseen danger to life, safety or property. The presence of such a condition creates an immediate and serious need for goods, services or construction that cannot be met through normal procurement methods. Emergency procurements are employed to address these situations. To initiate an emergency procurement, the agency first makes the determination of an emergency and the scope of goods or services required. Then, the request must be approved by the Law Department and New York City Comptroller. Once approved, the agency selects the contractor using the most competitive means available, after which services can be rendered.

In Fiscal 2014, the City registered 163 emergency contracts valued at $123 million in order to alleviate emergency conditions, safeguard public health and safety and ensure the proper functioning of the government. This was a significant decrease in emergency contracting compared to Fiscal 2013, where $690 million were procured in emergency contracts, mostly related to recovering from Superstorm Sandy.

The City does not only work to recover from natural disasters, it also prepares for necessary services for future emergencies. One such contract for emergency preparedness was awarded by DCAS in Fiscal 2014 to Garner Environmental Services, Inc. by means of an intergovernmental procurement, using a federal GSA contract. The contract's purpose is to assist in the response and recovery operations in case of a disaster. The contract covers goods that are necessary in an emergency, such as power generators, pumps and hoses, AC units, forklifts, fuel tanks, loaders, tractors, portable toilets, washer/shower stations, etc. In addition, the contract covers services, such as transportation services, project support personnel, turnkey base camps, kitchen and laundry services and other essentials for a disaster. This contract and others like it allow the City to prepare for unanticipated events.

[9] As of the end of Fiscal 2014, since PTI began, MOCS has provided instruction to over 4,000 people.

Public Hearings

According to the New York City Charter and the PPB rules, a public hearing must be held to receive testimony before an agency can award any contract greater than $100,000. Public hearings are one of the ways the City makes the procurement process transparent.

The Public Hearings Unit at MOCS administers and conducts hearings for the public to express their views on proposed City projects and contracts. An agency representative is present at the hearings, so the testimony received can be considered prior to the agency making its final contract award.

In Fiscal 2014, MOCS administered 18 public hearings for 553 contracts, the cumulative value of which was almost $10 billion dollars. Thirty-five people submitted testimony and 345 people attended the hearings.

Credit: Marcello Rios/MOCS

A public hearing

Vendor Responsiveness And Responsibility

Prior to awarding contracts, City agencies carefully review bids or proposals that are received to determine if they are "responsive," i.e. that the contents contain all of the information required by the solicitation. This review ensures fairness in the procurement process and helps to ensure quality in the goods or services procured. Once an agency finds a bid or proposal to be non-responsive, then it can no longer consider the submission for a contract award. Reasons for non-responsiveness determinations may range from technical deficiencies like bids that are submitted after the due date, to substantive deficiencies such as failing to meet minimum experience standards.

A recent rule change by the PPB[10] allows an ACCO to waive the non-conformance in certain circumstances. The ACCO must make a determination that the waiver would not deprive the agency of the assurance that the contract will be performed according to its specified requirements and that it would not adversely affect the competition by placing a bidder in a position of advantage over other bidders or will otherwise undermine competition between vendors.

[10]PPB rule 2-07(d)

Agencies made 83 non-responsiveness determinations during Fiscal 2014, which represents a decrease from 123 in Fiscal 2013. These determinations were made due to:

- technical flaws (37%);
- substantive factors (35%);
- lack of required experience or capacity (15%);
- failure to comply with M/WBE subcontracting requirement (4%);
- mixed reasons (4%);
- pricing discrepancies (2%);
- lack of bonding or insurance (2%) and
- financial problems (1%).

Pursuant to the PPB rules, Concession rules, the New York City Charter and New York State law, the City may award contracts only to responsible vendors. A responsible vendor is defined as one that has the integrity and financial capacity to fully perform the requirements of the contract as well as the business integrity to justify the award of public tax dollars. Prior to the award of each contract, a contracting agency must make a determination of vendor responsibility based on factors such as business integrity, financial resources, technical qualifications and performance history.

Determinations of responsibility or non-responsibility are made by ACCOs on a contract by contract basis. If a vendor is found to be responsible, the contract award may proceed. If the vendor is found to be non-responsible, the agency may either reissue the solicitation or choose another vendor by following the selection procedure of the relevant procurement method. The vendor may appeal a non-responsibility determination.

Negative information, whether self-disclosed by the vendor on a VENDEX questionnaire, provided by DOI in its ”Vendor Name Check” letter,[11] or uncovered by an agency’s own research, does not automatically result in an agency finding that the vendor is not a responsible business partner. Assessing vendor responsibility requires the awarding agency to balance the seriousness of the negative information, the evidence (if any) that the vendor has remedied the problem, and the City’s own needs for particular expertise the vendor may bring to a project. In some circumstances, DOI, MOCS and the contracting agencies protect the City’s interest by negotiating detailed responsibility agreements or Corrective Action Plans (CAP) (see page 19) with vendors to allow them to receive contract awards, while providing for monitoring and other specific protections for the City.

Agencies have the obligation to find bidders or proposers for City contracts to be non-responsible when the facts warrant such a finding. A vendor may appeal an ACCO's determination of non-responsibility to the respective Agency Head within 10 days of receipt of the decision. If an Agency Head upholds the ACCO's determination of non-responsibility, the vendor may appeal to the City Chief Procurement Officer (CCPO) within 10 days of the receipt of the Agency Head's decision. The CCPO, also the Director of MOCS, is the final administrative appeal available for a finding of non-responsibility.

Agencies made three non-responsibility findings in Fiscal 2014 based on issues related to substantive factors and business integrity. Two such findings were appealed to the Agency Head and no Agency Head determinations were appealed.

See Appendix F for a breakdown by agency.

[11]When an agency is preparing to make an award, the VENDEX system generates a referral to DOI for a “Vendor Name Check,” commonly referred to as a “VNC.” DOI determines whether the prospective vendor or those affiliated with it have been the subject of a DOI investigation and summarizes any relevant information in a response letter sent to the agency for consideration when making a responsibility determination.

Addressing Vendor Responsibility Issues

The City is required to do business only with responsible contractors. If a vendor has any cautionary information in the VENDEX database that might raise questions regarding its business integrity, MOCS includes in its VENDEX database any corrective actions that the vendor has taken in order to rehabilitate itself and to address the issues to the satisfaction of the City. This process allows the contracting agency to address responsibility issues, while also retaining the valuable services of particular vendors.

Corrective actions can include: retaining an auditor, monitor, technical consultant or an independent private sector inspector general to review the vendor's business practices, oversee its performance, or develop specific remedies with respect to the cautionary information in VENDEX; dismissing employees whose actions were the subject matter of the cautionary information in VENDEX; or entering into agreement on a CAP with actions remedying the subject matter of the cautionary information in VENDEX. Vendors in a wide variety of industries have engaged in these types of corrective actions during Fiscal 2014 in response to cautionary information in the VENDEX database.

Highlight: Turning Point

Turning Point, a human services provider based in Brooklyn that provides services to individuals and families facing homelessness, addiction, HIV/AIDS and mental illness, has faced several challenges in the past two years that the organization has had to overcome. Following the retirement of its longtime executive director, City agencies found discrepancies in certain claims and records and referred the information to DOI. A DOI report in Fiscal 2013 found a number of deficiencies, which left unaddressed, would have affected City agencies' ability to find Turning Point responsible. In order to address these issues, the organization entered into a CAP. Under the CAP, the board committed to a number of corrective measures including ethics training for all board members and key staff, procurement of a new auditor, training for fiscal staff, and completion of the MOCS Capacity Building and Oversight (CBO) Review. The board recognized that the organization needed strong leadership through this period and hired a professional interim executive director to assess and stabilize the organization and effect the necessary changes to procedures and administrative structure. By Fiscal 2014, the vendor had completed the majority of the corrective actions and made significant strides in creating effective internal controls, governance and program oversight. A new permanent executive director was appointed to lead Turning Point starting in Summer 2014, and the organization remains dedicated to providing critical services, drawing clients from the surrounding community of Sunset Park and as far away as Coney Island.

Credit: The Children's Aid Society

Iron Go!Chefs competition, a program that is part of the Go!Healthy obesity prevention initiative.

HUMAN SERVICES

INTRODUCTION

New York City Mayoral agencies deliver critical human services to New Yorkers through a diverse network of community-based nonprofit organizations and citywide service providers. Greater than 5,600 human services contracts valued at greater than $3.1 billion were registered in Fiscal Year 2014, representing 17% of the total value of registered contracts.

The City's primary human services agencies — ACS, Department of the Aging (DFTA), Department of Human Services (DHS), Department of Health and Mental Hygiene (DOHMH), Department of Youth and Community Development (DYCD), Human Resources Administration (HRA) and the Mayor's Office of Criminal Justice (MOCJ) — which together accounted for 98% of the value of human services contracts registered in Fiscal 2014. The City relies on nonprofits to provide services such as job training and placement, early childhood education and after-school enrichment, violence intervention, legal assistance, homeless shelters, supportive services, community health services and senior services to support healthy living. In Fiscal 2014, human services contract registrations were funded almost equally by Federal, State and local dollars.

The City must ensure stability and continuity of services to support the health of clients and community providers. The share of procurement methods shift from year to year as a percentage of open contracts expire and are continued by renewal or extension or by competitive procurement. While in Fiscal 2013, 50% of registered human services contracts were the result of competitive RFPs, in Fiscal 2014

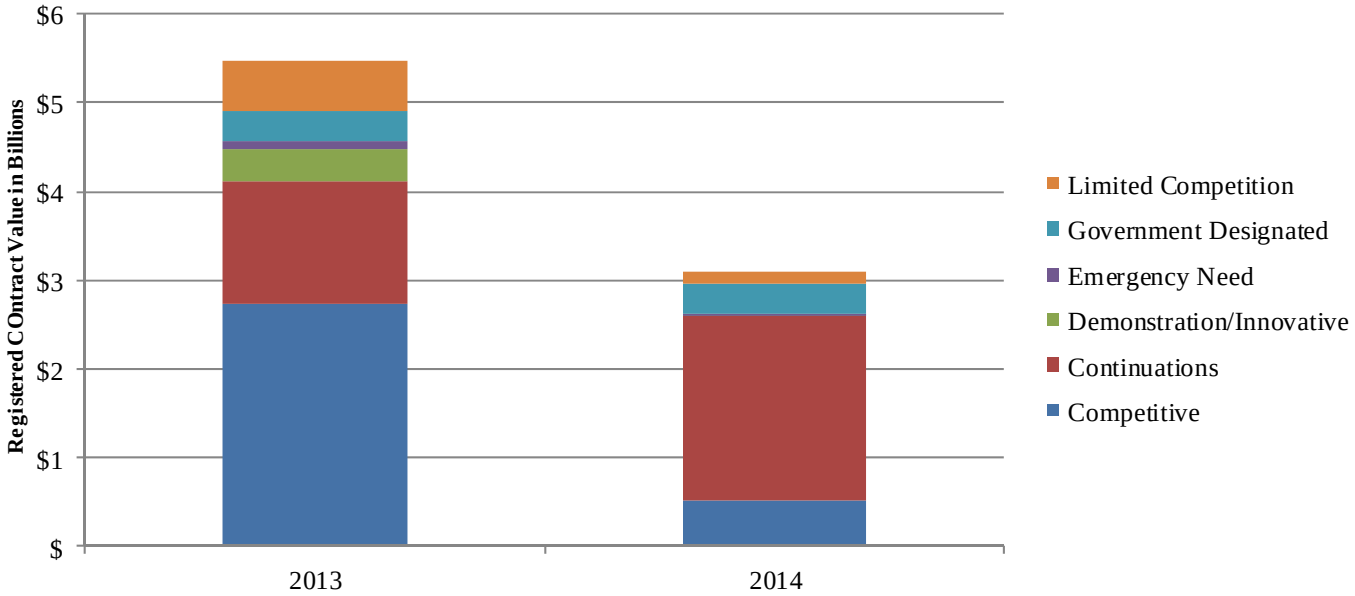
only 16% of registered human services contracts were awarded based on a RFP. In Fiscal 2014, continuations made up two-thirds of human services contracts, valued at $2 billion. Human services contracts awarded with limited competition, including negotiated acquisition and sole source methods, amounted to $145 million, or 5% of all human services contracts. Emergency contracts and innovative procurements combined make up less than 1% of Fiscal 2014 human services registrations, valued at $11.5 million. Government designated contracts, which include discretionary awards, required source and government-to-government make up the remaining 11% of Fiscal 2014 human services registrations, with a value of $340 million.

The PPB rules allow for longer term contracts for the provision of human services that require community linkages for fragile clients requiring a therapeutic relationship to be maintained over a long period, or if there is a residential or site-based component to services. Ten percent of new contract registrations in Fiscal 2014 were for terms of four, five or six years, the vast majority of which were contracts for residential and shelter services through DHS. Including renewals, these terms are the longest the PPB rules allows.

City agencies monitor the performance of human services providers closely to ensure the providers remain responsible vendors throughout the contract term, retaining the capacity to fulfill the requirements of the contract (see page 29). If a provider no longer has the capacity to fulfill the terms of a contract, the agency will work closely with the provider to responsibly close out the contract and transfer clients and services to a new provider. At times, this can be accomplished through an assignment, 15 of which were registered for human services in Fiscal 2014 for a total of $5.5 million.

The City acknowledges that new service models are sometimes required to solve challenging social service problems. The City Council can play a role in identifying new areas of need, new models of care and new providers through their discretionary award funding process (see page 31). City agencies also have the ability to conduct demonstration projects for innovative approaches and evaluate the success of new models. There were two demonstrations registered for human services in Fiscal 2014, valued at a total of $1.6 million. While demonstration projects represent 0.2% of the human services contract volume, they signify future opportunities if the approach proves to be successful.

Chart III-1: Human Services Volume by Method Comparison of Fiscal 2013 vs. Fiscal 2014



DHS registered a demonstration project with the Vera Institute of Justice, Inc. to work with formerly incarcerated DHS clients and reunify them with family members living in New York City Housing Authority (NYCHA) housing. The program addresses the challenges posed by restrictions preventing formerly incarcerated individuals from living in public housing through intensive case management provided not only to the applying individual, but the family with whom the individual reunifies with. Service providers that are adept in working with the formerly incarcerated as well as the family services unit at NYCHA collaborate on a case management plan that helps the applicant gain independence through employment and/or training, compliance with probation or parole conditions and NYCHA lease requirements. Accepted applicants will join their families in NYCHA housing on a temporary basis for two years, during which time the applicant and family work to-

NONPROFIT ASSISTANCE

The City best serves the interests of clients – and strengthens the social safety net as a whole – when it operates as a partner with nonprofit human services providers, working together to provide operational support and respond to the needs of New Yorkers. The City has developed a unique infrastructure to strengthen nonprofit providers. Nonprofits cumulatively hold 93% of all active human services contracts, regardless of registration date with a total value of $16 billion as of June 30, 2014. The City supports our nonprofit partners in a number of ways:

- MOCS's CBO unit provides free trainings and individual assessments of community-based providers (see page 29).
- MOCS's Nonprofit Assistance Helpline , through 311, is a resource hotline that is answered by the Nonprofit Contract Facilitator and CBO staff.
- MOCS expanded the Returnable Grant Fund (RGF) to ensure the City can bridge the short-term cash flow need of nonprofit providers when contracts and payments are delayed (see page 24).
- The City obtained a group purchasing service for nonprofits to pool their buying power and access the lowest costs available for goods and services through Essensa, the group purchasing provider. Visit nyc.gov/nonprofit for more information.
- The City's Standard Human Services Contract template reduces the administrative burdens for providers that were struggling to manage multiple sets of administrative contract requirements .
- Health and Human Services (HHS) Accelerator is a new online system that allows human services providers to create accounts, share documents electronically, keep up to date records to facilitate compliance with required filings to NYS and the IRS, and become prequalified to compete for human services contracts. As of October 31, 2013, all human services competitions are being released through HHS Accelerator to qualified providers only, so agencies can streamline the competition for human services funding (see page 26).
- The Shared Services/Support, Accountability and Value-Enhancement (SAVE) unit began coordinating audits of human services providers to ensure City funds are being used effectively through a risk-based selection process, and audits are combined for providers that have contracts with multiple City agencies (see page 29).

The majority of Fiscal 2014 human services registrations provide health, mental health and related services to benefit the City's most vulnerable populations. Because human services programs meet such critical needs, procurements for these services require a great deal of planning and provider input. New contract awards are made with greater consideration for experience and connections in the community. Planning and dialogue are equally critical when a continuation contract is registered. MOCS monitors and ensures timely continuations using annual Human Services Plans submitted by each agency, which detail expiring contracts and continuation plans. Human Services Plans are public documents available on MOCS website: http://www.nyc.gov/html/mocs/html/research/human_services.shtml.

MONITORING RETROACTIVITY TO ENSURE CONTINUITY IN HUMAN SERVICES CONTRACTING

The City seeks to achieve a timely registration rate of 100% for all of its contracts. Retroactivity occurs when contract actions are registered by the City Comptroller after the anticipated contract start dates. Certain industries are less affected by retroactivity, since work would not begin until registration. However, essential services must be provided to clients without interruption, so retroactivity can have a negative impact on human services providers. Delays in contract registrations can result in an interruption of payments to the provider, particularly difficult for ongoing contracts since it requires the organization to find other resources to pay salaries, rent and insurance, though the City has established an interest-free loan fund to bridge these resources (see page 24). Providers may continue to provide services "at risk" with assurance from the City that the contract will be registered and those expenses reimbursed. In Fiscal 2014, MOCS continued to closely monitor retroactivity for contract continuations (renewals, amendment extensions and negotiated acquisition extensions) and RFP awards for continuing human services programs.

Table III-1 summarizes performance across the six largest human services agencies. Overall the Citywide average retroactivity improved from 61 days in Fiscal 2013 to 40 days in Fiscal 2014, a reduction of 34%. The performance levels by agency is mixed; two out of the six major human services agencies (DYCD and HRA) reported significant reductions in average day retroactivity, while others increased.

While MOCS tracks all retroactivity, long term retroactivity, defined as delays longer than 30 days, is a more meaningful indicator, since in most cases a delay of less than 30 days does not interrupt payments to the provider.

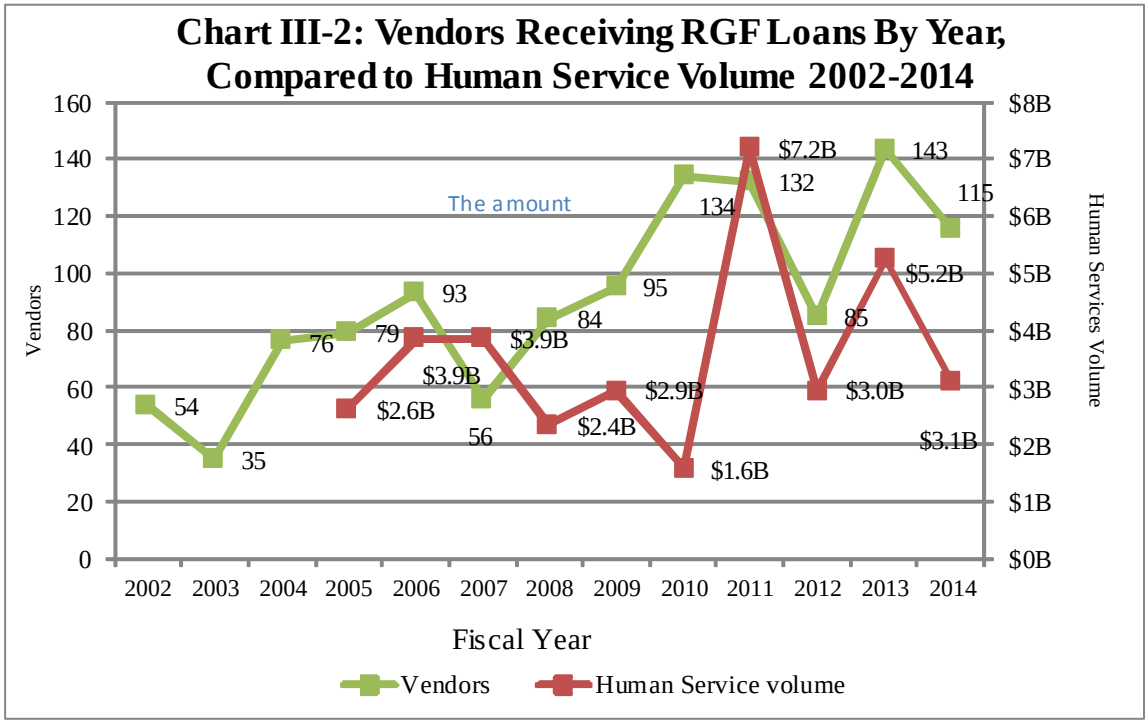
By agency, there were some increases in long-term human services retroactivity. By dollar value for example, HRA's long-term retroactivity rose slightly from a low in Fiscal 2013 of 7% to 10% in Fiscal 2014. DHS had the largest increase in long-term retroactivity, up to 25%, based on three large contracts for shelter services that averaged $8 million each. DOHMH also saw a significant increase, from just 1% long-term retroactivity the previous fiscal year to 14% in Fiscal 2014. Most of the increase can be attributed to 28 retroactive awards resulting from one RFP that was delayed in the transition. ACS on the other hand, has kept long-term retroactivity to single digits, with just 2% of Fiscal 2014 contracts registered more than 30 days past the start date, and DFTA had no contracts with significant registration delays. DYCD, the agency with the highest count of human services contracts,

Table III-1: Major Human Service Agencies Overall Retroactivity for Contract Continuations

Agency	Fiscal 2014						Percent Over 30 Days Retroactive by Dollar Value			
	All Continuations		Retroactive Continuations							
	Count	Dollar Value	Count	Dollar Value	Average Days Retro	Value Retro	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
ACS	60	$437,373,800	28	$83,361,800	19	19%	2%	5%	3%	8%
DFTA	65	$47,940,400	2	$487,000	14	1%	0%	3%	3%	21%
DHS	18	$98,961,879	5	$32,713,367	97	33%	25%	4%	7%	1%
DOHMH	114	$222,152,478	32	$73,375,386	61	33%	14%	1%	1%	33%
DYCD	251	$49,628,600	20	$9,089,100	49	18%	10%	40%	34%	12%
HRA	60	$155,664,400	22	$38,314,400	28	25%	10%	7%	41%	47%
All Other Agencies	36	$57,498,800	16	$18,934,900	29	33%	4%	15%	36%	8%
Total	**604**	**1,069,220,357**	**125**	**$256,275,953**	**41**	**24%**	**8%**	**10%**	**12%**	**11 %**

also made progress with the achievement of a 10% long-term retroactivity rate in Fiscal 2014. In conclusion, although there is still room for improvement, in Fiscal 2014 city agencies continued to make significant strides to reduce retroactivity to the lowest levels in four years. Agency efforts and MOCS oversight was paired with major resources to ameliorate the impact of retroactivity, particularly the RGF (discussed in more detail below), and in so doing, the City continues to support this crucial sector.[12]

VENDOR LOAN FUND



The City established the RGF in 1992 to bridge the cash flow gaps caused by retroactive city contracts. The RGF, which is administered by the Fund for the City of New York in conjunction with MOCS, provides interest-free loans to vendors experiencing short-term cash flow needs. The RGF has been expanded over the years and eligibility criteria and loan processes have evolved in response to the needs of the City's human services providers. However, it remains the goal of the RGF to ensure continuity of services and stabilize operations for City vendors. The RGF reflects the City's commitment to being an effective partner with nonprofit organizations in the provision of essential services to New Yorkers.

In Fiscal 2014, the RGF made 188 loans to 115 providers, totaling $32.1 million, representing a 17.2% decrease in the total value of all loans when compared to Fiscal 2013. The size of an individual loan ranged from $8,548 to $1.2 million, showing diversity in program size and provider need. The need for loans tends to correlate to the human services contracting volume in any given year (see Chart III-2). In Fiscal 2014, there was a 40% decrease in the volume of human services contract registrations. One reason for this downward trend in both human services volume and RGF loans is that there were fewer competitive solicitations that resulted in contract registrations in Fiscal 2014, as shown in Chart III-1.

[12]In addition to late contract registration, we track agency performance on the payment of invoices for registered contracts. We measure agency success by reviewing the amount of interest each agency is obligated to pay under the procurement rules, to compensate for late-paid invoices. In Fiscal 2014, the net interest paid by agencies citywide totaled $7,889, a negligible figure relative to overall procurement volumes.

DYCD SONYC INITIATIVE

"We must do right by our families and ensure we're continuously giving middle schoolers the tools they need to succeed. This includes deepening their learning and offering them safe places and quality programming during after-school hours."
—Mayor Bill de Blasio.[13]

As part of Mayor de Blasio's unprecedented $145 million (Fiscal 2015) investment to increase educational and recreational opportunities for New York City students ages 11-13, DYCD launched the procurement for middle school programs on March 11, 2014. DYCD ultimately awarded contracts to 108 vendors for programs at 271 distinct middle schools throughout the City, providing funding for more than 27,000 new seats. The SONYC programs (formerly known as the Out-of-School Time Middle School program) offer a wide array of activities for students and are open five days per week for 36 weeks during the school year.

Middle school can be an especially challenging time for students, parents and teachers. Young people are undergoing extraordinary changes and facing obstacles to becoming successful adults. After-school programming helps develop new skills and interests; prepares students for high school, graduation, college and beyond; encourages young people to pursue their passions during the challenging years of early adolescence; keeps youth out of trouble between the hours of 3 PM and 6 PM and helps reduce the achievement gap in diverse communities.

Credit: DYCD

[13]Press release, "Mayor de Blasio, DYCD Commissioner Chong Visit Training Boot Camp For City's 'SONYC' Middle School After-School Providers", August 26, 2014.

HHS Accelerator

Launched in 2013, the HHS Accelerator System is a web-based technology solution designed to simplify and improve the processes to procure competitive human services contracts and to manage contract budgets, invoice review and payments to providers (primarily nonprofits). A central HHS Accelerator team manages the project and day-to-day policy implementation with agencies. In Fiscal 2014, the PPB adopted new rules to allow agencies to execute procurements through HHS Accelerator. See page 68.

Although the new RFP and financials capability are in the early stages of implementation, HHS Accelerator provides key benefits for providers, participating agencies as well as the Mayor's Office.

For providers: storing documents electronically leads to less time spent repeatedly compiling the same paper documents in response to RFPs and responding to agency requests regarding continuations; increased clarity regarding contract and service requirements, especially for providers new to doing business with the City; and greater accuracy in accounting for contract finances with online access to the agency approved contract budget and the ability to request budget modifications online.

For agencies: reduction in the time spent on document collection, enabling redistribution of time to other areas of vendor relationship management; and increased collaboration across Agencies, especially among those agencies administering similar services or where services are complementary and enhance program quality for the same client population.

Mayor's Office: improved coordination of health and human services contracts; ability to quickly implement new and innovative programs through the HHS Accelerator team's assistance to the agencies during the solicitation planning process; enhanced benchmarking and analytic capabilities; increased capacity to maintain a vibrant and strong vendor pool.

System Features

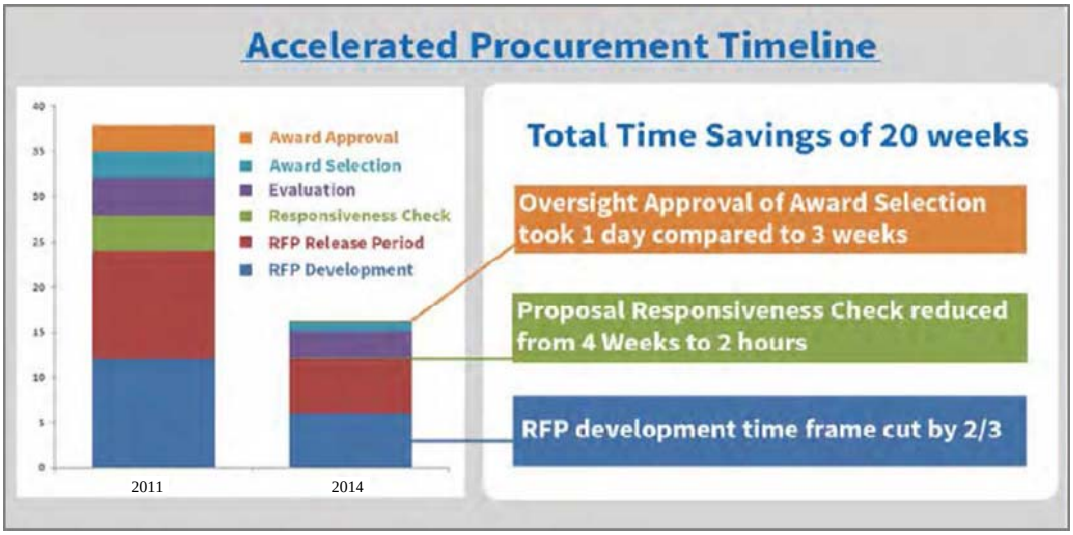
- HHS Accelerator features a document vault for providers to store and share frequently requested organizational documents with the City.
- Applications for prequalification establish provider business integrity and service experience prior to competing for funding.
- Procurements module which enables electronic issuance of RFPs, paperless submission and evaluation of proposals, and online management of contract awards.
- Financials module which allows submission of budgets and invoices for review, as well as processing and tracking budget modifications and payments.

From October 2013 through the end of Fiscal 2014, over 60 human services RFPs were released to the public and close to 300 awards were issued. One example is the rapid procurement RFP for SONYC programs conducted by DYCD.

On March 11, 2014 the DYCD SONYC RFP (see page 25) was released through the HHS Accelerator System. Aggressive timelines were established given the importance of launching Fall 2014 programs designed to create new enrichment and life opportunities for thousands of youth, families and communities. This represented the first public large-scale test for the system in terms of volume of proposals. HHS Accelerator was designed and tested to handle

Table III-2: HHS Accelerator Quick Stats	
Providers with Accounts	1,722
RFPs Issued	62
Awards Made	286
Concept Papers Released	10

even more proposals and concurrent users, and was conceived to implement the kind of rapid procurement needed by DYCD. Greater than 331 proposals were received and electronically processed.

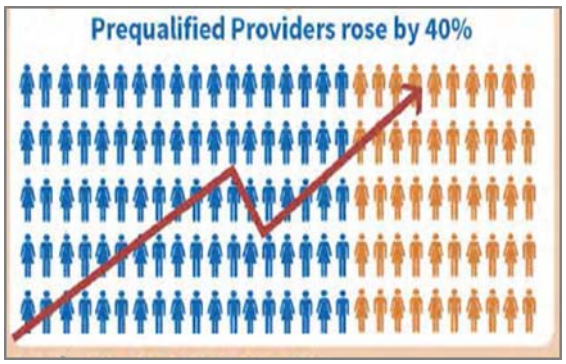


Overall, approximately 20 weeks were saved from RFP development to approval of awards. Time savings resulted from the close alignment of DYCD's business processes and the HHS Accelerator system. Significant time reductions occurred in key areas such as DYCD's ability to shorten the RFP development timeframe by 2/3, the reduction of the responsiveness checks for proposals from 4 weeks to 2 hours and approving awards within 1 day compared to 3 weeks. Providers indicated high levels of satisfaction with a shorter RFP format (where the RFP was cut to 11 pages - 81% reduction), which no longer includes business qualification requirements as prequalification is completed in an initial HHS Accelerator qualification phase. DYCD's unique structured proposal resulted in clearer program expectations and proposal requirements. In turn, evaluators received concise and cohesive proposals. Ease of submission through HHS Accelerator and system-enabled tracking of proposal and procurement status improved the level of transparency and communication required by providers.

Extensive collaborative outreach by DYCD and the HHS Accelerator team increased the pool of prequalified providers by 40% from the number that had prequalified before DYCD's outreach. The increase in prequalified vendors resulted in 20% of awarded vendors that were new to the DYCD program portfolio. All vendors are now eligible for numerous other RFPs issued by other agencies.

Providers interested in account creation, prequalification or upcoming RFPs can visit NYC.gov/hhsaccelerator.

EXPANDED POOL OF EXPERIENCED PROVIDERS



PROVIDER SUPPORT

- Technical Assistance to help providers get prequalified
- User resources such as guides and videos
- Workshops or webinars
- Helpdesk to contact users via telephone or email.
- Average Application Approval time was 2 days
- Approximately 10% approved in 1 hour or less!
- Intensive outreach to providers to help with submissions

CENTRAL INSURANCE PROGRAM

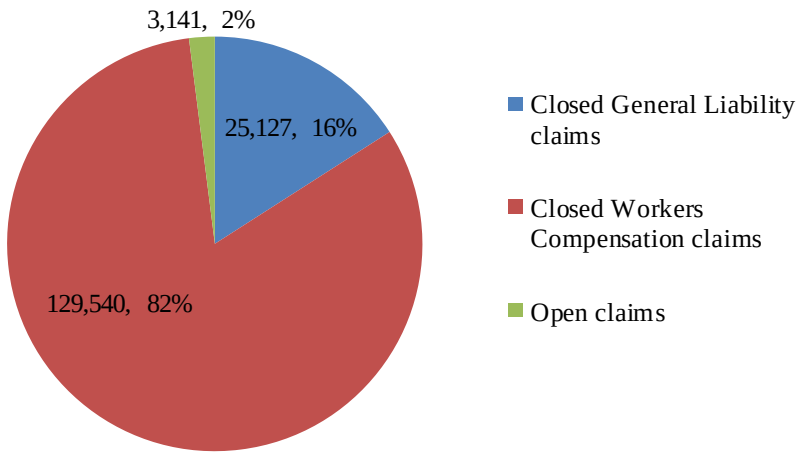
The City has long been at the forefront of innovative approaches to support the nonprofit sector. Up until thirty years ago, New York City's Department for Social Services (now known as HRA) directly provided a number of services to residents, including children's services, home attendant services and services for the aging. When the City decided to contract these services to community based organizations as vendors, it planned to provide support to the providers to ensure that services would continue to the community members who needed them. At that time, the City established the Central Insurance Program (CIP) to pool the insurance needs of certain programs that the insurance market was not prepared to serve by having CIP purchase insurance on nonprofits' behalf. Coverage included comprehensive workers' compensation (WC), general liability (GL), disability, property and, in some cases, health insurance.

In light of programmatic changes and the increased availability of insurance to the nonprofit sector on the open market, the City has begun to transition out of providing pooled insurance. In Fiscal 2012, DFTA stopped offering insurance coverage to providers through CIP and assisted nonprofits with accessing insurance coverage through Essensa, the City's group purchasing organization (GPO). HRA followed suit in Fiscal 2013 when New York State shifted the home care program to a Managed Care funding structure and ceased offering coverage as of April 2013. During Fiscal 2014, further reductions occurred when ACS opted out of the insurance pool for providers of childcare, Head Start and EarlyLearn. DYCD's City Council discretionary-funded community based organizations and Summer Youth Employment Program and some ACS programs comprise the remaining programs in the CIP pool to allow access to the necessary level of GL insurance.

Because of this reduction in coverage, in Fiscal 2014, the City spent one-fourteenth the cost ($10.5 million compared to $140.5 million) - to provide insurance coverage to nonprofits through CIP. All covered nonprofit providers received coverage for WC/GL and disability at a total cost of greater than $6.1 million, with an additional $4.4 million spent on retroactive costs, brokerage fees and disability insurance. Within those costs, ACS funded programs accounted for 89% of WC/GL costs and 6% of disability costs.

Although the insurance component is no longer a major part of CIP, the existing claims and management of those claims and future claims is extremely critical. CIP decreases the liability associated with claims by empowering the insurance carrier to pursue settlements, or reviewing and closing files related to inactive claims, and works with adjusters to manage the existing claims portfolio. CIP continues to works closely with agencies to track and maintain the cost of open and active claims from prior years and work with vendors to provide them with loss reports and to ensure that any past insurance requirement issues are addressed. Even with the reduced number of vendors and agencies in the pool, CIP plays a critical role in monitoring open claims and communicating with vendors, agencies and insurance carriers.

Chart III-3: All CIP Claims by Status



CIP has processed almost 79,000 WC and GL claims to the insurance carrier to date and closed another 76,000. There are still over 3,000 open claims with reserves of over $218 million, costs to the City that can be reduced with CIP's active management.

Central Audits of Nonprofit Providers and Accounting Firm Procurement

The SAVE unit was created to build capacity in purchasing and other administrative operations and create efficiencies among the human services agencies of the City.

Following roll-out of the Essensa contract for group purchasing for nonprofits, the SAVE unit worked with the human services agencies, not including DYCD, to develop a risk assessment methodology to select the contracts and human services providers that would be audited by the City during the course of a fiscal year. A risk-based audit approach allows city agencies to concentrate audit resources on the most risky providers and encourages city agencies to consolidate duplicative audits of nonprofit providers that have contracts with multiple agencies. Since SAVE will coordinate information-sharing of audits and findings among agencies, the City can maximize the benefits of the collective Certified Public Accountant (CPA) audit expense.

The SAVE unit worked with HRA to solicit an RFP for audits of human services contracts. Specifically, SAVE sought to establish a number of contracts with qualified accounting firms to conduct full contract audits of human services providers on behalf of agencies. Auditors determine whether providers are in compliance with applicable laws, regulations and contract terms and whether reliable fiscal and programmatic data are documented, maintained and fairly disclosed. As a result of an audit, the City will be provided with an opinion as to whether city, state and federal funds were spent for the purposes for which they were authorized, the provider met the stated service goals and objectives and the financial and program reports furnished by the provider were accurate and reliable.

Through this competitive solicitation, 19 three-year contracts with CPA firms were registered in Fiscal 2014 to audit human services contracts. Together, the 19 contracts were registered with a total value of $16.5 million, but payments will be made on a task-order basis, allowing all human services agencies to purchase audit services through these centrally procured shared service contracts.

Nonprofit Capacity Building

There are over 31,000 nonprofit organizations in the City registered with the IRS under section 501(c)(3) of the Internal Revenue Code, but only 7% of these organizations receive contract or grant funds from New York City. While government-funded fee-for-service contracts fund a small number of the nonprofits that exist, this funding constitutes the largest source of support for human services throughout the City. Mayoral agencies registered a total of $3.1 billion in contracts and grants for human services, professional services, standard services and cultural support to nonprofits in Fiscal 2014, which include, in part, pass-through funds from New York State or federal agencies.

Since 2007, the CBO unit at MOCS has provided dedicated technical assistance to the City's nonprofit partners. CBO's mission is to ensure that the City's nonprofit vendors are good stewards of public funds. The City expects community partners to adhere to best practices in nonprofit governance, legal compliance, fiscal oversight and management. CBO supports the City's nonprofit partners through free trainings, the CBO Review program and a Nonprofit Assistance helpline for nonprofits to access instant help. In Fiscal 2014, CBO staff responded to almost 7,000 phone calls through the Nonprofit Assistance Hotline and over 7,000 email requests for nonprofit assistance.

The CBO training program made the greatest impact in 2014 by providing free opportunities to the City's nonprofit partners to learn about best practices. CBO conducted 10 nonprofit training sessions during

Fiscal 2014, attended by a total of 833 nonprofit leaders and staff from relevant City agencies, a 51% increase over last year. Two types of trainings were provided: (1) full-day "Capacity Building Trainings," which are funded by the New York City Council and combine comprehensive compliance information and skill-building workshops, and (2) half-day topical trainings through the Procurement Training Institute (see page 16). Training topics and attendee numbers are listed in Table III-3.

Table III-3: Attendance at Fiscal 2014 Capacity Building Trainings

Training Topic	Attendees
Proposal Writing	33
The Board's Role in Financial Oversight	13
Overcoming Fundraising Complacency on Long-Standing Boards of Directors	27
Building a Peer Fundraising Culture for Young Boards	16
Nonprofit Revitalization Act	106
Capacity Building Training for Council Funded Community Partners[14]	367
Capacity Building Training for Council Funded Community Partners - online	271
Total	**833**

In addition to in-person training sessions, in 2014 CBO launched a web-based version of the Capacity Building Training. The online training is accessible to volunteer board members and to people who would find travel to the training locations difficult, and is available at http://mocs.houltoninstitute.com/ using access code DOEJ-KAJM to register.

CBO also conducts individual reviews of nonprofit providers' internal controls, governance structures and fiscal oversight practices. To avoid delays in the contracting process, reviews are not linked to particular contract awards. Nonprofits holding $1 million or more in City contracts are selected by CBO through a randomized process, although CBO also reviews organizations that are referred to CBO by City agencies. Of the 1,883 nonprofit human services providers with open contracts in Fiscal 2014, only 627 held more than $1 million in City contracts and therefore met the CBO review threshold. However, the value of these 627 nonprofits' contracts makes up nearly 99% of the value of all open contracts with nonprofit providers.

In Fiscal 2014, CBO opened five new reviews and completed or closed 112 reviews, most of which had been opened in prior years. Reviews are completed when all significant recommendations have been implemented. Some reviews are closed administratively when the vendor falls below the threshold. Additional reviews remained active at the close of Fiscal 2014 as organizations were still in the process of implementing CBO recommendations. Recommendations may include improved board structure and governance policies, stronger financial controls, legally compliant conflicts of interest and other organizational policies and best practices for executive compensation approvals. Many recommendations are intended to be implemented over a period of time, particularly those that require adoption by the board of directors. Since the program began, CBO has opened reviews of 485 nonprofits, and completed or closed 434 of those reviews.

In addition to its regular reviews, CBO provides an important oversight function when the City has integrity concerns about a nonprofit vendor. In such cases, CBO, MOCS legal staff and the contracting agencies may work with the vendor to establish a CAP (see page 19) to addresses the City's responsibility concerns. Once the CAP is in place, CBO helps the vendor stay in compliance with the CAP's terms. In Fiscal 2014, MOCS and CBO helped develop three new CAPs. In total, CBO is currently overseeing compliance for 11 CAPs, including CAPs put in place in prior fiscal years.

[14]Nonprofit Revitalization Act was offered twice and Capacity Building Training for Council Funded Community Partners was offered four times during Fiscal 2014.

HIGHLIGHT: MIDWOOD DEVELOPMENT CORPORATION

Credit: Midwood Development Corporation

CBO reviews are conducted on a random basis for vendors that hold City human services contracts valued at $1 million or more in aggregate, and generally involve correspondence and conversations over a significant length of time, depending on the type of recommendations the nonprofit agrees to implement. In Fiscal 2014, CBO completed a review of Midwood Development Corporation (MDC). This Brooklyn-based nonprofit organization's mission is to support the residents of Midwood, Brooklyn through a broad range of community services.

CBO staff found that the organization was providing quality services but suggested improvements to its board oversight and several important internal controls to better meet industry recognized best practices. CBO made recommendations in the form of a nine-point plan to bring the organization's fiscal oversight and board operations to a best practice standard. Recommendations included documenting financial policies and procedures, getting the board more involved in oversight of finances and management and implementing policies on whistleblower protections and employee loans.

CBO provided sample policies to assist MDC and referred the organization to other technical assistance resources. MDC board was instrumental in the completion of the CBO review process and took the lead in ensuring full implementation.

> *"Midwood Development Corporation appreciates the courteous and professional way MOCS' Capacity Building and Oversight Division conducted its review process. MDC has always strived to meet all standards in financial oversight and board governance."*
>
> -Linda Goodman, Executive Director

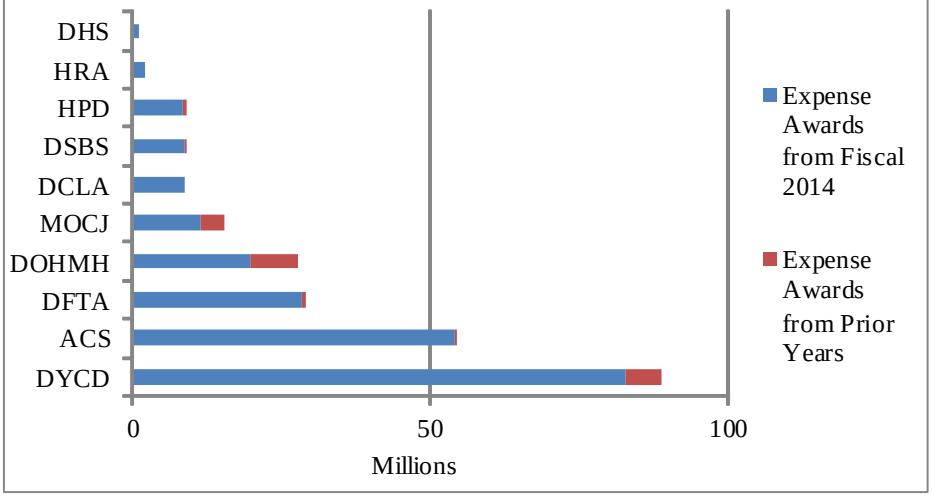
CONTRACTS DESIGNATED BY ELECTED OFFICIALS

Programs
Services
Youths
Communities
Seniors
Schools
Education
events
Children
family
classes
arts
activities
Training
Legal Aid
Housing
Food
Care
Music
students
adults
Residents
workshops
staffing
businesses
outreach
health-related
developments
projects
needy
safety
culture
Parents
rent
work
parks
sports
trips
Socialize
Learning
colleges
recreational
tenants'
performances
dance
prevention
jobs
medical
Teaching
festivals
Transportation
skills-building
salary
Camps
advocacy
Crisis
Leadership
after-school
immigration
literary
LGBTQ
anti-violence
counseling
meals
supplies
equipment
fitness
girls
play
Women
museums
computers
Gardens
academics
promotional
films
creative
Chess
resources
adolescents
careers
technical
financial
employment
Mental-health
Veterans
productions
baseball
Speakers
biking
visits
grades
history
abuse
ESOL
volunteers
exercise
exhibitions
tours
Performance
Incomes
Research
Justice
Immigration
Tennis
partnerships
low-income
Facilities
Mentorship
concerts
America
Fields
Rights
clinics
restoration
emergency
wellness
purchasing
maintenance
designs
buildings
victims
Science
Opportunities
consultations
Food-Pantry
therapy
musical
readiness
celebration
tournaments
entertainment
guidance
nutrition
neighborhoods
management
Environmental
Concert
Insurance
citizenship
clubs
uniforms
participation
Tutoring
Lectures
civics
enrichment
Domestic
leagues
Homelessness
Disabilities
Security
Intervention
Technology
Seminars
Economics
Workers
Volunteers
Speakers
Mentorship
Facilities
Tennis
Partnerships
Low-income
Concerts
Literary
Leadership
Physical
Research
Justice
Immigration
Performance
Incomes
English
criminal
team
sharing
languages
Gardens
academics
clinics
awareness
prevention
restoration
emergency
wellness
promotional
films
creative
Fields
Rights
America
equipment
fit

Most of the increase can be attributed to the increase in allocations under ACS and DYCD, which includes restorations for childcare and after-school programs.

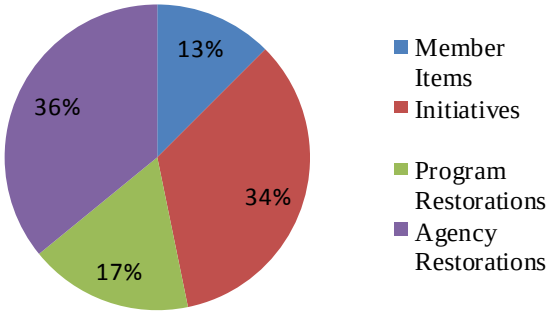
All discretionary contracts are retroactive by nature, as the funding covers the fiscal year in which it is allocated, and allocations are adopted a few days before the contract period begins or during the fiscal year. Since all of the PPB rules apply following the designation of recipients, the VENDEX filing requirement, vetting and contract registration take some time. Line item registrations for prior year awards comprise 5% of Fiscal 2014 line item registrations.

Chart III-4: Top Ten Agencies Discretionary Awards Registered by Dollar Value



Discretionary awards support critical initiatives and restore programmatic funding to agencies that experienced budget cuts. There were over 1,500 awards allocated to community based organizations for such initiatives. There were also almost 5,000 awards made to individual nonprofits for public purposes identified by City Council members. More than half of of the expense funding allocated by the City Council supported city agency programmatic restorations. See Chart III-5.

Chart III-5: Fiscal 2014 City Council Allocations by Funding Type by Value

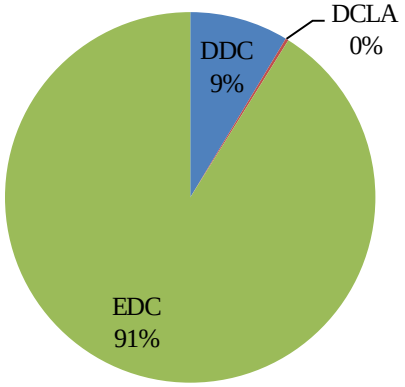


$250 million in expense awards

Elected officials also have the ability to designate nonprofit recipients for capital funding of eligible projects, such as construction or renovation of real property, initial outfitting expenses and qualifying equipment. Eligibility and the award application and designation process are managed by OMB's Bond Counsel to ensure bond integrity. Three agencies process and administer funding agreements for discretionary capital awards, and, in Fiscal 2014, registered 60 discretionary capital funding agreements cumulatively valued at $148 million.

EDC is responsible for most of the construction and renovation projects, since new community facilities have a measurable economic impact. While EDC processed 45% of the capital funding agreements by count, those projects represented 91% of the registered capital awards by value. See Chart III-6. EDC and DDC manage projects on behalf of other agencies, in EDC's case particularly on behalf of DCLA[15]. DDC manages funding agreements for equipment, vehicles and renovation projects for health and human services nonprofit recipients.

Chart III-6: Share of Capital Awards Registered by Agency by Value



$148 million in total capital awards

[15]DCLA also purchases capital equipment directly on behalf of nonprofit organizations, instead of entering into funding agreements.

HIGHLIGHT: ACCION EAST

The M/WBE Leadership Initiative was a $600,000 allocated in Fiscal 2014 to provide for a range of services to M/WBEs through SBS. Through this initiative, the City Council allocated a $66,705 award to Accion East, Inc. With this award, Accion East provided financial counseling to more than 200 small business owners in the City and financed loans to 292 businesses, which created or sustained 400 jobs in New York City. In addition to creating jobs and helping finance growth of M/WBE businesses, Accion East conducted nine financial education workshops, fairs and webinars.

One of many success stories from this program comes from Ms. Bennie Edgerson, who with financial and capacity building support from Accion East, was able to establish and grow her own successful business, Bennie Daye Services, a home improvement company which works on various renovation projects including renovations to subsidized housing in Brooklyn.

Credit: Accion East, Inc.

Accion East M/WBE Leadership participant and business owner Bennie Edgerson

HIGHLIGHT: COMMON CENTS NEW YORK, INC

Common Cents New York, Inc. received six City Council member items through DYCD, totaling $576,000 to support a program called the Penny Harvest. Founded in New York City, the Penny Harvest program has served greater than 700 schools annually in all five boroughs for the past 24 years. Children as young as four and as old as 14 are engaged through a service-learning curriculum where they collect pennies, make grants and perform community service. Once the pennies are collected, Common Cents sets up a student-run foundation in each of the participating schools, where students learn financial literacy and civic responsibility as they make grants to local community agencies, and participate in service projects. They collect the coins, make the grant decisions and do the service themselves. Member item funds enabled Common Cents to continue to offer teachers professional development opportunities that enabled them to mobilize students through service-learning and philanthropy.

Credit: Common Cents New York, Inc.

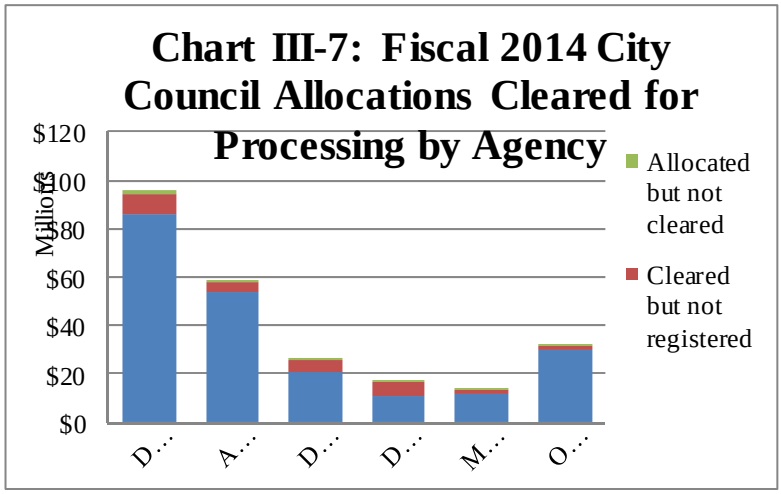
P.S. 163 Penny Harvest Roundtable

Vetting Discretionary Award Recipients

Since discretionary award recipients are selected by elected officials, the competition requirements of the PPB rules do not apply. An extensive vetting process for the expense funded awards was instituted by the City Council and MOCS in 2009, which ensures public funds support legally compliant organizations with the requisite experience to provide human services and manage public funds. Specifically, the City Council requires nonprofits seeking more than $10,000 in expense funding to demonstrate that they are qualified to provide services and have attended a Capacity Building training. Organizations seeking to be "prequalified" apply through DYCD, and the prequalification process is overseen by MOCS. The pertinent agencies with programmatic experience make the substantive determinations as to whether each applicant is qualified. At the end of Fiscal 2014 there were 1,731 organizations prequalified to receive more than $10,000 in City Council funds. Organizations receiving $10,000 or less are vetted by Council staff. To facilitate contract processing, MOCS maintains and distributes a consolidated list of all cleared awards to agencies as reviews are completed.

In Fiscal 2014, the City Council allocated $250 million in expense budget dollars through over 6,000 awards. Agencies processed these awards as efficiently as possible. To speed contract processing for qualified organizations, those organizations that were prequalified in a prior year were required simply to certify to their contracting agency that no material changes in programming or key staff had occurred since their last submission of an application. Any change that could affect prequalification status is required to be disclosed.

MOCS clears these awards as quickly as possible, but delays may occur. Common delays include when awardees are out of compliance with applicable State Charities Bureau registration and annual filing requirements. Nevertheless, by the end of Fiscal 2014, MOCS had succeeded in clearing $247 million or 99% of that year's discretionary awards by value, and agencies had completed filing or registration of $213 million or 89% of the value of awards cleared, a slight improvement from last year's 88% completion rate, as shown in Chart III-7.



Restoring Discretionary Funds back into Agency Budgets

In previous years, the City Council has used discretionary allocations set forth in Schedule C of the budget to restore funding cuts made by the Mayor during the budget process. See Chart III-5. In Fiscal 2014 the Mayor "baselined" greater than $500 million into the City's Fiscal 2015 budget, restoring funding for critical services back to Agency management and therefore allowing for multi-year contracts. Some examples of these restored funds are $62.5 million to ACS for Child Care as well as $1.5 million that was added to DOHMH's budget to fund the HIV/AIDS Faith Based Initiative. Funding for the HIV/AIDS Faith Based Initiative is used for prevention, education, outreach advocacy and support services. Through program administrators like the National Black Leadership Commission on AIDS, Inc., local religious institutions and community based organizations that have pre-existing relationships with these target vulnerable populations are trained and supported in their outreach— creating and enforcing a comprehensive network of community volunteers trained to connect New Yorkers to services they need.

Faces of Procurement: Processing Discretionary Initiatives

The Domestic Violence and Empowerment (DoVE) Initiative is a $2.8 million City Council initiative to support the neighborhood-based provision of domestic violence services in New York City. The funds are used to support various community-based organizations that provide prevention and empowerment workshops, service referrals and legal advocacy to victims of domestic violence. Although the award goes to one organization, Safe Horizon, Inc., there are sixty subcontractors named by the City Council that each provide support to victims of domestic violence citywide. MOCJ administers this award, and Monique Davis, the Assistant Director of Procurement Operations, plays an integral part in registering the DoVE contract. For the first year since 2010, this contract was registered within the fiscal year that the funds were allocated.

Credit: Marcello Rios/MOCS

Monique Davis, Assistant Director of Procurement Operations, MOCJ

Tell us about the DoVE Initiative contract.

DoVE is a unique initiative; it actually started back in 2006. The services that these organizations provide are phenomenal - the heart that the service providers have for people is amazing. A lot of the providers are survivors of domestic violence themselves. They bring not just a passion for what they do but a unique perspective — they've been in it so they know what is needed for clients to get out of abusive relationships.

Was the approach to the registration process different this year?

In previous fiscal years, we waited for all the subcontractors to be vetted and cleared by the City Council and MOCS. There would be a few providers that held up the entire contract, and the contract was always registered after the end of the fiscal year. We are not able to remit repayments to subcontractors until the contract is registered, but these very small community based organizations do not have the ability to provide the funds up front and be reimbursed so much later. Registration delays created instability for the providers, which we understood was a barrier to the provision of effective services.

With MOCS' help, we modified the process to be able to partially register the contract in the fiscal year and pay the providers that had already been vetted and cleared. Using this new approach, we hope to register the contract even earlier in Fiscal 2015. This will be beneficial for providers, so they can maintain continuous services to victims of domestic violence.

Living Wage

The Living Wage Law, NYC Administrative Code 6-109, was passed in 2006 to ensure that workers get paid a minimum wage that is based on the cost of living in New York City, an important step in addressing the city's income inequality. The living wage is currently a $10 per hour base wage with an additional $1.50 per hour which may be paid in supplemental wages or in health benefits. City law establishes living wage requirements for certain types of human services contracts such as contracts for childcare, Head Start Programs, home care, food services, temporary workers and services to persons with disabilities.

In Fiscal 2014, 168 contracts were registered that were subject to the Living Wage Law, with a cumulative value of $163 million. This represents a significant decrease in the $1.9 billion of contracts subject to living wage that were registered in Fiscal 2013. However, it is consistent with expectations as Fiscal 2014 saw a significant decrease in the volume of human services contract registrations from Fiscal 2013, particularly in the programs subject to the Living Wage Law.

Credit: Kiss + Cathcart

Bronx River House

CONSTRUCTION SERVICES

INTRODUCTION

The City is responsible for almost 800 bridges, tunnels and related structures; 6,000 miles of roadway; 19 reservoirs; 14 wastewater treatment plants; more than 1,900 parks covering greater than 29,000 acres and 6,500 miles of water mains. In Fiscal 2014, the City awarded approximately $2.1 billion in construction work and $404 million in architecture/engineering services to care for, improve, maintain or build some of those structures.

The City agencies that procured the most construction services in Fiscal 2014 were Department of Design and Construction (DDC), DEP, DOT, DPR, DSNY and Housing Preservation and Development (HPD). Together, in Fiscal 2014, these agencies were responsible for 96% of the value of all construction contracts procured by the City. They were also responsible for 94% of the value of all architecture/engineering contracts. Agencies utilized a variety of methods to procure these services but the one most utilized for construction services was competitive sealed bidding, accounting for 88% of all new contracting values in that industry. The predominant method of procurement in architecture and engineering was RFPs, which accounted for 87% of new contracting values.

The City manages a diverse portfolio of construction projects. The following projects are being highlighted to demonstrate the wide range of publicly funded construction procurements made in Fiscal 2014.

Highlight: Reconstruction of the Little League Fields at Inwood Hill Park

One of the goals of the City is to provide New Yorkers with an overall quality park experience. An example of how the DPR met this goal was by the reconstruction of the Little League Field at Inwood Hill Park in Manhattan. The contract, valued at $405,000, was registered and completed in Fiscal 2014, to improve the safety and quality of the ball field for the children in the community. In addition to leveling out the existing field, improvements included: the installation of a scorekeeper's box and batting cage, enlargement of player dugout areas and new concrete floors. New Americans with Disability Act accessible bleachers and a new scoreboard were installed to make the overall viewing experience better for all spectators.

Credit: DPR

A Little League Field at Inwood Hill Park in Manhattan

Highlight: Safe Routes to Schools

The Safe Routes to School initiative focuses on safety improvements at city schools with the highest traffic crash rates among students walking and bicycling to school. In Fiscal 2014, DDC registered five capital construction contracts valued at $20 million to help achieve the long term improvement goals of Safe Routes to School. As a whole, the capital construction projects aim to address roadway reconstruction, realignment of the curbs and sidewalks, curb extensions, installation of raised or extended medians, and bus pads, in addition to necessary supporting infrastructure or utility work.

Credit: Kim Lua/DOT

A pedestrian crossing to safely guide students to schools, part of Safe Routes to Schools

Highlight: Coating of Various Bridges in Manhattan, Queens and the Bronx

Credit:Sergey Parayev/DOT

Protective coating of Riverside Drive Bridge over West 125th Street.

The DOT is responsible for managing the City's bridge inventory and for maintaining them in good repair. In Fiscal 2014, DOT awarded four contracts valued at approximately $25 million for the protective coating of bridges in Manhattan, Queens and the Bronx. The existing protective coating on the bridges had deteriorated far beyond its expected service life. DOT decided to remove all existing paint from the bridges and apply a new protective coating as part of its Bridge De-leading program in order to prevent further steel corrosion and deterioration. The new protective coating system would be applied to all steel and all attached metals to prevent further steel corrosion and deterioration for an estimated 25 years. The new protective coating system also extends the life of the bridges, thus reducing the need for reconstruction and/or rehabilitation.

Credit: DSNY

Southwest Brooklyn Marine Transfer Station

PROJECT LABOR AGREEMENTS

Project Labor Agreements (PLAs) are agreements between the City and relevant unions establishing labor provisions that apply to all work done on a project. Since Fiscal 2010, the City has engaged in a number of PLAs with the Building and Construction Trades Council of Greater New York (BCTC) aimed at realizing cost savings while preserving construction. The PLAs lower construction costs and promote job stability by providing common labor provisions for contractors and subcontractors, such as standard work hours and holidays, and reductions in overtime and shift premiums. In addition, when utilizing a PLA, the City can save time and money by awarding construction work to a single general contractor instead of multiple contractors, as would otherwise be required by New York State's Wicks Law[13]. The City's PLAs, which were set to expire at the end of Fiscal 2014, have been extended until December 31, 2014. The City will use that time for discussions with the BCTC regarding potential successor PLAs. The current PLAs have been extended in order to allow negotiations to proceed in an orderly manner.

From Fiscal 2010 to Fiscal 2014, a total of 282 contracts were subject to a PLA valuing greater than $3.6 billion. In Fiscal 2014, the City registered a total of 67 new contracts valued at $547 million that were subject to a PLA.[14] This represents almost a 28% decrease in value from Fiscal 2013, which awarded $757 million in prime contracts subject to PLAs.

[16]The Wicks Law requires separate specifications and bidding for plumbing, HVAC, and electrical work on public construction projects over a $3 million threshold in the five boroughs of New York City.

[17]Sixty-one of the new PLA contracts registered in Fiscal 2014 were construction services contracts, with the others categorized as standardized services. Some standardized services contracts are considered Program Work under the PLAs. For example, standardized services contracts in City-owned buildings within the five boroughs of New York City that are predominately for electrical, HVAC and plumbing repairs are subject to the PLAs. In Fiscal 2014, eight standardized services contracts valued at approximately $6.6 million were subject to the PLAs.

HIGHLIGHT: SOUTHWEST BROOKLYN MARINE TRANSFER STATION (MTS)

In Fiscal 2014, DDC registered a contract for the construction of the Southwest Brooklyn Converted MTS. The new MTS is being constructed in the Gravesend section of Brooklyn pursuant to a PLA contract. The project is for the construction of a state-of-the-art marine transfer facility with gantry cranes for container handling to be built at the site of the former Southwest Brooklyn Incinerator. The facility area will be approximately 1.5 acres, including the processing building and ramps. The project will include construction dredging, fendering work and the installation of an in-water porous wall designed to protect the adjacent marina from barge activities. Containerized waste will be towed from the facility to an intermodal facility by a DSNY vendor and trans-loaded for transport to a disposal facility.

The new MTS replaces an overwater MTS at the same site that served certain Brooklyn collection districts. The new MTS will serve these collection districts (which produce an average of 950 tons residential waste per day) and may also accept up to 828 tons per day of Brooklyn commercial waste. Completion of the MTS is scheduled for summer 2017. The facility will be operated by DSNY.

HIGHLIGHT: CARBON ADDITION FACILITIES

One of DEP's primary goals is to keep NYC waterways clean. Nitrogen, present in household wastewater, can diminish overall waterway ecology when it is present in high volumes endangering fish and plant life. To facilitate the removal of nitrogen from the City's wastewater, DEP entered into a contract subject to a PLA to construct new Carbon Addition Facilities at Wards Island, Tallman Island, Bowery Bay, 26th Ward and Jamaica Wastewater Treatment Plants. The carbon facilities will remove nitrogen from wastewater through the addition of glycerol, a high carbon biological byproduct of biodiesel production that is non-hazardous and non-flammable. Each Glycerol facility will have storage and feed systems and automated controls.

Credit: DEP

Bowery Bay: Carbon Addition Facility

PLA WORKFORCE

MOCS and SBS continue to participate in the Mayor's Committee on Construction Opportunity to look at both contractor and workforce diversity on PLA projects on an ongoing basis. The PLAs contain provisions to promote M/WBE contractor participation. In Fiscal 2014, 20 prime contracts subject to PLAs, valued at $77.5 million, were awarded to M/WBE firms, a decrease from Fiscal 2013, which awarded 24 contracts valued at $97 million to M/WBE firms. This is consistent with expectations as the overall value of registered prime contracts subject to PLAs also decreased. M/WBE firms were awarded 133 subcontracts in Fiscal 2014 with a total value of approximately $38 million from 82 of the 241 PLA contracts that were active during the reporting period. This represents a significant increase of 32% in total value awarded to M/WBE subcontractors on active PLA contracts from the prior fiscal year, which was $28.7 million in Fiscal 2013.

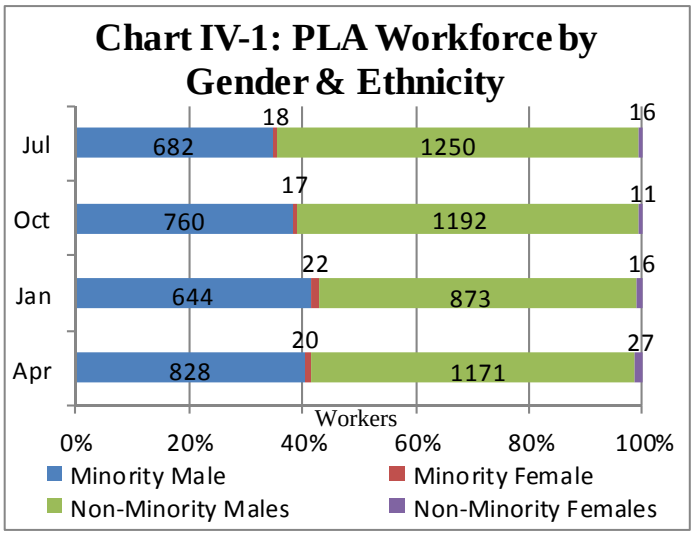
In order to monitor the contracting and workforce opportunities afforded on PLA contracts, a census of the trade workforce on each active PLA project[15] is taken by contractors the first full week of each quarter (i.e. the first full week of January, April, July and October) and collected by City agencies. MOCS compiles this data to provide a snapshot of workforce diversity, apprentice utilization and use of 'bring along'

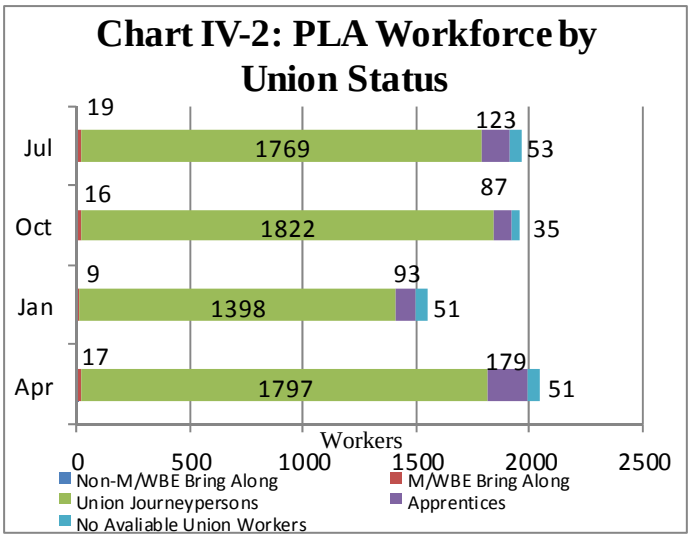
[18]Projects with BCTC do not include a PLA project in the Hudson Valley.

hiring provisions for non-unionized employees of open shop contractors. Non-union contractors may 'bring along' some of their own workforce if no union workers are available, or through other provisions specified in the PLAs. While contractors utilized M/WBE bring along workers, the number of non M/WBE non-union bring-along workers utilized was statistically insignificant.

Chart IV-1 presents data from four Fiscal 2014 census periods that breaks down worker participation by gender and ethnicity. This chart indicates that the PLA workforce was predominantly male in Fiscal 2014. Workers identified by contractors as minority males made up a large percentage of the PLA workforce while the number of females working on PLA projects remained low. The workforce distribution was fairly similar to that in Fiscal 2013.

Chart IV-2 breaks down worker participation by union status. The chart shows that the vast majority of workers on PLA projects are union members, followed by apprentices. As the chart demonstrates, the bring along provision is not widely utilized as most of the workforce is comprised of union members. The union status workforce distribution remained consistent with Fiscal 2013.





APPRENTICESHIP

Apprenticeship programs provide for education and training in skilled occupations. These programs provide New Yorkers with a path to well paying careers in the construction industry. Apprentices are full-time employees paid on a graduated pay scale who work under the close supervision of a skilled journeyman and participate in job-related classroom instruction during non-work hours. Each occupation with an apprenticeship program has its own standardized training curriculum which details the practical field training and classroom instruction required. Apprenticeship programs are operated solely by employers, jointly by employers and unions or by groups of employers. The New York State Department of Labor registers, monitors and regulates apprenticeship programs to ensure that they provide meaningful employment and relevant training for all apprentices. Under a directive issued by MOCS (the Apprenticeship Directive), the City requires nearly all vendors awarded construction contracts over $3 million to show participation in apprenticeship programs that have been approved by the State Department of Labor and have successfully operated and passed probationary status.

Prime Contracts and Apprenticeship Programs

Seventy-three percent of construction contracts newly-awarded in Fiscal 2014 were awarded to vendors with access to apprenticeship programs. Vendors have access to apprenticeship programs through participation on PLA contracts (as all signatory unions to the PLAs provide apprenticeship programs), as union firms (as unions provide apprenticeship programs) or through a vendor sponsored apprenticeship program. Table IV-2 shows that 41% of construction contracts were subject to the apprenticeship directive, representing a total value greater than $843 million, a significant increase from 23% in Fiscal 2013. Furthermore, 26% of contracts (valued at just greater than $540 million) were subject to the City's PLAs, a small decrease from 33% in Fiscal 2013. While contracts subject to PLAs are technically exempt from the Apprenticeship Directive, the PLA gives all contractors that assent to the PLA access to apprentices from the apprenticeship programs of the signatory unions. Additionally, 6% of construction contracts were awarded to firms that participate in apprentice programs through union membership. This represents a significant decrease from 27% in Fiscal 2013, though apprenticeship program support increased significantly in contracts subject to the apprenticeship directive.

Table IV-1: Fiscal 2014 Newly-Awarded Construction Contracts – Apprenticeship Program Coverage

Agency	Total $		Apprenticeship Directive			Construction PLA			Union		
	Count	$ Value	Count	$ Value	%	Count	$ Value	%	Count	$ Value	%
DCAS	27	$14,896,600	3	$1,600,000	11%	3	$9,000,000	60%	3	$3,100,000	21%
DDC	118	$882,712,700	44	$494,229,800	56%	30	$331,391,900	38%	19	$36,935,700	4%
DEP	61	$628,105,900	10	$94,411,200	15%	13	$160,028,000	25%	3	$701,800	0%
DHS	8	$5,475,300	0	$0	0%	3	$5,435,000	99%	0	$0	0%
DOT	18	$226,497,300	11	$193,608,400	85%	0	$0	0%	4	$29,634,100	13%
DPR	81	$167,280,800	1	$2,986,000	2%	3	$3,216,800	2%	16	$29,261,800	17%
DSNY	3	$56,380,200	1	$55,650,600	99%	1	$575,000	1%	0	$0	0%
FDNY	4	$27,480,200	0	$0	0%	3	$27,461,600	100%	0	$0	0%
NYPD	18	$6,458,100	1	$721,900	11%	3	$3,165,600	49%	1	$69,600	1%
All Others	8722	$50,902,900	0	$0	0%	0	$0	0%	816	$26,534,100	52%
Citywide	**9,060**	**$2,066,189,800**	**71**	**$843,207,900**	**41%**	**59**	**$540,273,900**	**26%**	**862**	**$126,237,100**	**6%**

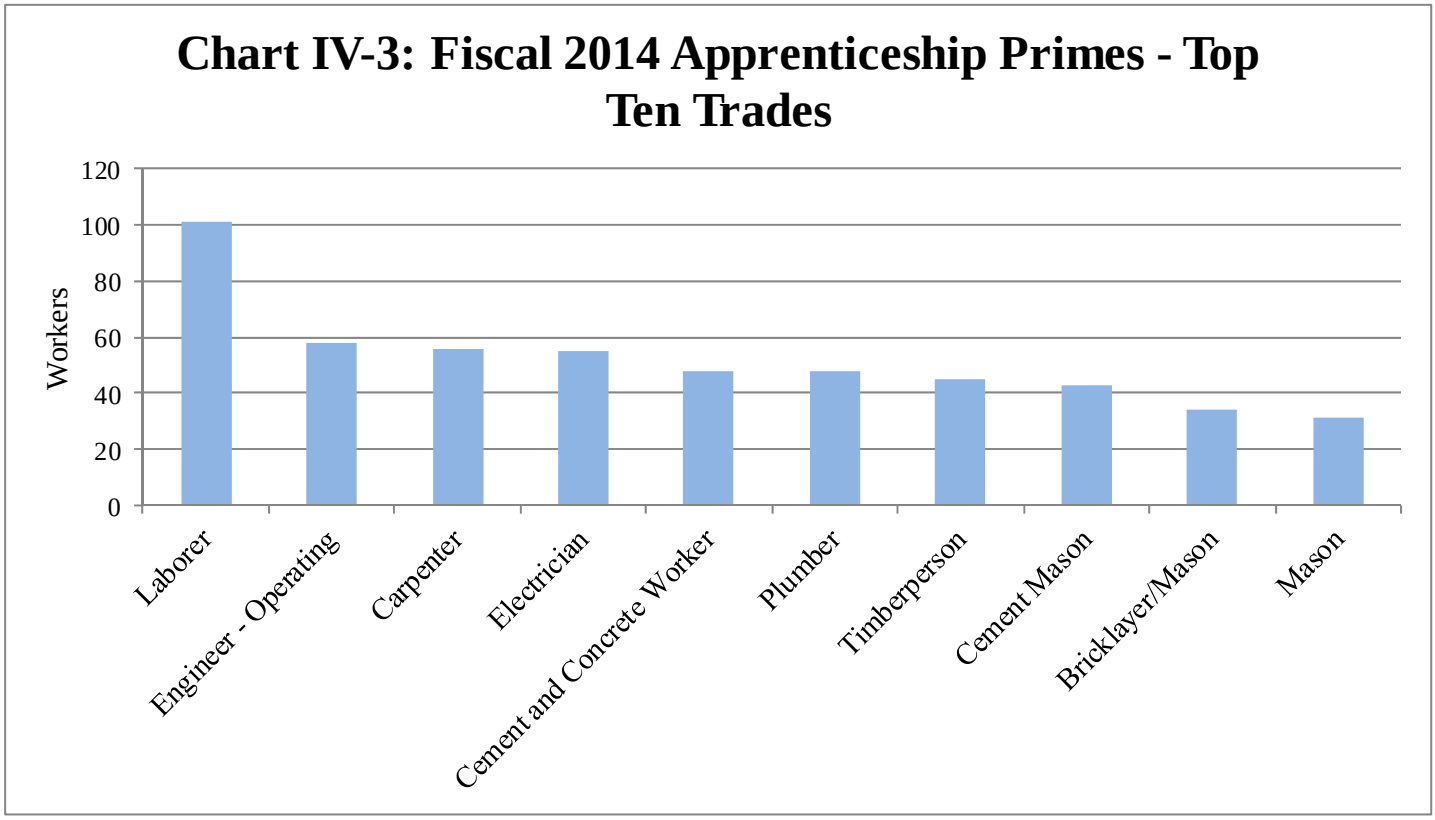
Subcontracts and Apprenticeship Programs

Subcontractors performing apprenticable trade work on prime contracts subject to the apprenticeship directive are required to participate in apprenticeship programs when the value of the subcontract is $1 million or more.[16] During Fiscal 2014, there were a total of 288 subcontracts, valued over $69 million, awarded on non-PLA projects subject to the apprenticeship directive, a slight decrease from the $80 million awarded in Fiscal 2013. In Fiscal 2014, 48% of the value of subcontracts under the Apprentice Directive was awarded to M/WBE firms.

[19]Many subcontracts awarded on construction contracts are for services that do not involve trades such as professional engineering, laboratory testing and construction photography.

Table IV-2: Fiscal 2014 Subcontracting on Non-PLA Construction Contracts Subject to Apprenticeship Requirements								
Type of Goals Program	**Total Subcontracts**		**M/WBE Subcontracts**			**Non-M/WBE Subcontracts**		
	#	**$ Value**	**#**	**$ Value**	**% Value**	**#**	**$ Value**	**% Value**
M/WBE	156	$33,703,656	61	$10,085,040	30%	95	$23,618,615	70%
State/Federal Goals	115	$33,634,896	45	$21,561,728	64%	70	$12,073,168	36%
Apprenticeship Only	17	$1,856,374	11	$1,571,474	85%	6	$284,900	15%
TOTAL	**288**	**$69,194,926**	**117**	**$33,218,243**	**48%**	**171**	**$35,976,684**	**52%**

TRADES



During Fiscal 2014, virtually all vendors covered by the apprenticeship directive complied by participating in programs affiliated with a union, usually a union associated with the BCTC unions. The trades most commonly included in those prime contracts are those associated with heavy, highway or site construction, as distinct from work performed on or within a building.

Table IV-4 shows the trades associated with the subcontracts of contracts under the apprenticeship directive.[17]

Credit: Marcello Rios /MOCS

A bricklayer plying his trade.

[20]Subcontracts may require multiple trades.

Table IV-3: Trades Listed in Fiscal 2014 Apprenticeship Subcontracts					
Trade Classification	# Subcontracts Including Listed Trade	Trade Classification	# Subcontracts Including Listed Trade	Trade Classification	# Subcontracts Including Listed Trade
Boilermaker	6	Floor Coverer	2	Painter- Structural Steel	5
Bricklayer	7	Glazier	2	Plumber	22
Bricklayer/ Mason	9	Heat & Frost Insulator	11	Pointer	1
Carpenter	25	Iron Worker-Ornamental	13	Roofer	7
Cement and Concrete Worker	16	Iron Worker-Structural	10	Sheet Metal Worker	14
Cement Mason	8	Laborer	111	Sign Erector	4
Derrickperson & Rigger	5	Marble Mechanics	6	Steamfitter	8
Dock Builder/ Pile Driver	8	Mason	8	Stone Mason Setter	2
Electrician	50	Metallic Lather	8	Taper	2
Elevator Construction	5	Millwright	8	Tile Layer- Settle	6
Elevator Repair & Maintenance	0	Painter	10	Timberperson	1
Engineer	15				

CHANGE ORDERS

Change orders are amendments to construction or architecture/engineering contracts that authorize additional work necessary to complete a project, or to add work that does not amount to a material change to the original contract scope. To report with greater precision, we separate change orders into either design change orders on architectural and engineering contracts, or construction change orders on construction services contracts.

There are several circumstances that justify change orders. These include field condition, design omission, design error and administrative change. Many times there are multiple reasons that an agency must proceed with a change order.

DESIGN CHANGE ORDERS (DCO)

In Fiscal 2014, DCOs averaged 9% of the original contract values. This is a marked decrease compared to 17% in Fiscal 2013. In terms of average processing times for DCOs, the majority of City agencies experienced increases in processing time. In Fiscal 2014, the average processing time increased from 71 days in Fiscal 2013 to 101 days, which may be due to a significant increase in the volume of change orders. In Fiscal 2013, the citywide total of DCOs was 171, compared to 258 DCOs in Fiscal 2014.

Table IV-4: Fiscal 2014 DCO Processing

Agency	Count	Original Contract Value	DCO Value	DCOs as a % of Contracts				Processing Time (Days)			
				Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
DDC	141	$200,680,700	$24,923,500	12%	16%	13%	9%	109	75	81	89
DEP	42	$369,755,400	$14,782,100	4%	20%	33%	9%	132	85	87	123
DOT	19	$155,469,900	$18,872,500	12%	9%	6%	8%	41	39	64	89
DPR	50	$55,444,500	$5,411,900	10%	10%	6%	10%	78	103	91	144
AllOthers	6	$43,840,800	$6,882,800	16%	26%	3%	7%	79	49	75	153
Total	**258**	**$825,191,300**	**$70,872,800**	**9%**	**17%**	**19%**	**9%**	**101**	**71**	**81**	**109**

CONSTRUCTION CHANGE ORDERS (CCO)

For CCOs, most agencies performed comparably to last year. The overall value of CCOs relative to original contract values remained low, at 5% compared to 3% in Fiscal 2013. CCO processing times remained within historical rates, but the average was 16 days longer than in Fiscal 2013. Similarly, in Fiscal 2014 the City also experienced a 17% increase in volume in this category from the previous fiscal year.[18]

Table IV-5: Fiscal 2014 CCO Processing

Agency	Count	Original Contract Value	CCO Value	CCOs as a % of Contracts				Processing Time (Days)			
				Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
DCAS	129	$133,686,200	$8,179,000	6%	6%	13%	5%	50	95	100	83
DDC	1,232	$3,393,257,400	$149,130,500	4%	4%	4%	7%	144	98	152	112
DEP	771	$7,739,761,500	$392,022,100	5%	3%	3%	3%	125	110	74	132
DOT	109	$1,931,166,600	$49,323,800	3%	2%	2%	3%	48	49	60	76
DPR	486	$528,566,600	$41,840,400	8%	11%	14%	7%	78	86	131	155
DSNY	234	$521,402,700	$3,844,600	1%	0.20%	2%	0%	77	80	145	121
All Others	41	$176,017,600	$39,906,200	23%	49%	21%	6%	51	119	106	94
Total	**3,002**	**$14,423,858,600**	**$684,246,600**	**5%**	**3%**	**4%**	**3%**	**114**	**98**	**105**	**125**

[21]DDC, for instance, processed 52% more construction change orders in Fiscal 2014 compared to Fiscal 2013. These high volume levels created capacity challenges as agencies processed substantially more change orders.

[21]In Fiscal 2015, the City will continue its efforts to maintain low processing times since delays in CCOs registrations result in payment delays for vendors.

SPLIT PHASE TRAFFIC SIGNAL TIMING – VISION ZERO

Vision Zero is an initiative spearheaded by Mayor Bill de Blasio that combines education, smarter streets and strong enforcement to reduce dangerous and illegal behavior on City streets – including speeding, distracted driving and failure to yield to pedestrians. The Vision Zero Plan is the City's foundation for ending traffic deaths and injuries on our streets. At the end of Fiscal 2014, DOT registered a $4.14 million change order to expand capacity on an existing contract with Welsbach Electric Corporation for the Citywide Traffic Signal Safety Project to further the goals of Vision Zero. The change order work involves not only replacing eight inch signal lenses with 12 inch signal lenses in traffic corridors where the speed limit exceeds 30 mph to increase visibility but also installing split phase signals at select pedestrian crossings. Split phase timing allows pedestrians to cross completely free from conflict with turning vehicles and improves traffic flow. Split phase signals require dedicated vehicle turn lanes since the through and turning traffic is governed by different signals.

Credit: DOT

A dedicated vehicle turn lane built in the spirit of Vision Zero

PREVAILING WAGE COMPLIANCE

Prevailing wage rates ensure that workers on City projects are paid a fair wage. These rates, required to be paid on public works[19] by state law, standardize worker pay rates during the bidding process and prevent bidders from undercutting each other by decreasing employee wages. Wage stability helps the City address income inequality by ensuring good jobs at decent wages and a path to the middle class.

To ensure compliance with prevailing wage requirements, MOCS provides prevailing wage training and meets with City agency staff regularly to promote best practices. A key theme at these trainings and meetings is that prevailing wage enforcement is most successful when an agency uses a "team-based" approach. Prior to the award of the contract, the ACCO and staff work to ensure that its vendors understand the labor law requirements that apply to any contract subject to prevailing wage. Resident engineer and project management staff monitor day-to-day contract compliance with labor laws. The Engineering Audit Officer Staff review certified payroll reports and other documentation to ensure prevailing wage compliance before a vendor receives payment. Labor Law Investigators conduct random site inspections and respond to prevailing wage complaints throughout the term of a contract.

In December 2013, the provisions governing the New York State Labor Law requirements in the City's Standard Construction Contract were strengthened and now include a requirement for a photo on all employee identification cards, to help labor law investigators positively identify and account for each trade worker on a job site. In addition, cash payments to employees and subcontractors are now prohibited in order to establish payment records to ensure compliance.

In Fiscal 2014, the City awarded 1,273 contracts valued at $2.4 billion that were subject to prevailing wage requirements, a slight increase from the $2.1 billion of contracts awarded in Fiscal 2013. EDC also processed 32 contract actions, valued at $250 million, for work subject to prevailing wage requirements, also an increase from $157 million awarded in Fiscal 2013.

[19]Projects for construction, reconstruction or maintenance on behalf of a public entity are generally considered public work. Building services are defined as work, on behalf of a public entity, which is associated with care and upkeep of an existing building (e.g., cleaners, gardeners and security guards) where the contract is valued at more than $1,500.

SUPPORTING CITY AGENCIES THROUGH GOODS AND SERVICES

INTRODUCTION

The City provides many services through the hard work and dedication of its employees. In order to equip its employees with the tools to keep the gears of government turning, the City procures goods and services to support City agencies. Vendors provide paper and pens for every office, ambulances and fire engines, cleaning services for City buildings, maintenance and repair of vital machinery, laboratory testing, specialized legal services, IT services and provide for many other vital needs. Procurements of this type fall mainly into three industries: professional services, standardized services and goods.

Professional services include contracts for the provision of various kinds of expert advice, including legal services, and diverse array of consulting services, including medical, information technology and management consulting. Consultants help design human service programs while construction management firms assist the City with organizing complex large construction projects. Because professional services often require highly specialized vendors, they are often procured through RFPs.

Standardized services are defined as those services that do not require advanced degrees or specialized knowledge. Standardized services was the largest industry procured in Fiscal 2014. DSNY procurements represented 68% of the value of all standard services procured – helped by the procurement of a 20-year waste disposal contract as highlighted on page 4. Goods accounted for $1.1 billion of the City's Fiscal 2014 contracts and include everything from food to NYPD electric motorcycles. While virtually every agency made some goods purchases during Fiscal 2014, by far the largest purchaser was DCAS, with 83% of the total volume. Because goods are commoditized, they are generally procured by finding the provider willing to offer the best price. As such, 73% of new purchases of goods in Fiscal 2014 were procured through a competitive sealed bid or accelerated method. Sometimes agencies find it advantageous to leverage the buying power of the state or federal government to achieve lower pricing and so an additional 11% of new goods purchases were made using the intergovernmental method. Although they only account for 9% of goods purchasing by dollar value, 90% of all goods procurements used the small or micropurchase methods.

For all types of contracts, procurement efficiency is a major concern. To that end, the City also makes use of other contracting processes discussed in this chapter to leverage the City's buying power and expedite procurement processing. Requirements contracts and master agreements allow agencies to register a single large contract with a provider and then use a streamlined ordering procedure to procure goods or services from that contract on an as needed basis.

Credit: MOCS

The City procures $1.1 billion in goods in Fiscal 2014.

To acquire necessary goods and services quickly, efficiently and at the lowest possible cost, the City often enters into a single contract used by one or more agencies on an "as needed" basis. A requirement contract is typically entered into by one of the City's two major purchasing agencies – DCAS for most types of goods and services and Department of Information Technology and Telecommunication (DoITT) for some IT goods. Each DCAS or DoITT requirement contract is made available to other agencies, often including both Mayoral and Non-Mayoral agencies. Through this vehicle, a vendor contracts to supply the City's entire "requirement" for a particular good or service. When an item is available through a requirement contract, City policy requires agencies to use that contract rather than procure the item separately.

Table V-1: Fiscal 2014 Top 10 Requirement Contract Encumbrances[20]

Purpose	Orders
Diesel & biodiesel, bulk delivery & rack pick-up	$89,465,400
Gasoline & ethanol blends: bulk delivery	$50,074,500
Procurement Card (P-card) RFP	$37,076,600
Sodium hypochlorite solution - disinfecting wastewater	$35,749,200
Ambulances	$32,277,200
Open space furniture systems and related products	$29,703,400
NYPD hybrid vehicles	$28,526,000
Diesel and biodiesel, bulk delivery and rack pick up	$21,980,100
Heating oil, bioblend and bioheat, bulk delivery	$20,028,100
Sanitation street sweepers	$19,691,100
Total (Top 10)	**$364,571,600**

The City benefits from requirement contracts in several ways. First, rather than having each agency perform market research, develop specifications and release solicitations separately, these functions are performed centrally, yielding multi-year contracts that meet all agencies' needs. Additionally, economies of scale are obtained since requirement contract pricing is based on the total purchases the City expects to make, rather than on smaller single agency totals. Both DCAS and DoITT maintain a complete online list of all requirement contracts available to agencies. For purchases against DCAS requirement contracts, agencies use "release orders" to purchase a single product or set of items, or "blanket orders" if the agency anticipates multiple purchases from a particular vendor throughout the year.

Mayoral and Non-Mayoral agencies used 1,044 requirement contracts in Fiscal 2014, placing orders valued at just greater than $1.2 billion and creating 13,087 orders against all requirement contracts, an increase from Fiscal 2013's $1 billion. The largest portion of that 1.2 billion was for goods, predominantly for fuel and vehicles. DCAS holds 1,033 contracts, used in Fiscal 2014 accounting for 96% of the City's requirement contracts. DoITT holds 11 requirement contracts, accounting for $42 million, or approximately 4% of such contracts. Nearly all requirement contracts have multi-year terms, and 90% were competitively bid. A total of 159 new requirement contracts were registered during Fiscal 2014.

As Table V-1 shows, the top 10 most heavily used requirement contracts (by amount spent by agencies) account for more than $364 million, or 30% of all such contract usage. The most frequently used requirement contract (by number of orders) was for office supplies from Staples, with 871 orders totaling more than half a million dollars.

[22]An encumbrance is an agency commitment to use funds for a specific purpose. An agency commits funds to pay for future expenses for which they may not yet have received an invoice.

Master Agreements

Master agreements for services allow agencies to use a fast-track solicitation process to obtain the specific services needed from firms that already hold a general or "master" contract with the City. They provide flexibility when the scope of a project or task cannot be defined in advance or the nature of services needed cannot be determined at the time the contract is solicited and registered. At the time the services are needed, the agency prepares a scope and a task order for the vendor. Master agreements are often awarded to multiple vendors that provide a similar service. When an agency has a need for this type of service, these vendors re-compete to win the task order for such work.

Single agency master agreements afford flexibility for an agency to rapidly respond to needs that may occur suddenly or unpredictably, e.g., for small repairs or upgrades. They also have the advantage of allowing the agency to defer commitment of funding until the task order is created. City procurement rules also provide for multiple agency task order contracts in which one agency registers and administers a master agreement and assists other agencies with the processing of individual task orders as their needs arise. Having multiple City agencies utilize the same master agreement to fulfill their collective requirements saves time and resources in the procurement process.

Because this report includes task orders in the total procurement volume, master agreements newly registered in the fiscal year are no longer included in total procurement volume in order to avoid double counting as the values associated with master agreements represent the total value of potential work orders and task orders represent registrations for work to actually be performed under the master agreement. In Fiscal 2014, nine agencies registered 104 new master agreements. The majority of these were completed through competitive methods. HRA registered the most master agreements as part of the SAVE[21] initiative followed by DoITT (see page 29 for more shared procurements Also notable were DDC's Town + Gown master agreements (see page 50).

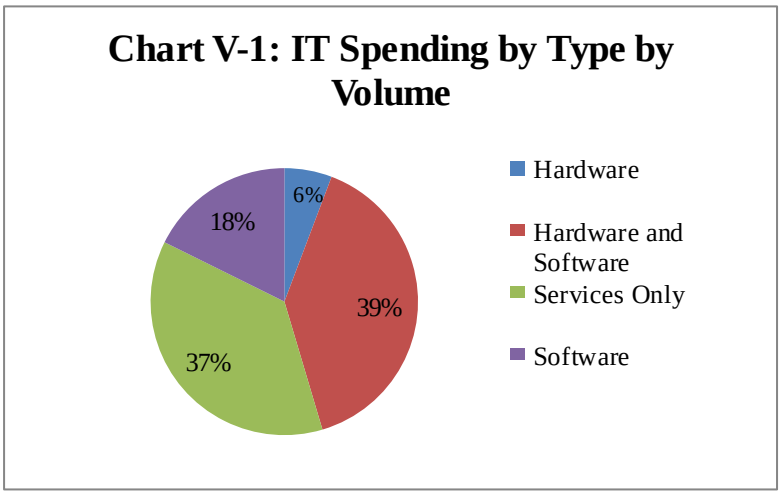
Table V-2: Fiscal 2014 Master Agreements by Method

Method	Count
Competitive Sealed Bid	7
Innovative	6
Intergovernmental	3
Negotiated Acquisition	18
Renewals	11
Requests for Proposals	56
Sole Source	3
Total	**104**

Credit: Marcello Rios/MOCS

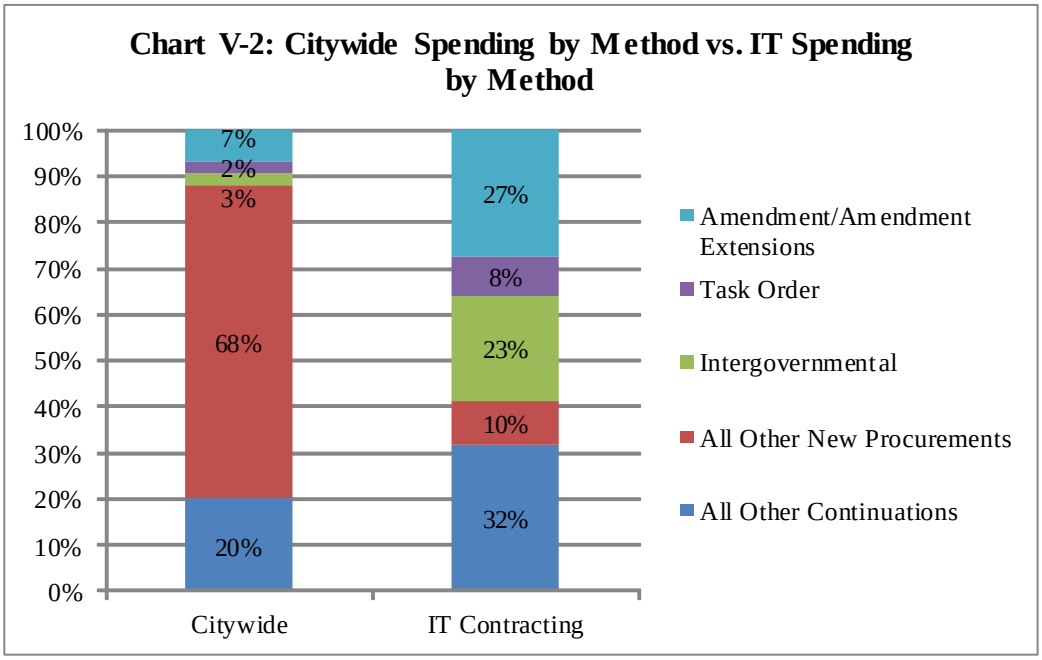
Office supplies procured through a master agreement

[23]SAVE is an administrative unit of HRA, though it reports directly to the Deputy Mayor for Health and Human Services. All contracts managed by SAVE are procured, registered and reported under HRA services.



Government increasingly relies on IT to improve services, connect with citizens and make operations more efficient. Outside contractors are a key component of the way the City delivers IT services – often the City relies on their specialized expertise in the short term to help build new systems that remain in use by the City for years, or to help maintain hardware and software in use by agencies.

Chart V-1 presents all Fiscal 2014 IT procurements by type: hardware, software and services.[22] There is some overlap between the categories but this chart represents an estimate of where the City spends IT dollars. To save time and administrative costs, City agencies often procure IT using the intergovernmental method to "piggyback" on an existing state or federal contract (see page 14). City agencies issue a solicitation to all of the vendors who hold contract in the relevant goods or services, and select the proposal that is either the most advantageous to the City and/or offers the lowest price (depending on the type of solicitation that was issued and the criteria stated in the solicitation). Chart V-2 illustrates the procurement methods City agencies used most heavily for IT, compared to the methods of all other City contracts. IT procurement is made up primarily of task orders, intergovernmental and amendments contract actions.



[24]Many IT contracts include multiple types of goods and services. For instance, often software contracts support on-call support services. The data in Chart V-2 categorizes these procurements according to the primary type.

NYC Technology Development Corporation

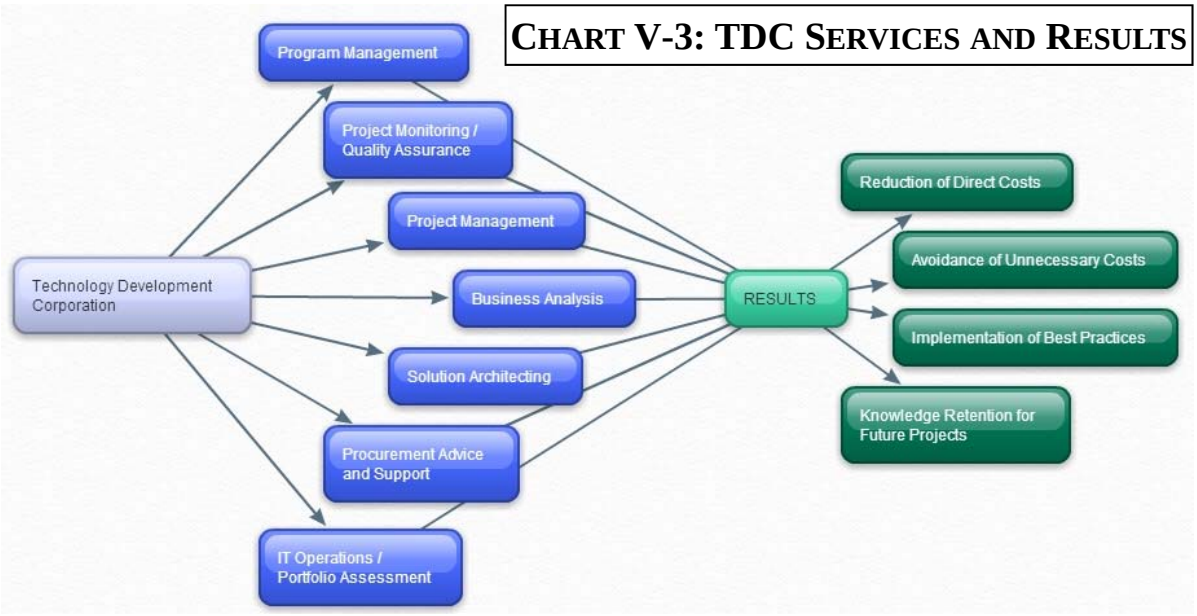
Providing senior project management to complex City projects, the NYC Technology Development Corporation (TDC) offers services in program management, project management, solution architecting, IT operations, business analysis, and other services. TDC benefits the City as it reduces direct costs to the City when compared to for-profit vendors. TDC professionals can help agencies avoid the costs associated with bad investment, project delays and failures, share best practices and keep knowledge within the City for future complex projects.

In Fiscal 2014, TDC directly managed nine projects which supported six different agencies with a cumulative budget of $148.5 million. Projects directly managed by TDC included:

- DCA-DOHMH Enterprise Licensing and Permitting (Releases 1 and 2)
- Department of Buildings (DOB) Enterprise Licensing and Permitting
- Harlem Wi-Fi
- DSNY Sanitation Management Analysis and Resource Tracking System (SMART)
- Municipal ID Technology Solution and Implementation Planning
- Reinventing nyc.gov
- 311 Rearchitecture Planning
- Pre-K For All

TDC also provided assistance to nine projects across eight unique agencies.

Chart V-3: TDC Services and Results



Town + Gown

Town + Gown is a program that connects practitioners and academics to support the City's construction agencies by developing researched-based solutions to complex systemic issues in the City. The City through DDC who developed and utilized an innovative procurement method to draft an academic consortium master contract (Consortium Contract) with seven professional schools in the City. These seven schools stand ready to provide the City's construction agencies with academic resources for scientific, engineering, design, planning and development research projects via "sub-agreements" supported by a construction agency's own funds. The Consortium Contract allows public agencies to access academic resources quickly when the need for research coincides with the availability of expense funds. Under the open solicitation feature of the innovative procurement method, DDC has until June 2015 to solicit other academic institutions to become party to the consortium contract in connection with their participation in Town + Gown.

All city and state agencies and certain not-for-profit organizations associated with such agencies can use the Consortium Contract to procure academic research services via task orders. As of June 2014, the Consortium Contract has been registered with respect to the following academic institutions:

City University of New York, Fordham University, Manhattan College, New York Institute of Technology, New York University and Pace University. DDC is soliciting other academic institutions for participation in Town + Gown until June 2015.

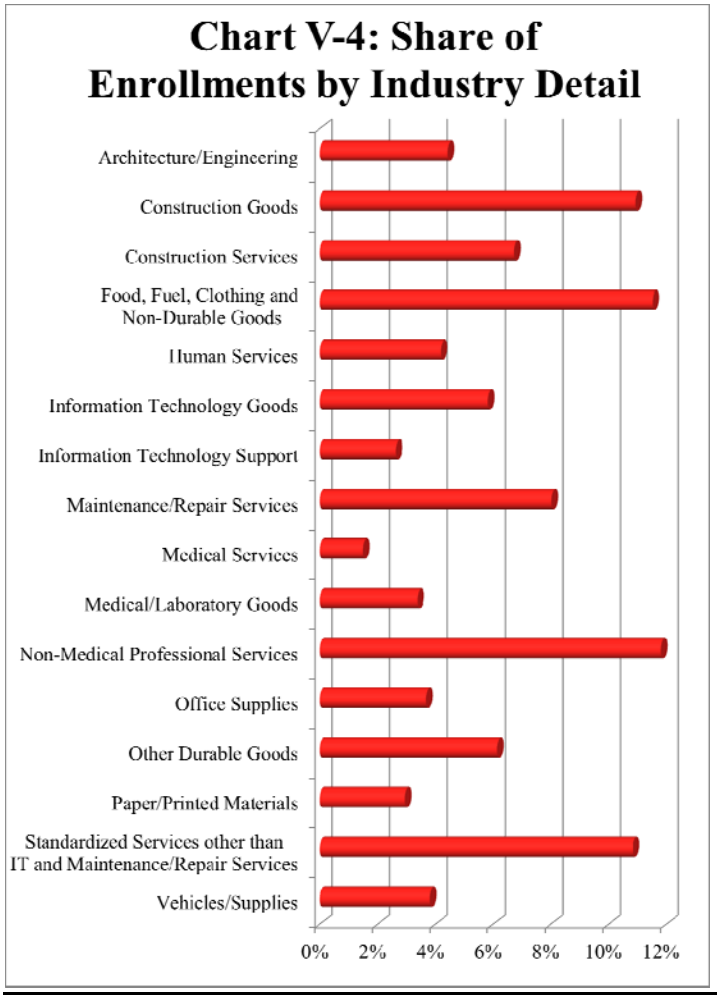
VENDOR ENROLLMENT

Credit: Marcello Rios /MOCS

The MOCS Vendor Enrollment Center

New York City strives to attract a wide range of vendors to help ensure that the City receives the best quality and the lowest prices for the goods and services it procures. In an effort to broaden the vendor base, the City publicly advertises contracting opportunities. In addition, businesses that wish to sell goods or services to the City can enroll to be a City vendor through the Payee Information Portal (PIP). Many vendors offer a variety of goods or services, so they may enroll in all the goods and services categories they offer. Once enrolled, vendors receive solicitations to every competitive sealed bid or RFP associated with a particular goods or services category.

MOCS's Vendor Enrollment Center provides free access to PIP. PIP allows vendors to manage their own enrollment, update their contact information and view information about their contracts. To enroll to do business with the City, vendors can go directly to PIP at http://www.nyc.gov/PIP or contact MOCS' Vendor Enrollment Center, which can assist with PIP enrollment. Once enrolled, vendors should contact agencies directly to make them aware of their interest and capacity to supply to the City. Agency contact information is available at www.nyc.gov/selltonyc or by phone by dialing 311.

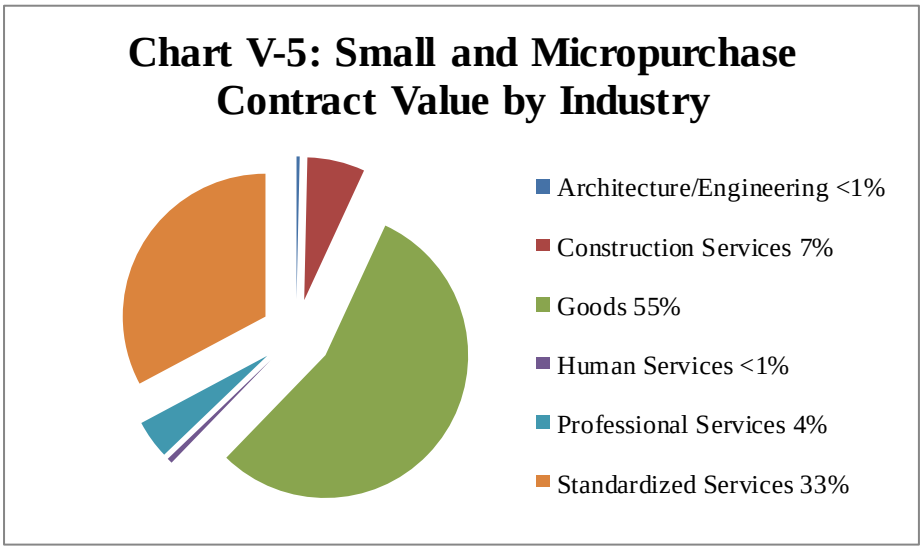


At the end of Fiscal 2014, there were more than 51,000 individual vendors enrolled to do business with the City, an increase of 4% from Fiscal 2013. Of the more than 51,000 vendors more than 1,900 were newly enrolled.

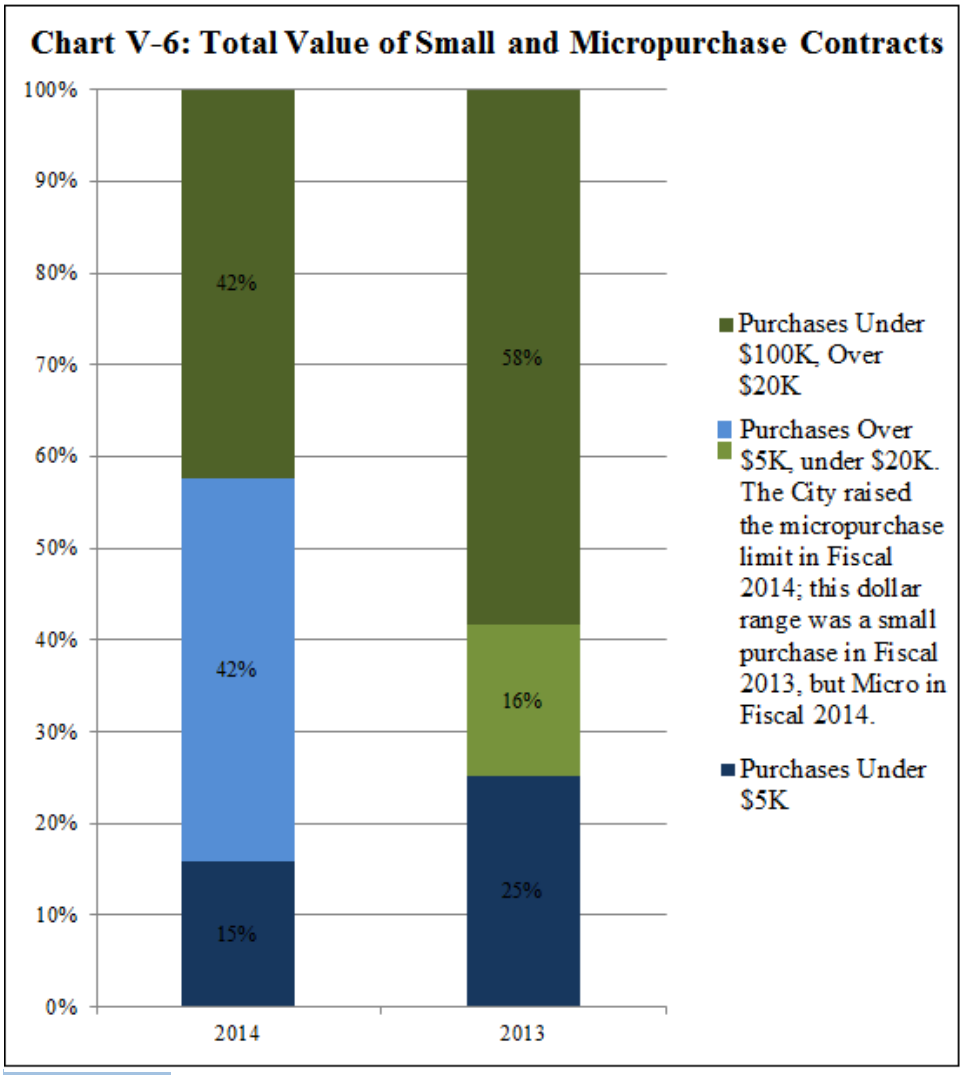
More than half of all vendor enrollments were in five areas: non-medical professional services 12%, food/fuel/clothing & non-durable goods 12%, construction goods 11% and standardized services (other than maintenance and repair services and IT support) 11% and maintenance/repair services 8%.

City agencies use the small purchase and micropurchase methods to secure goods and services in smaller dollar value procurements.

Micropurchases are limited to procurements valued at $20,000 or less. The micropurchase method permits agencies to choose vendors for non-recurring purchases based on convenience, efficiency and price, without formal competition. Micropurchase contracts have an average cycle time of 18 days, far less than all other City procurement methods. Agencies may not artificially divide purchases to allow the use of the micropurchase method.



Small purchases are those with a value of greater than $20,000 up to and including $100,000. They are procured by the small purchase method which involves soliciting at least five randomly selected vendors from the citywide bidder's list and a matching number of certified M/WBE firms.



There were greater than 29,000 small and micropurchase contracts registered in Fiscal 2014 with a total value of more than $189 million. These purchases made up 67% of all procurement actions during Fiscal 2014, but only 1% of spending. Contracts for goods represent the majority of spending, followed by standardized services contracts.

The value of contracts negotiated in the range of $5,000 to $20,000 increased from more than $24 million in Fiscal 2013 to greater than $79 million in Fiscal 2014, a surge of 224%. The increase of the micropurchase threshold to $20,000 yielded an increase in contracting within that dollar range, evincing the value and utility of the expansion of this method.

Purchasing Cards

A Purchasing Card (P-card) is an agency-issued credit card that facilitates quick processing of micro-purchases and invoice payments at a reduced administrative cost, while providing financial controls, oversight, transparency and a direct cash rebate. In Fiscal 2014, the P-card program experienced positive growth on a number of fronts including: awarding a new contract and transitioning to a new P-card provider; increasing overall P-card spending authority to match the City's new $20,000 micropurchase limit; introducing revised Citywide Policies and Procedures and significantly expanding usage through the payment of telecommunications invoices. Overall, Mayoral and Non-Mayoral P-card spend amounted to $83.1 million: $22.7 million in micropurchases, and $60.4 million in telecommunications invoice payments, a significant increase from Fiscal 2013 of $21.7 million.

Telecommunication Invoice Payment Initiative

In Fiscal Year 2014, the City embarked on its largest expansion of its P-card program when it began paying its telecommunications invoices via a P-card, a policy change designed to expedite vendor payments, realize administrative efficiencies and increase the City's annual revenue-share from its P-card provider.

The telecommunications invoice payment initiative began when DoITT approached DCAS about expanding their P-card usage, and increasing City revenue. DCAS suggested that DoITT pay the City's telecommunications invoices with a P-card as the agency pays most of the City's telecommunications invoices. The City Comptroller's Office approved a pilot initiative to allow payment of these invoices. During the pilot's initial six months, which began in January 2014, DoITT processed more than 1,500 invoices totaling $60.4 million. Evaluation of the pilot period results indicated that vendor payments were indeed processed faster, administrative efficiencies were realized and the City's annual cash rebate would increase to greater $1 million. Near the end of the pilot period, DCAS worked with the Comptroller's Office to obtain Comptroller cooperation to continue this initiative on an ongoing basis. Formal approval was granted in July 2014.

Superstorm Sandy Support

In Fiscal 2014, P-cards also continued to support the City's Superstorm Sandy recovery efforts. Almost $400,000 in payments were processed to provide lodging for persons impacted by the storm. Temporary lodging costs were subsequently processed through a temporary Travel Card contract; total Travel Card usage during Fiscal 2014 was $5.8 million.[22]

P-card Programmatic Changes

In January 2014, the City transitioned to a new P-card vendor, US Bank. During the transition period, all cardholders received new P-cards and training on US Bank's web-based card management system, Access Online. The City issued revised Citywide P-card Policies and Procedures strengthening oversight and internal controls and incorporating additional industry best practices.

P-card Utilization Highlights

In Fiscal 2014, Mayoral and Non-Mayoral traditional P-card spend was $22.7 million. The following describes the traditional micropurchase utilization:

- Agencies made 32,052 purchases from 7,170 vendors, representing a 6% and 7% increase, respectively, from Fiscal 2013.
- 93% of the P-card vendors were used 1-10 times, representing 51% of all spending volume ($11.6 million), while 57% of vendors were used only once, representing 15% of all spend ($3.5 million).
- Another 2% of vendors were used 25 times or more, representing 34% of all spend.
- The average transaction value for all agencies was $708.

[25]Travel Card usage was not included into the overall P-card utilization number.

- The largest categories of P-card purchases by industry were: construction related goods (28%), information technology goods (16%), office supplies (8%) and food/fuel/clothing and non-durable goods (7%).
- Table V-3 shows the five agencies accounted for 88% of all Citywide P-card spend and 70% of all transactions:
  - The total number of P-cards used to make purchases was 688, a 9% increase from the prior fiscal year (623).
  - The majority of the P-card spend consisted of small dollar values lower than the $20,000 limit. Greater than half of the volume were for purchases valued at less than $2,500. Of all agency micropurchases that were for $2,500 or less, 59% were made with a P-card.
  - Of all agency micropurchases that were $5,000 or less, 48% were made with a P-card, up from 40% the prior fiscal year.

Table V-3: Fiscal 2014 Top 5 P-card Agencies

Agency	$	%
DOT	$5.0M	16%
FDNY	$4.3M	19%
DEP	$3.2M	14%
DPR	$1.9M	8%
DOHMH	$1.7M	7%

M/WBE Utilization

Agencies are strongly encouraged to use M/WBE vendors for their micropurchases and this fiscal year agencies continued to use P-card with City certified M/WBE vendors.

- 210 M/WBE vendors received 3,796 P-card transactions. This was a slight decrease in the number of M/WBE vendors but an increase in the number of M/WBE transactions.
- M/WBE transactions represented 19% of all P-card spending and 13% of all P-card transactions, consistent with Fiscal 2013 performance.
- M/WBE P-card spend remained essentially flat at $4.3 million as it was $4.2 million in Fiscal 2013. Table V-3 shows the top five agencies making P-card transaction awards to M/WBEs.
- The average P-card transaction with an M/WBE vendor was almost $1,126; this was significantly higher than the overall average transaction value ($708).
- Four of the top 10 most used P-card vendors by volume were M/WBE vendors.
- About 33% of all M/WBE purchases were for construction goods; the next largest M/WBE purchase category, office supplies, accounted for 22% of all M/WBE purchases followed by IT goods at 16%.

Table V-4: Fiscal 2014 Top M/WBE P-card Vendors

Agency	% of Agency P-Card Usage with M/WBE Vendors	M/WBE Spending
NYPD	39%	$205,100
HPD	29%	$82,000
DEP	27%	$886,800
DHS	27%	$218,900
DOB	26%	$105,300

[26]This number excludes Super Storm Sandy transactions.

Buying Sustainably

Procurement supports the Administration's efforts to promote a sustainable New York. Various local laws ensure that sustainability is considered for all relevant procurements.

Environmentally Preferable Purchasing (EPP)

Pursuant to Local Law 118 of 2005, City agencies are required to meet environmental standards, such as minimum recycled content, when purchasing particular categories of goods and services. Table V-5 details the value of the EPP goods purchased by the City in Fiscal 2014. A detailed listing of goods contracts covered by the EPP standards is included in Appendix E.

City agencies also procure EPP goods indirectly, by requiring City construction contractors to use goods that meet EPP standards. During Fiscal 2014, City agencies awarded construction contracts valued at approximately than $143 million that included at least one of 14 possible EPP specifications. This total includes more than $47 million in contracts with specifications for Energy Star products, greater than $43 million in contracts with specifications for EPP-compliant lighting equipment, and nearly $31 million in contracts with specifications minimizing the hazardous content of architectural coatings.[24] A detailed list of these contracts is included in Appendix J.

Although they are not subject to EPP reporting requirements, most of the City's largest capital projects are covered by the more comprehensive Green Buildings Law, Local Law 86 of 2005 (LL 86), with specific requirements for green construction, energy cost reduction and water conservation.[25] In Fiscal 2014, City agencies registered almost $189 million worth of contracts that were subject to LL 86.

Table V-5: Fiscal 2014 EPP

Product	Value
Appliances, Residential	$124,200
Carpeting	$3,290,800
Electronics	$193,600
HVAC Equipment - Residential	$110,700
Lighting	$731,200
Miscellaneous Products - Non Construction	$314,200
Paper Products	$14,221,500
Total	**$18,986,200**

New York State Food Purchasing

With the passage of Local Law 50 of 2011, City agencies have worked to help provide New Yorkers with fresh, healthy and delicious food produced locally in New York State. New York City was one of the first major cities in the nation to develop a specific initiative on local food procurement. Pursuant to this law, MOCS, in consultation with the City's Food Policy Coordinator, promulgated guidelines for City agencies with strategies to procure food from New York State.

Procurement presents a real opportunity to move a goal from merely aspirational to reality through a systemized process. Improving our food standards starts with procuring the right products. This involves everything from getting our standards written into contracts to sourcing hard to find lower sodium items. The ultimate goal is a healthier New York City.

City agencies purchase food both directly, such as DCAS's purchases of food that the Department of Corrections (DOC) serves in correctional facilities,

[27]Some contracts use specifications for more than one category.

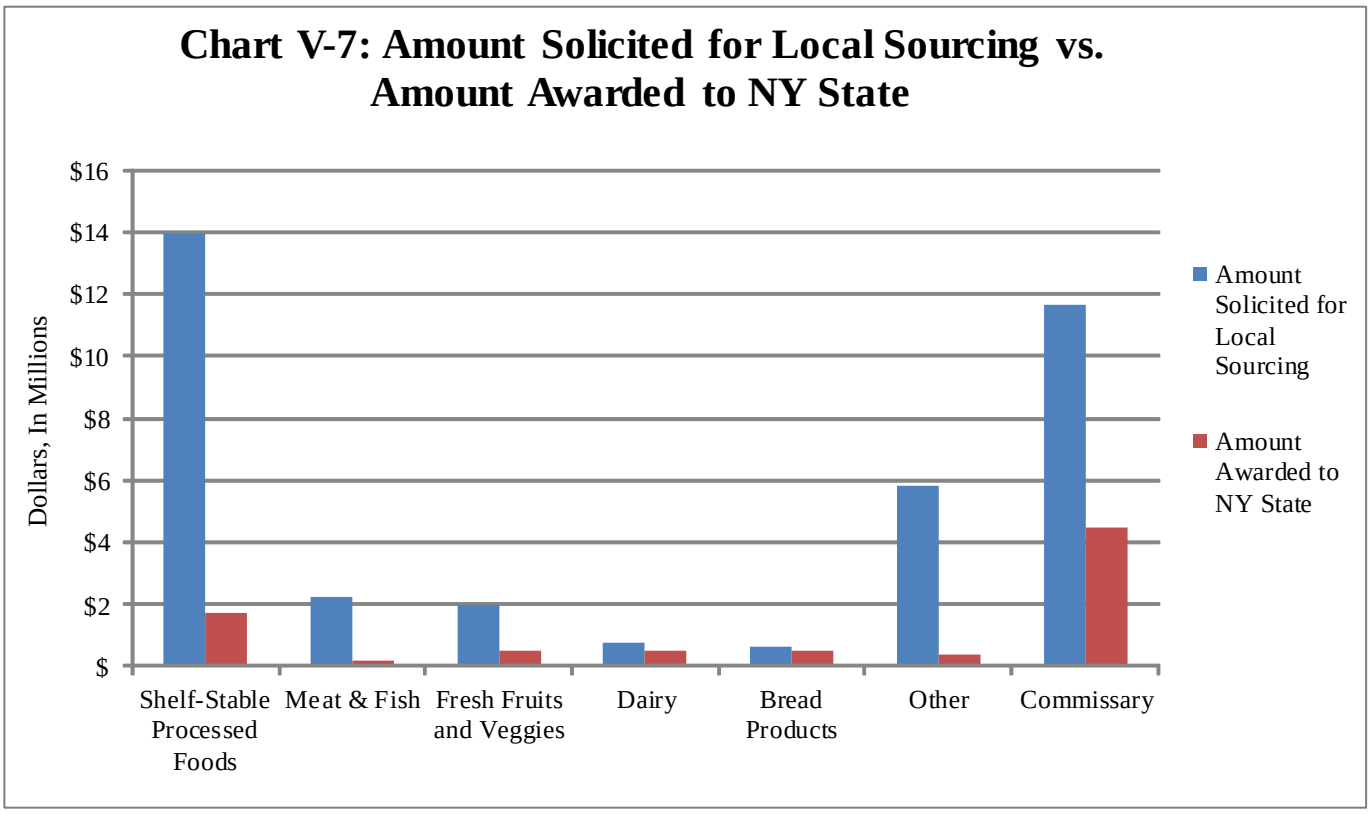
[28]Projects that cost $2 million or more and entail new buildings, additions to existing buildings and/or substantial reconstruction, must achieve LEED® Silver certification from the United States Green Building Council (USGBC). Projects costing $12 million or more must also meet energy cost reduction targets. Projects to install or replace boilers and HVAC comfort controls costing $2 million or more, and projects to install or replace lighting systems costing $1 million or more, must meet energy cost reduction targets. Plumbing system projects costing $500,000 or more must meet water use reduction targets.

and indirectly, such as DFTA's contracts for senior centers, which often include provision of food for clients within the contracted scope of work. DCAS procures goods and services through citywide contracts and actively works with vendors to get the best price available but in the case of food procurements also looks to source food locally. Chart V-7 demonstrates DCAS's commitment to soliciting for locally sourced food representing nearly $37 million of which roughly 22% or $8.2 million was awarded to vendors who source from New York State. Categories such as dairy and bread products had the greatest success in local sourcing.

In addition to the DCAS's food contract portfolio, human services agencies procure food associated with contracts for such services as DFTA's senior citizen centers and DHS's homeless shelters. The local food procurement policy captures contracts that have $100,000 or more in spending related to food. The human services portfolio includes about 66 of such contracts, totaling roughly $362 million in food spending. For these contracts the City doesn't directly purchase food so to determine the sources from which our human services providers procure food, agencies distribute an optional annual survey to these providers. Appendix K summarizes the total volume of food reported by respondents as purchased during Fiscal 2014 from New York State sources. Respondents also report the volume of food purchased outside the state when the product is in season or available, and the volume purchased when the product is unavailable.

Credit: Maire Ullrich, Cornell Cooperative Extension

An upstate farmer picking apples.



EXPANDING OPPORTUNITY FOR MINORITY-AND-WOMEN-OWNED BUSINESSES

INTRODUCTION

Over eight million residents call New York City home.[26] With such a vast population, the culture of the City is truly a reflection of its size and diversity. Given its extraordinary makeup, the City is committed to encouraging a competitive and diverse business environment. MOCS and SBS spearhead the City's efforts to capitalize on its unique diversity with respect to City contracting. Together, these oversight agencies promote contracting opportunities for ethnicities and groups that have been historically underrepresented as vendors on City contracts. As the data below demonstrates, M/WBEs are increasing their market share of City contracts, and the City of New York is committed to continuing this trend.

TOTAL M/WBE AWARDS

As a whole, the values of prime and subcontract awards to M/WBEs are increasing with time. Since 2007, more than $4.1 billion in procurements have been awarded to certified M/WBE firms across all industries and contract types.[27] As described in Table VI-1, in Fiscal 2014 alone, certified M/WBEs were awarded nearly $690 million in prime and subcontracts, a growth of 57% since the end of Fiscal 2013. Taking prime and subcontracts separately, Fiscal 2014 saw over $548 million in awards to M/WBE prime contractors (65% higher than Fiscal 2013), and over $141 million to subcontractors (30% more than the previous fiscal year).

Table VI-1: Awards to M/WBEs Since 2007

Fiscal Year	Prime Contracts	Subcontracts	All Contracts
2014	$548,116,100	$141,728,600	$689,844,700
2013	$330,286,200	$109,045,000	$439,331,200
2012	$400,933,400	$128,770,000	$529,703,400
2011	$376,384,200	$186,473,200	$562,857,400
2010	$332,453,500	$381,946,200	$714,399,700
2009	$306,969,200	$180,378,600	$487,347,700
2008	$340,184,200	$127,505,900	$467,690,100
2007	$194,840,900	$59,182,900	$254,023,700
All Years	**$2,830,167,700**	**$1,315,030,400**	**$4,145,197,900**

NEW YORK CITY'S M/WBE PROGRAM

The City established its M/WBE Program to address the disparity between contract awards to certain ethnic and gender groups and their representation within the New York City regional market. Contract awards to M/WBE firms pursuant to this program, which makes up the majority of contracts awarded to M/WBE firms by the City, also continues to grow.

The M/WBE Program was created with the enactment of Local Law 129 of 2005 (LL 129), the requirements of which were based on the results of a disparity analysis. The disparity analysis demonstrated an imbalance between the quantity of M/WBE firms within the City's geographical region that were ready, willing and able to work on City contracts, and the number of City contracts actually awarded to them. The M/WBE Program was created to correct that imbalance and established aspirational goals on contracts and subcontracts for certain ethnic and gender categories as well as for certain industries. The M/WBE Program under LL 129 was limited to prime

[29]See http://www.nyc.gov/html/dcp/html/census/pop_facts.shtml

[30]This figure extends beyond New York City's M/WBE Program and includes all awards to certified M/WBE firms and contracts that are not subject to the program, including but not limited to emergency and intergovernmental contracts.

contracts valued at less than $1 million and further limited M/WBE subcontracting goals to construction and professional services contracts valued under $1 million.

In 2013, a new law revising the M/WBE Program was enacted after an updated disparity analysis. Local Law 1 of 2013 (LL 1) revisited not only the aspirational goals set for City contract awards, but vastly expanded the Program's reach by removing the $1 million cap and allowing agencies to establish participation goals on standardized services contracts. Fiscal 2014 is the first full year of the expanded M/WBE Program established by LL 1.

Table VI-2: Top 5 Prime Contracting Agencies

Agency	M/WBE Contract Value	% of Total Agency Value
DDC	$127,951,100	13%
DOITT	$114,172,400	16%
DCAS	$41,609,400	3%
DPR	$39,203,208	24%
HPD	$14,648,083	48%

New York City's M/WBE Program: Prime Contract M/WBE Utilization

The City saw an overall increase in the value and percentage of prime contracts awarded to M/WBEs subject to the Program. The City's M/WBE awards subject to the Program in Fiscal 2014 is the highest since the Program began in Fiscal 2007. As Table VI-3 demonstrates, M/WBEs were awarded over $424 million in prime contracts, or 6.8% of all such contracts, an increase from $285 million or 5.5% of all such contracts awarded in Fiscal 2013. This represents a nearly 50% increase over Fiscal 2013. The substantial increase in dollar value of prime contracts awarded to M/WBEs is even more notable given the considerable regulations that limit how agencies may award prime contracts, as State law and PPB rules generally require that contracts above $100,000 be competitively awarded (i.e. through competitive sealed bids or proposals).

Fiscal 2014 saw robust M/WBE performance in areas where the City is able to exercise discretion in awarding contracts. For example, M/WBE vendors obtained over 27% of the City's micropurchases, a 1% increase from Fiscal 2013, representing more than $12 million.[28] Micropurchases can be awarded without competition at the discretion of the agency. It is significant that the City performed strongly in this cate-

Table VI-3: Prime Utilization

Industry / Size Group	Black		Asian		Hispanic		Women		Total M/WBE		Total
	$	%	$	%	$	%	$	%	$	%	$
Construction Services	$2,645,000	0.1%	$86,873,500	4.6%	$3,730,700	0.2%	$48,361,400	2.6%	$141,610,600	7.5%	$1,889,852,800
Goods	$4,177,500	0.4%	$26,039,600	2.5%	$5,216,100	0.5%	$23,488,700	2.3%	$58,921,900	5.7%	$1,034,538,500
Professional Services	$9,410,800	0.6%	$69,560,900	4.2%	$974,700	0.1%	$38,917,400	2.3%	$118,863,700	7.1%	$1,664,791,100
Standardized Services	$8,179,000	0.5%	$4,799,000	0.3%	$5,746,400	0.4%	$85,938,700	5.2%	$104,663,100	6.4%	$1,638,507,400
All Industries	**$24,412,300**	**0.4%**	**$187,272,900**	**3.0%**	**$15,668,000**	**0.3%**	**$196,706,100**	**3.2%**	**$424,059,400**	**6.8%**	**$6,227,689,900**
<=$20K	$3,968,500	3.6%	$8,349,500	7.7%	$4,415,800	4.1%	$13,058,500	12.0%	$29,792,300	27.4%	$108,831,200
>$20K, <=$100K	$4,558,700	5.2%	$6,022,300	6.8%	$4,163,200	4.7%	$12,439,100	14.1%	$27,183,200	30.8%	$88,352,700
>$100K, <=$1M	$4,436,700	2.2%	$13,924,400	6.9%	$2,270,500	1.1%	$3,974,900	2.0%	$24,606,400	12.3%	$200,687,300
>$1M, <=$5M	$5,427,500	0.6%	$80,286,200	8.2%	$4,818,500	0.5%	$68,053,500	6.9%	$158,585,800	16.1%	$983,144,700
>$5M, <=$25M	$6,021,000	0.4%	$78,690,500	5.1%	$0	0.0%	$25,104,100	1.6%	$109,815,600	7.1%	$1,539,480,800
>$25M	$0	0.0%	$0	0.0%	$0	0.0%	$74,076,100	2.2%	$74,076,100	2.2%	$3,307,193,200

gory as it shows the City's commitment to advancing the Program directly.

The M/WBE Program's growth also extended to the City's small purchases, which are purchases valued between $20,000 and $100,000, as M/WBEs were awarded over 30% of all such contracts in Fiscal 2014, up from 20.8% in Fiscal 2013. This is an area where the City's commitment is especially apparent. Agencies are required to solicit an equal number of M/WBE and non– M/WBE vendors from the citywide vendor pool for purchases valued between $20,000 and $100,000, and are not allowed to add non-M/WBE vendors without permission from MOCS.

Even among the awards where agencies have no discretion, i.e. awards valued greater than $100,000, Fiscal 2014 demonstrated marked improvements for M/WBE utilization in every contract size category. The percentage of prime contract awards valued between $100,000 and $1 million to M/WBE firms rose, as Fiscal 2014 saw 12.3% of such contracts awarded to M/WBEs compared with 10.4% in Fiscal 2013. Further, Fiscal 2014 brought an increase in prime contract awards valued greater than $1 million. In Fiscal 2014, M/WBE prime contractors were awarded 5.9 of all such awards, compared to 4.7% in Fiscal 2013. Within that 5.9%, M/WBEs won over 16% of prime awards valued between $1 million and $5 million, over 7% of prime awards between $5 million and $25 million and more than 2% of prime awards greater than $25 million. The increase in the number and value of prime contract awards to M/WBE firms suggests the growing capacity of these firms to compete for City business.

While the value of prime contract awards increased, Fiscal 2014 also showed shifts in the ethnic and gender groups that won the contracts. This is expected as the types of goods and services the City buys, as well as the vendors the City awards through competitive means, fluctuates from year to year.

LOCAL LAW 1 OF 2013

LL 1 allows City agencies to set participation goals on standardized, professional and construction services for both prime contracts and subcontracts solicited after July 1, 2013.

How is LL 1 different from LL 129? Some of the highlights include:

- **Greater Inclusion:** LL 1 expands the women category to include all women-owned businesses for participation goal purposes, regardless of their racial or ethnic identification. The law also allows participation goals to be established for standardized services contracts and allows M/WBE prime contractors to count their own work toward their M/WBE participation goal.
- **Increased Contracting Opportunities:** The program under LL 129 was limited to procurements valued under $1 million. With LL 1, the program was expanded to include all standardized, professional and construction contracts, regardless of dollar value, and goods contracts valued under $100,000.
- **Simplified Goal Setting:** As the $1 million cap was eliminated, so was the Target Subcontracting Percentage, a determination made by agencies to consider the total value of subcontracts valued under $1 million on a given contract upon which a goal was established. LL 1 allows agencies to set a single participation goal on the total dollar value of covered contracts.
- **Heightened Accountability:** LL 1 establishes increased oversight and reporting standards to ensure that agencies meet their goals, including quarterly reports. Of special note, the law provides for the appointment of a Director over the M/WBE Program, and a requirement that the Director, in conjunction with SBS and MOCS, hold quarterly meetings with agency M/WBE officers and commissioners to ensure compliance.

[31]The analysis compares Fiscal 2013's utilization on the basis of the new micropurchase threshold of $20,000.

While the City as a whole endeavors to increase contracting opportunities for the M/WBE community, certain agencies have distinguished themselves in this regard during the past fiscal year. DDC awarded over $127 million to M/WBE prime contractors during Fiscal 2014, which represents 13% of all the agency's qualifying prime contract awards. Given the size and nature of its contracting portfolio and limited discretion in making contract awards, DDC's M/WBE utilization is remarkable. In an equally impressive achievement, DoITT awarded over $114 million in prime contracts to M/WBE contractors during Fiscal 2014, which accounts for 15.6% of its total qualifying prime awards. Also of note, DCAS awarded over $41 million in prime contracts to M/WBEs during the fiscal year. DCAS's M/WBE awards only made up over 3% its overall qualifying prime contracts; however the agency's portfolio primarily consists of procurements for goods valued over $100,000, for which there are no M/WBE goals in LL 1. DPR awarded over $39 million in prime contracts to M/WBEs, which makes up over 24% of all the agency's qualifying prime contract awards. HPD rounds out the top five, awarding over $14 million to M/WBE primes, representing over 47% of all qualifying prime contracts. Overall, these five agencies assisted in the City's substantial progress in increasing the value of contract awards to M/WBEs.

HIGHLIGHT: UNIQUE COMP INC.

Unique Comp Inc. (Unique), is an Asian-woman owned information technology consulting firm located in Long Island City, Queens. Founded in 1997, Unique is City-certified as an M/WBE and offers high-quality services to its clients by leveraging its vertical domain knowledge, expertise and strategic alliances with leading technology providers. In Fiscal 2014, DoITT selected Unique to be one of its city-wide system integration services prime contractors providing various analysis, design, development and IT related services on an as-needed task order basis. The contract allows Unique to compete against a select group of vendors for city-wide IT services valued at up to $5 million. Unique credits SBS with providing valuable networking experience and insight into how to do business with government clients, a skill that has proven to be vital to Unique as it attributes between 70-80% of its overall revenue to government contracts.

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Your Premier M/WBE Partner

M/WBE Program Leadership
Maya Wiley, Counsel to the Mayor

Mayor de Blasio appointed his counsel, Maya Wiley, to serve as Director of New York City's M/WBE Program. A civil rights attorney and policy advocate by trade, Ms. Wiley brings passionate and effective leadership to the City's progressive M/WBE initiative. In her role as Director, Ms. Wiley holds agencies accountable for their performance under the Program and pushes them to meet and exceed their annual M/WBE utilization goals. Working in tandem with SBS and MOCS, Ms. Wiley convenes quarterly meetings with agency heads to discuss their utilization progress throughout the fiscal year. The meetings build in accountability towards achieving participation goals and provide an opportunity for agency commissioners and M/WBE officers to share best practices and methods for success.

Ms. Wiley's leadership is an extension of Mayor de Blasio's vision for New York City, which includes increased contracting opportunities for M/WBEs. Under Ms. Wiley's direction, the City will work to increase the number of certified M/WBE firms and the contract opportunities afforded to them.

Ms. Wiley's commitment to the success of the City's Program is demonstrated by her longstanding career in public service. Prior to joining Mayor de Blasio's administration, Ms. Wiley was the president and founder of the Center for Social Inclusion, a national public policy strategy organization geared towards supporting ideas, strategies and leadership to promote racial equity, opportunity and prosperity for all. Ms. Wiley was also a senior advisor on race and poverty to the Director of U.S. Programs of the Open Society Institute, and helped develop and implement the Open Society Foundation — South Africa's Criminal Justice Initiative. She has worked for the American Civil Liberties Union National Legal Department, the Poverty and Justice Program of the NAACP Legal Defense and Educational Fund, Inc., and the Civil Division of the United States Attorney's Office for the Southern District of New York. She has also previously served on the boards of the Institute on Race and Poverty at the University of Minnesota School of Law, Human Rights Watch, the Council on Foreign Relations and as the chair of the board of the Tides Network.

Credit: Dennis Drenner

Maya Wiley

Ms. Wiley's years of experience, dedication and expertise as a policy expert and advocate, coupled with her deep commitment to working to address issues of inequality in New York City, make her the ideal person to serve the City of New York as the Director of the M/WBE Program. As Ms. Wiley has often stated, she would have advocated for the furtherance of this crucial program even if it had not fallen directly under her purview.

As previously noted, LL 1 removed the $1 million cap on subcontracts subject to the M/WBE Program and allowed for M/WBE participation goals to be established on standardized services prime contracts. The removal of the cap and inclusion of the additional industry significantly broadened the pool of subcontracts that could be considered for M/WBE participation goals. To set goals on particular contracts, agencies consider such factors as the scope of work and availability of M/WBEs able to perform the required work. In turn, M/WBE participation goals become a material term of the prime contract.

As Table VI-4 shows, during Fiscal 2014, over $61.1 million were awarded to M/WBEs in subcontracts for standardized, professional and construction services. These subcontracts were all awarded in Fiscal 2014, regardless of when the prime contract was registered. These subcontracts, distributed among the M/WBE groups, represent 43% of all such qualifying subcontracts awarded. This represents an increase from Fiscal 2013, which awarded over $40.5 million in subcontracts to M/WBE firms. Also of note and somewhat consistent with Fiscal 2013, the ethnic and gender distributions among the subcontract category was relatively equal.

Table VI-4: Fiscal 2014 Approved Subcontracts on Open Primes Subject to Participation Goals

Subcontracts											
Size Group	Black		Asian		Hispanic		Women		Total M/WBE		Total Subs
	$	%	$	%	$	%	$	%	$	%	$
<=$20K	$989,900	20.2%	$596,800	12.2%	$244,200	5.0%	$254,600	5.2%	$2,085,500	43%	$4,903,300
>$20K, <=$100K	$4,976,900	24.2%	$2,103,800	10.2%	$1,926,000	9.4%	$904,200	4.4%	$9,910,900	48%	$20,575,700
>$100K, <=$1M	$8,398,000	12.6%	$8,967,000	13.4%	$6,932,600	10.4%	$3,339,000	5.0%	$27,636,600	41%	$66,875,000
>$1M, <=$5M	$0	0.0%	$0	0.0%	$0	0.0%	$2,209,000	15.6%	$2,209,000	16%	$14,131,400
<=$20K	$38,700	9.2%	$43,500	10.3%	$15,000	3.6%	$74,400	17.7%	$171,700	41%	$421,400
>$20K, <=$100K	$573,800	13.5%	$580,500	13.6%	$475,900	11.2%	$809,800	19.0%	$2,440,000	57%	$4,264,500
>$100K, <=$1M	$1,521,100	9.0%	$2,929,000	17.4%	$1,503,900	8.9%	$4,551,900	27.0%	$10,505,900	62%	$16,857,100
>$1M, <=$5M	$0	0.0%	$0	0.0%	$1,068,700	100.0%	$0	0.0%	$1,068,700	100%	$1,068,700
<=$20K	$7,500	27.0%	$0	0.0%	$10,000	36.0%	$0	0.0%	$17,500	63%	$27,800
>$20K, <=$100K	$40,000	61.5%	$0	0.0%	$0	0.0%	$0	0.0%	$40,000	62%	$65,000
>$100K, <=$1M	$0	0.0%	$0	0.0%	$108,400	100.0%	$0	0.0%	$108,400	100%	$108,400
>$1M, <=$5M	$0	0.0%	$0	0.0%	$5,000,000	41.7%	$0	0.0%	$5,000,000	42%	$12,000,000
All	**$16,545,900**	**11.7%**	**$15,220,500**	**10.8%**	**$17,284,600**	**12.2%**	**$12,143,000**	**8.6%**	**$61,194,100**	**43.3%**	**$141,298,200**

Construction Services	Professional Services	Standardized Services

Table VI-5: Top 3 Subcontracting Agencies (Value)			
Agency	**M/WBE Subs**	**Total Subcontracting**	**% M/WBE of Total Subs**
DDC	$28,848,647	$68,359,470	42%
DEP	$11,978,067	$31,622,459	38%
DPR	$11,164,288	$21,527,055	52%
All Others	$9,203,100	$19,701,800	47%
Total	**$61,194,100**	**$141,210,800**	**43%**

Agency Subcontracting highlights

DDC accounted for a significant part of the subcontracts awarded to M/WBEs during the reporting period. DDC's $28.8 million in M/WBE subcontract awards comprised 42% of the agency's M/WBE awards made on all eligible subcontracts. Likewise, DEP awarded over $11.9 million to M/WBEs accounting for 38% of all such relevant subcontract awards within their agency. Rounding out the top three agencies, DPR was also a major player, as it awarded over $11.1 million to M/WBE subcontractors, amounting to 52% of the agency's awards on subcontracts subject to the Program.

M/WBE Utilization Beyond the City's Program: State and Federal M/WBE Goals

Several types of contracts are exempt from having participation goals established on them by the City's M/WBE Program because they are covered by separate state or federal goals programs. State and federal programs assign goals for M/WBEs and/or for "disadvantaged business enterprise" (DBE) firms, respectively.

In Fiscal 2014, City agencies awarded well over $62 million in subcontracts to M/WBEs under the New York State M/WBE and federal DBE programs. These subcontract awards were made in Fiscal 2014 on all open prime contracts subject to state or federal goals regardless of when they were registered. These awards represent 54% of all eligible subcontracts registered during the reporting period.

As Table VI-6 demonstrates, M/WBE firms were awarded large percentages of all subcontracts on contracts subject to non-City goals programs. The agency breakdown of subcontract awards pursuant to state or federal goals programs are detailed below.

In Fiscal 2014, DEP awarded over $33 million in subcontracts to M/WBEs on prime contracts subject to state or federal goals, accounting for nearly 48% of all eligible subcontracts awarded by the agency. DOT also awarded approximately 57% of all of its eligible subcontracts to M/WBEs, as its total M/WBE subcontract awards on contracts subject to state or federal goals neared $15 million. DDC awarded 81% of its eligible subcontracts to M/WBEs on prime contracts with state or federal goals, amounting to over $12 mil-

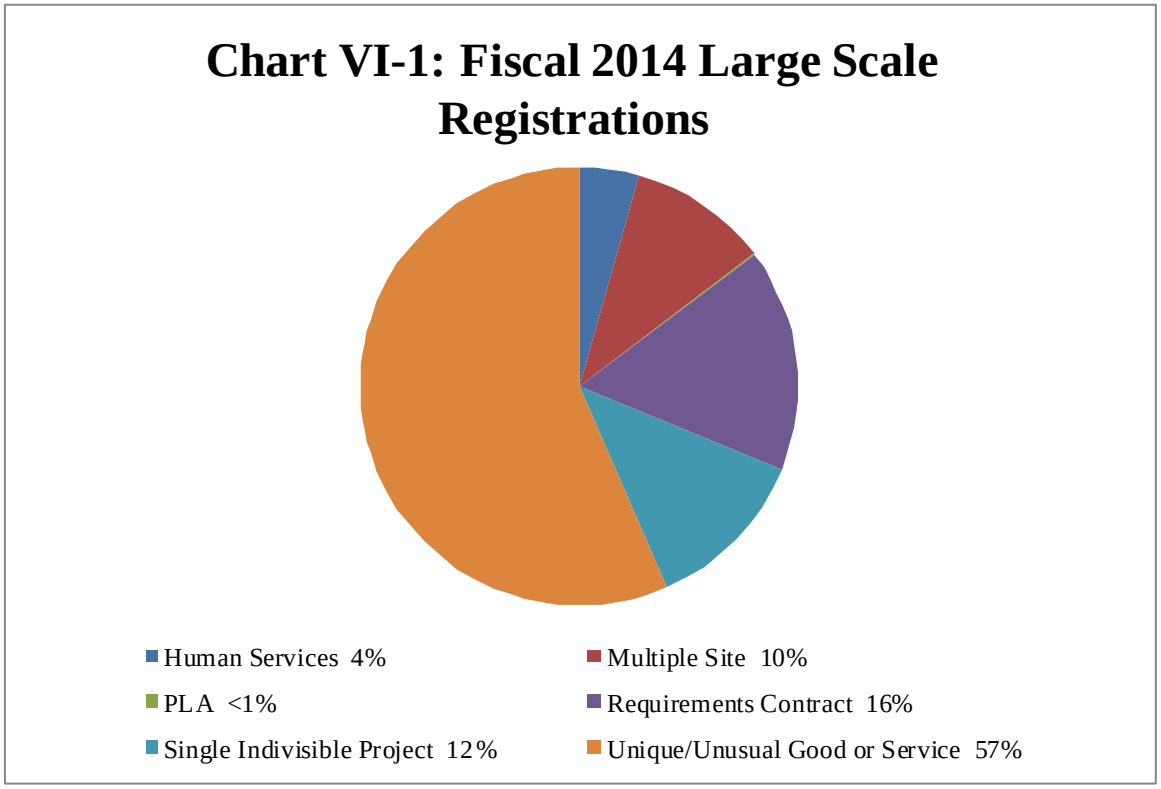
Table VI-6: Fiscal 2014 Subcontracts on Open Primes with State and Federal Goals													
Sub Industry	**Black**		**Asian**		**Hispanic**		**Women**		**Total M/WBE**			**Total**	
	$	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**#**	**$**	**%**	**#**	**$**
Construction Services	$2,788,000	3.0%	$3,771,200	4.0%	$16,316,200	17.3%	$22,664,253	39.6%	116	$45,539,703	57%	292	$79,694,600
Professional Services	$1,748,000	5.9%	$5,378,500	18.1%	$3,683,700	12.4%	$4,505,222	15.2%	77	$15,315,300	52%	181	$29,645,700
Standardized Services	$153,300	2.5%	$57,500	0.9%	$151,100	2.4%	$801,979	12.9%	11	$1,163,900	19%	32	$6,227,100
Total	**$4,689,300**	**3.6%**	**$9,207,200**	**7.1%**	**$20,151,000**	**15.5%**	**$27,971,453**	**32.8%**	**203**	**$62,018,900**	**54%**	**504**	**$115,567,400**

lion. Each of the above-mentioned agencies contributed significantly to M/WBE awards on the state and national level during the past fiscal year. Also of note, DPR awarded over $1.5 million is subcontracts to M/WBEs, making up 86% of all eligible subcontracts registered during the reporting period.

Table VI-7: Top Agencies State/Federal Subcontract Awards

Agency	M/WBE Sub Value	Total Subs	M/WBE % of Total Subs
DEP	$33,648,500	$70,331,300	48%
DOT	$14,782,800	$26,153,400	57%
DDC	$12,049,700	$14,855,300	81%
DPR	$1,538,000	$4,227,400	36%
Total	**$62,019,000**	**$115,567,400**	**54%**

LARGE-SCALE CONTRACT APPROVALS



The law requires City agencies to obtain CCPO approval before soliciting procurements anticipated to be valued at over $10 million. The CCPO is required to review the procurements in order to evaluate whether it is practicable to divide the proposed contracts into smaller contracts, and whether doing so will enhance competition for such contracts among M/WBEs. In Fiscal 2014, there were 110 registered contracts for which MOCS conducted large-scale procurement reviews.[30] The value of the 110 registered contracts was approximately $7.5 billion. Over half of the approvals were for unique or unusual goods or services contracts, and 16% were for requirements contracts.

[32]A full list of these determinations is included in Appendix O. Approvals that occurred in Fiscal 2014 but have not yet resulted in the release of any solicitation are reported only after the contract is awarded, in order to protect the integrity of the bidding/proposal process.

WAIVERS, MODIFICATIONS AND NONCOMPLIANCE

A vendor that plans to submit a bid or proposal in response to a solicitation for a standardized, professional or construction services contract that contains M/WBE participation goals may seek to request a full or partial reduction in the goals by filing a waiver request with the contracting agency during the pre-bid or pre-proposal stage. The agency and MOCS then evaluate the extent to which the vendor's business model and history of subcontracting in the relevant industries is consistent with the request. In order to qualify for a waiver, a vendor must show both the capacity to execute the contract with less subcontracting than projected and legitimate business reasons to do so. A vendor that receives a full waiver has demonstrated that it will not award any qualifying subcontracts if awarded the contract and cannot use its own participation towards fulfilling the goal requirement. A vendor that obtains a partial waiver has demonstrated that it cannot use its own participation towards fulfilling the goal and plans to subcontract at an amount less than the agency established goal.

In Fiscal 2014, only 18 contracts were awarded to vendors that qualified for full waivers and 12 contracts were awarded to vendors that qualified for partial waivers. Vendors filed a total of 185 requests for waivers in Fiscal 2014. Of those, 34 were denied, 83 were approved as full waivers and 68 were approved as partial waivers. Waiver determinations are detailed in Appendix P.

Unlike waivers, which are granted or denied before a contract is awarded, modifications occur after a contract is already in place. A vendor may seek a modification if it finds itself unable to meet the M/WBE participation goals due to circumstances encountered during the life of the contract, such as limited M/WBE availability or elimination of work by a contracting agency. Vendors seeking modifications must show that they have made reasonable, good faith efforts to meet the goals set by agencies and must detail why those efforts have been unsuccessful. There were no requests made for modifications during the relevant reporting period.

There were two findings of noncompliance during Fiscal 2014. The prime contractor was unable to fulfill its M/WBE subcontracting requirements on two "as needed emergency sewer repair contracts" initially awarded by DDC and later transferred to DEP. The contractor asserted that the reason why they failed to meet their participation goals was because work orders issued under the contracts did not require sufficient work initially identified for M/WBE subcontractors ("as needed" contracts have a general scope of services, with specific assignments determined through subsequently issued work orders). The contractor failed to timely apply for a post-award modification for these two contracts, and given the complexities associated with a procurement initiated by one agency and transferred to another, the City failed to closely monitor the contractor's progress in meeting its M/WBE goals and to work with the vendor to identify other ways to meet its goals. MOCS found that because the contractor may have qualified for a post award modification and had surpassed its M/WBE participation requirements on all its other contracts, it was not in the City's best interest to issue an enforcement action given the complications associated with the transfer of the contract from one agency to another.

SBS Assistance to M/WBEs: Compete to Win

Compete to Win is a set of capacity building programs for M/WBEs and small businesses administered by SBS. This set of services is designed to help firms build their capacity so they can better bid on, win and perform on City contracts. Compete to Win consists of the following services:

Through **Technical Assistance**, firms receive assistance on submitting bids and proposals for City contracts through workshops and one-on-one assistance. Firms receive an introduction to specific industry requirements and standards for the submission of bids and proposals. One-on-one assistance provides firms with guidance on how to submit the most competitive bid/proposal for City contracting opportunities. SBS has partnered with several City agencies, including HPD, DPR, HRA and DCAS, to offer assistance on live contracting opportunities. In Fiscal 2014, SBS held workshops for 320 firms and one-on-one sessions for 84 firms. Eleven Technical Assistance participants won 27 contracts totaling $12.6 million.

Contract Financing helps address the challenge that small businesses have in funding initial expenses, or mobilization costs relating to City contracts, such as labor and equipment costs. Short-term working capital loans are made available to firms that are awarded City contracts through partnerships with New York Business Development Corporation and Business Outreach Center Capital. In Fiscal 2014, SBS awarded 10 loans totaling $577,000, to eight unique firms. These loans helped firms access over $1.8 million in contracts.

Bond Readiness provides construction companies with financial management skills to help them secure surety bonds necessary to compete on City contracts. The service consists of eight months of classroom training and one-on-one assistance, as well as introductions to a network of surety agents. In June, 25 firms graduated from the 2013-14 class. Eight of these firms received bonds from surety agents totaling 2.9 million, enabling them to bid on larger City contracts.

NYC Construction Mentorship provides certified construction firms with greater access to City construction opportunities. In June, 38 firms graduated from the 2013-14 class. These firms received a customized curriculum of classroom instruction, one-on-one assistance and an assessment to help them grow their business. The program also provided M/WBEs with access to over $14 million in contracting opportunities with City agencies. Forty-three firms won awards as prime or subcontractors on 10 DPR contracts, totaling $13.5 million. Twenty firms won 54 contracts as prime contractors with HPD, totaling $350,000.

Through **NYC Teaming**, M/WBEs and other small businesses learn how to partner with other firms to bid on larger or new market contract opportunities. In partnership with American Express OPEN, the division of American Express that provides assistance to small business owners, SBS offers a series of workshops and webinars that cover topics such as different types of teaming arrangements, financial and legal issues, responding to RFPs and bids and marketing to potential partners. The series culminates in a matchmaking event that facilitates industry-specific networking, brings firms together with City agency procurement representatives and prime contractors and provides open RFPs and bids for participants to review with potential partners. In Fiscal 2014, 150 firms participated in three workshops.

The **Corporate Alliance Program (CAP)** helps connect firms with contracting opportunities in the private sector in collaboration with eleven corporate partners. Becoming a supplier to a large corporation is a major step forward for any small business, providing not only income but credibility, stability and business relationships that come with experience. With its CAP partners, SBS launched a training series that addresses key issues small businesses face when trying to break into the corporate supply chain. In Fiscal 2014, 237 firms participated in eight workshops.

SBS Assistance to M/WBEs: Compete to Win

Strategic Steps for Growth is a nine-month executive education program designed for M/WBEs, offered in partnership with the Berkley Center for Entrepreneurship & Innovation at the NYU Stern School of Business. An industry-specific class is also offered for business owners in the media and entertainment fields. The program provides participants with a new professional network, including business experts, university professors and other business owners, and offers support for every aspect of business operations as well as a focus on capacity-building for City and government contract opportunities for the enrolled M/WBEs and on private-sector opportunities for the enrolled media and entertainment firms. Participants learn the strategic skills needed to run a growing company, and create a custom, three-year growth plan for their businesses. Since the program began in 2010, based on self-reported data from an annual survey conducted each calendar year, 68 M/WBE graduates of five classes have collectively reported securing $6.4 million in new financing (including loans and lines of credit), creating over 400 new jobs and winning more than $130 million in government contract awards (city, state and federal) as of December 31, 2013.

MAJOR LEGISLATIVE AND REGULATORY REFORMS

LEGISLATIVE REFORMS

Local Law 125 of 2013: A Local Law to amend the administrative code of the city of New York, in relation to an annual report on preferred source contract awards.

Local Law 135 of 2013: A Local Law to amend the New York City charter to require notification to the council of emergency procurements.

NEW YORK CITY PROCUREMENT POLICY BOARD RULES

In Fiscal 2014, the PPB voted to adopt a number of changes to the PPB rules, which govern procurement actions for City agencies. The following changes were adopted by the Board this year:

HHS Accelerator

PPB 1-01, 2-04, 2-08, 2-09, 3-01, 3-10, 3-16, and 4-12: These changes define the functions of HHS Accelerator and authority of the HHS Accelerator Director; establish the HHS Accelerator Rule as the default procurement method for client service contracts except as otherwise provided in the rule; set forth the policy and criteria governing the prequalification of vendors through HHS Accelerator, including a method for a vendor to appeal denial of prequalification through HHS Accelerator; and establish a process for soliciting proposals from prequalified vendors through HHS Accelerator.

Investment Managers

PPB 1-01 and 3-15: These changes establish an alternative method of procuring investment management services for the assets of the New York City Retirement Systems and related funds.

Best Value

PPB 2-09: This change adds the requirement that the Recommendation for Award prepared by the agency's contracting officer set forth the criteria used in determining best value if an award is made to a bidder whose bid represents the best value to the City.

Sole Source Procurement Threshold

PPB 3-05: This change increases the sole source procurement threshold from $10,000 to $20,000 to be consistent with the amendment increasing the micropurchase procurement threshold.

GLOSSARY

Accelerated Procurement: A procurement method used to buy commodities, such as fuel, that must be obtained quickly due to significant shortages and/or short-term price fluctuations.

Agency Chief Contracting Officer (ACCO): A position delegated authority by the Agency Head to organize and supervise the procurement activity of subordinate agency staff in conjunction with the CCPO. See City Chief Procurement Officer. The DACCO is the Deputy Agency Chief Contracting Officer and works under the ACCO.

Amendment: A change made to a contract. For purposes of this report, amendments are considered to be changes to contracts that add or subtract funds to reflect programmatic needs, and do not extend the contract's term. See Amendment Extension.

Amendment Extension: A procurement method to continue a contract for up to one year, most often for a human services program, that would otherwise expire but has no renewal provisions available. These extensions ensure that services can continue without interruption.

Apprenticeship Programs: Apprenticeship agreements appropriate for the type and scope of work to be performed that have been registered with and approved by the New York State Commissioner of Labor. The City mandates that contractors and subcontractors required to use apprentices show that such programs have three years of current, successful experience in providing career opportunities.

Architecture/Engineering Services: A class of services specifically related to the preparation of plans and specifications for construction projects. This category does not include construction management or construction management and build contracts, nor the preparation of environmental studies. Contracts to hire licensed architects or professional engineers are included.

Assignment: An agreement to transfer from one vendor to another the right to receive payment and the responsibility to perform fully under the terms of the contract. For purposes of this report, assignments are considered to be such transfers that occur under circumstances such as when a vendor defaults, fails to fulfill its responsibilities or otherwise becomes unable to continue, and not transfers that occur when a vendor undergoes a corporate change such as a merger, acquisition or name change.

Buy-Against: The process by which an agency may obtain from a successor vendor, selected with competition to the maximum practical extent, the goods and services needed to fulfill its requirements after a vendor defaults or fails to fulfill its contract responsibilities.

Capital Project: Capital projects are funded by a budget covering a single fiscal year and involve physical infrastructure used in support of government operations or for general public use. These projects are valued at or over $35,000 and are expected to be utilized for at least five years.

Change Order: An agency-authorized, written modification of a contract that adjusts price or time for performance. A change order permits the vendor to complete work that is included in the scope of the contract and permits the agency to make non-material changes to the scope.

City Chief Procurement Officer (CCPO): Position delegated authority by the Mayor to coordinate and oversee the procurement activity of mayoral agency staff, including ACCOs. The Mayor has designated the Director of MOCS as the CCPO.

Competitive Sealed Bid (CSB): The most frequently used procurement method for purchasing goods, construction and standardized services, as well as concessions. CSBs are publicly solicited. Contracts are awarded to the responsive and responsible vendor that agrees to provide the goods or services at the lowest price, or in the case of concessions, the highest amount of revenue to the City.

Competitive Sealed Proposal: Also known as a Request for Proposals (RFP), this method is used when an agency must consider factors in addition to price, such as the vendor's experience and expertise. RFPs are most frequently used when procuring human ser-

vices, professional services, architecture/engineering services; RFPs are also used for some concessions, where the agency, in determining which proposal is most advantageous to the City, wishes to consider both the revenue to the City and such other factors or criteria as are set forth in the RFP. RFPs are publicly solicited.

Competitiveness: Competitiveness is achieved when multiple vendors contend for a contract. For competitive sealed bids, requests for proposals and competitive innovative procurements, a contract is competitive when the agency receives three or more responses.

Comptroller: An elected official whose position is similar to a chief financial officer. The Comptroller is authorized to audit the City's financial condition and to advise on fiscal operations, policies, and transactions. The Comptroller is also required to register all contracts before payments can be made to vendors.

Concept Report: City agencies are required to issue a detailed concept report prior to the release of a Request For Proposals (RFP) that establishes a new client services programs or a substantial reorganization of an existing program. These reports must describe anticipated changes in the number or types of clients, geographic areas to be served, evaluation criteria, service design, price maximums and/or ranges per participant. Concept reports, together with the comments received from the public, are used by agencies to draft the subsequent RFP.

Concession: Income generating contract for the private use of City-owned property to serve a public purpose. Examples include pushcarts, recreational facilities such as golf courses and tennis courts, parking lots, etc. Concessions do not include franchises, revocable consents or leases.

Construction Change Order (CCO): Amendments to construction contracts, used to implement necessary changes to ongoing construction projects, e.g., unanticipated conditions discovered in the field.

Construction Services: Construction services provide construction, rehabilitation and/or renovation of physical structures. This category includes Construction Management and Build contracts as well as other construction related services such as: painting, carpentry, plumbing and electrical installation, asbestos and lead abatement, carpet installation and removal and demolition.

Construction Trades: This term refers to classifications of work in construction that have historically defined by the labor unions. New York State defines trades for both the purposes of prevailing wage classifications and apprenticeship program qualifications similarly but not always identically. For example, operating engineers cover a wide variety of work in operating and maintaining equipment, timber persons are a type of carpenter associated with heavy/highway construction, ornamental iron workers do work with metal that is not a structural component of a building and cement masons do formwork and finishing associated with poured concrete.

Contract Dispute Resolution Board (CDRB): Pursuant to the PPB rules, CDRB panels arbitrate and resolve most types of disputes that arise under contracts between vendors and City agencies. A CDRB panel is made up of the City Chief Procurement Officer, an Administrative Law Judge from the Office of Administrative Trials and Hearings (OATH) and an independent panel participant chosen from a pre-qualified list reflecting persons with expertise. The CDRB makes final administrative determinations of City contract disputes in cases where vendors' claims have been rejected by the contracting agency and the City Comptroller.

Cycle Time: The length of time it takes agencies to process procurements.

Default: Inability of a contractor to fulfill the requirements of a contract, usually a result of poor performance, inability to perform, unreasonable delays, loss of insurance or bond or other deviation from the contract.

Demonstration Project: A short-term, carefully planned pilot exercise to test and evaluate the feasibility and application of an innovative product, approach or technology not currently used by the City. At the conclusion of the contract term, based upon the documented results of the project, the agency determines whether to competitively acquire or to discontinue the use of the product, approach or technology.

Design Change Order (DCO): An amendment to a design consultant contract, i.e., architecture or engineering.

Discretionary Award: See Line Item Appropriation.

Emergency Declaration: An official declaration of the scope of goods or services required by an Agency before initiating an emergency procurement. This request must be given verbal approval from both the Law Department and the Comptroller, at which point the Agency can immediately begin contracting out using the most competitive means available.

Emergency Procurement: Method of procurement used to obtain goods and services very quickly, in many instances without competition, when an agency must address threats to public health or safety, or provide a necessary service on an emergency basis. See Emergency Declaration.

Emerging Business Enterprise (EBE): Local Law 12 of 2006 establishes participation goals for EBEs, defined as businesses owned and operated by individuals who have experienced social disadvantage as a result of causes not common to those who are not disadvantaged, and whose ability to compete in the market has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. EBE goals for prime contracts and subcontracts apply to the same industries as M/WBE goals. SBS certifies participating businesses as EBEs.

Encumbrance: An action to earmark budgeted funds for a stated purpose.

Environmentally Preferable Purchasing Laws (EPP): Local Law 118 of 2005 establishes a Director of Citywide Environmental Purchasing (DCEP) to implement the City's EPP program. Mayor Bloomberg appointed the City's Chief Procurement Officer as DCEP. Local Law 119 of 2005 requires energy-using products purchased by the City to comply with ENERGY STAR® requirements, and meet the federal Energy Management Program energy and water efficiency standards. The law also requires that the City purchase more energy efficient lighting. Local Law 120 of 2005 requires City agencies to follow the Comprehensive Procurement Guidelines established by the federal EPA to ensure the use of products with recycled content. Local Law 121 of 2005 requires the City to purchase electronic equipment and fluorescent lighting with low levels of potentially hazardous substances. Local Law 123 of 2005 authorizes the City to develop a pilot program to test environmentally preferable cleaning products and establish standards requiring the purchase and use of such "green cleaning" products.

Expense Contract: Contracts not funded from the capital budget. These contracts are for routine agency operating expenses. Most human, standardized and professional services as well as purchases of non-durable goods are procured through expense contracts.

Federal Emergency Management Agency (FEMA): An entity that coordinates the Federal government's role in preparing for, preventing and recovering from all domestic disasters, both natural and man-made.

Fiscal Year: The City's fiscal year runs from July 1st of the preceding year to June 30th of the given year. Fiscal 2014 runs from July 1, 2013 through June 30, 2014.

Franchise: An income generating contract that confers the right to occupy or use City property, such as streets or parks, to provide a public service, such as telecommunications or transportation services.

Franchise and Concession Review Committee (FCRC): FCRC has six members: two appointees of the Mayor, one each of the Corporation Counsel, Office of Management and Budget and the Comptroller, and one voting seat shared by the five Borough Presidents, who rotate voting control based on the location of the item under consideration. MOCS oversees agency compliance with the applicable laws and regulations on behalf of the Mayor. Concession awards solicited by competitive sealed bid require neither a hearing nor a FCRC approval vote. For concessions other than those procured by CSB, the awarding agency and FCRC hold joint public hearings for any award that has a total potential term of at least 10 years or will result in annual revenue to the City of more than $100,000 or is considered to have major land use impacts. Concessions awarded by RFP do not require an approval vote. Concessions awarded pursuant to methods such as a sole source or negotiated concession typically require two FCRC approvals, one to authorize the agency to proceed with the concession and one to approve the resulting agreement.

Goods: This category includes all purchases of physical items. Most purchases of goods above the small purchase limit of $100,000 are made by the Department of Citywide Administrative Services (DCAS).

Government-to-Government Procurement: The procurement of goods, services, construction or construction-related services directly from another governmental entity.

Group Purchasing Organization (GPO): A type of organization that leverages the purchasing power of a large group of entities in order to benefit from discounted pricing on various name-brand products and services.

Green Buildings Law: Local Law 86 of 2005 sets standards designed to reduce the City's electricity consumption, air pollution and water use, as well as improve occupant health and worker productivity for certain capital projects. Capital projects that cost $2 million or more and entail new buildings, additions to existing buildings and/or substantial reconstruction, must achieve Leadership in Energy and Environmental Design (LEED®) Silver certification from the United States Green Building Council (USGBC). In addition, the law requires higher standards for energy and water consumption depending upon the project type or other alternations.

Green Cleaning Products: Environmentally preferable cleaning products.

Human Services: A class of services that are provided directly to clients in various in-need groups. This category includes homeless shelters, counseling services, youth programs, after-school programs, homes for the aged, home care and other similar services. Vendors in this category are primarily nonprofit; some services, such as home care, also have for-profit providers.

Innovative Procurement: Agencies are permitted by the PPB rules to experiment with new procurement methods. They may test any new method on a limited number of procurements. Once the tested methods are evaluated, PPB determines whether to codify the new methods for future use.

Intergovernmental Purchase: A fast-track method that enables City agencies to buy goods or services using pre-existing contracts between vendors and other government agencies, typically New York State.

Job Order Contracts (JOCS): A type of requirement contract for repair and building renovation where contractors bid a cost multiplier that applies to a whole book of unit items of work. It is distinct from unit price requirement contracts where a price is given for each item specified.

Joint Bidding: This term applies to the letting of public work by the City for infrastructure work such as streets, water mains and sewers, where the work of private utilities such as electricity, steam and telecommunications is in one contract, along with the City work, and the winning bidder is responsible for all of the work, public and private.

Line Item Appropriation: As part of the City's budget process, the City Council and Borough Presidents provide funding to specific vendors, typically community-based human services organizations, cultural institutions or other nonprofit groups. The contracts through which those funds flow are classified as line item or discretionary appropriations.

Living Wage Law: New York City establishes a pay rate requirement for certain types of contracts for building services, childcare, Head Start, home care, food services, temporary workers and services to persons with cerebral palsy. See NYC Administrative Code 6-109.

Master Service Agreement: A type of contract under which a vendor or pool of vendors hold a master agreement defining a general scope of services, with specific assignments determined through subsequently-issued task orders.

Mayor's Management Report (MMR): The MMR provides elected officials, oversight entities and the public with information about agency performance at key points in the planning and budgetary process.

Micropurchase: A method used to buy goods, services or construction valued at up to $20,000. Agencies may buy from any available vendor at a fair price, without formal competition.

Minority-and Women-Owned Business Enterprises (M/WBEs): Local Law 129 of 2005 establishes citywide participation goals by race, ethnicity and gender for vendors that are certified to be owned by women and/or minorities for contracts less than $1 mil-

lion dollars. The citywide goals for Black Americans, Hispanic Americans, Asian Americans and Caucasian Women represent the anticipated percentage of contracts by dollar value between City agencies and M/WBE firms during the course of the year. Prime contract participation goals exist in four industry categories: construction, professional services, standardized services and goods. Local Law 129 also establishes participation goals for subcontracts under $1 million for construction and professional services. Each City agency that does at least $5 million in procurement annually is responsible for developing an M/WBE utilization plan and meeting the citywide participation goals. SBS certifies participating businesses as M/WBEs through an application process in order to prevent fraudulent claims under this program.

Negotiated Acquisition: A method of contracting used when only a few vendors are available to provide the goods or services needed, when there is limited time available to procure necessary goods or services or when a competitive procurement is otherwise not feasible. This method is often used for a variety of litigation support services.

Negotiated Acquisition Extension: The only option to extend a contract when renewal terms have been exhausted or are unavailable, and after the one year maximum amendment extension has been used, in order to provide an agency sufficient time to draft, issue and make new awards under a Request for Proposal (RFP). These extensions ensure that services may continue uninterrupted. Negotiated acquisition extensions are also used to ensure the completion of ongoing construction projects that are not finished by the contract's expiration date, and may extend the amount of time, money or both allocated to complete a project.

Negotiated Concession: A method of soliciting concessions generally used only when use of a competitive sealed bid or request for proposal is not practicable and/or advantageous due to the existence of a time-sensitive situation, where an agency has an opportunity to obtain significant revenues that would be lost or substantially diminished should the agency be required to proceed via a competitive award method. In addition, DCAS may award a negotiated concession to an owner of property that is adjacent to the concession property, or to a business located on such adjacent property, where due to the layout or some other characteristic of the property or because of some unique service that can be performed only by the proposed concessionaire, it is in the best interests of the City to award the concession to the adjacent owner.

Non-Responsible: A vendor that lacks the business integrity, financial capacity and/or ability to perform the requirements of a particular contract will be determined by the ACCO to be a "non-responsible bidder/proposer" and thus ineligible for a contract award. A vendor that is found non-responsible may appeal that determination to the head of the City agency responsible for the contract, and if the determination is upheld by the agency head, the vendor may appeal again to the CCPO.

Non-Responsive: A vendor that submits a bid or proposal that fails to conform to the requirements for documentation/information specified in a Request for Bids or Proposals for a particular solicitation will be determined to be "a non-responsive bidder/proposer" and will not be considered for the contract. A vendor may appeal a finding of non-responsiveness to the head of the agency responsible for the contract.

Open Contract: A contract that was open during the fiscal year. Open contracts include, but are not limited to, the following: contracts that were registered or amended, contracts that used a task order or delivery order, or listed an end date and contracts on which agencies made a payment or approved a subcontractor.

Prequalification: Process used by agencies to evaluate the qualifications of vendors for provision of particular categories of goods, services, construction or construction-related services, based on criteria such as experience, past performance, organizational capability, financial capability and track record of compliance and business integrity.

Prevailing Wages: Wage schedules mandated by New York State Labor Law (Sections 220 and 230) that define the wages to be paid for certain types of work under construction and building service contracts and subcontracts.

Procurement: The City's purchasing process, which includes vendor selection, contract registration, payment, performance evaluation and contract administration.

Procurement Policy Board (PPB): Pursuant to the New York City Charter, the PPB establishes the rules that govern the methods of

selecting procurement types, soliciting bids and proposals, awarding and administering contracts, determining responsibility, retaining records and resolving contract disputes. The PPB must review its rules, policies and procedures on an annual basis and submit a report to the Mayor, Comptroller and City Council with recommendations on agency organization and personnel qualifications in order to facilitate efficient procurement. The PPB consists of five members, three of whom are appointed by the Mayor and two of whom are appointed by the Comptroller.

Procurement Training Institute (PTI): The Procurement Training Institute of DCAS's Citywide Training Center (CTC) is responsible for the training and certification of NYC procurement professionals ensuring they are well trained to meet their complex responsibilities. PTI is overseen by MOCS. PTI develops a full curriculum of classes on best practices and compliance with City procurement laws and regulations; schedules classes on various topics; assists agencies with registration and tracks the certification of those requiring certification.

Professional Services: Services that require the provider to have experience in a specialized field or hold an advanced degree. Examples include: legal services and an array of consulting services, including medical, information technology and management consulting.

Program Work: Designated new construction, rehabilitation and renovation construction contracts bid and let by an Agency covered by the PLAs on City-owned property and which predominantly involve designated new construction projects or the renovation, repair, alteration, rehabilitation or expansion of an existing City-owned building or structure within the five boroughs of New York City. This Program Work shall also include JOCS contracts, demolition work, site work, asbestos and lead abatement, painting services, carpentry services, and carpet removal and installation, to the extent incidental to such building rehabilitation of City-owned buildings or structures.

Project Labor Agreement (PLA): An agreement between an owner of real property and building trades unions that provides for common labor provisions applicable to all bidders (contractors) and their subcontractors.

Protest: Vendors that object to any aspect of a procurement and/or the resulting award, such as the qualifications of the winning vendor, may file a vendor protest with the head of the City agency responsible for the contract. This does not apply to accelerated procurements, emergency procurements and small purchases.

Public Hearing: Public hearings are held on contract awards to make the process transparent and give the public an opportunity to comment on proposed terms. The City conducts hearings on most contracts valued above $100,000. Agencies may cancel a public hearing if, after notice is published, no member of the public indicates an interest in testifying. For concessions procured through a method other than CSB, the awarding agency and FCRC hold joint public hearings on any proposed concession that has a total potential term of at least 10 years or will result in annual revenue to the City of more than $100,000 or is considered to have major land use impacts as determined by the Department of City Planning.

Purchasing Card (P-card): An agency-issued credit card that facilitates quick processing of micropurchases at a reduced administrative cost, while providing financial controls, oversight and transparency.

Public Work: Construction, reconstruction or maintenance work done by a public entity that takes place on public property with the primary objective of benefiting the public.

Registration: The process through which the Comptroller (1) encumbers or holds funds to insure payment to the vendor on successful completion of the contract; (2) records all City contracts and agreements; (3) tracks City payments and revenue associated with each contract or agreement; and (4) objects if there is evidence of corruption related to the procurement process itself or with the selected vendor. After a City agency submits a contract package the Comptroller has 30 days to either register or reject the contract.

Renewal Contract: Method used to continue operation of a registered contract beyond its initial terms, as stipulated in the original contract.

Request for Proposals (RFP): See Competitive Sealed Proposal.

Required/Authorized Source or Method: On occasion, a state or federal agency or a private entity (such as a nonprofit) that is funding a particular purchase through a City agency mandates either the specific vendor to be used for the provision of goods or services, or a specific process for selecting a vendor. In other instances, state law provides a "preferred source" procurement method for particular types of vendors, e.g., those employing disabled New Yorkers.

Requirement Contract: A contract entered into by a City agency, usually DCAS or DoITT, with a vendor that agrees to supply the City's entire requirement for a particular good or standardized service.

Responsible Bidder or Proposer: A vendor that has the capability in all respects to perform all contract requirements, and the business integrity and reliability that will assure performance in good faith.

Responsive Bidder or Proposer: A vendor whose bid or proposal conforms to the terms set out by the City in the solicitation.

Retroactive: A retroactive contract is one registered by the Comptroller after the contractual start date.

Revocable Consent: Grant for the private use of City-owned property for purposes authorized in the City Charter (e.g., for cafés and other obstructions), which may be revoked at the City's discretion.

Small Purchase: Method used for buying goods, services and construction valued at up to $100,000.

Sole Source: For contracts, this procurement method may only be used when only one vendor is available to provide the required goods or services. This method is also used to "pass through" funds that support the NYC Economic Development Corporation and the capital construction projects of City-owned cultural institutions. For concessions, agencies may award without competition when it is determined that there is either only one source for the required concession or that it is to the best advantage of the City to award the concession to one source.

Solicitation: The process of notifying potential vendors that an agency wishes to receive bids or proposals for furnishing goods, services or construction. The process may include public advertising, mailing invitations for bids and requests for proposals, posting notices and/or delivery of telephone or fax messages to prospective vendors.

Subscription: A method used by agencies to purchase periodicals, off-the-shelf trainings or memberships in professional organizations. Pursuant to PPB Rule 1-02, this method does not require agencies to perform a competition (as there is usually only one possible provider), however the procurement is subject to review and approval by MOCS.

Standardized Services: Services that typically do not require the provider to have experience in a specialized field or hold an advanced degree. A standardized service is clearly defined and highly commoditized; procurements for these services are generally awarded based on the lowest price. Examples include: security, janitorial, secretarial, transportation, collection and food related services. Contracts for services such as plumbing, electrical and HVAC for maintenance and repair not related to new construction also fall into this category.

Task Order Contract: See Master Service Agreement.

Task Order: A contract awarded off a master service agreement. See Master Service Agreement.

Vendor Enrollment Center (VEC): Any business wishing to sell goods or services to the City may complete an enrollment form and be added to the citywide bidder lists used by all Mayoral agencies to distribute notices of City procurement opportunities.

VENDEX (Vendor Information Exchange System): A public database that tracks vendor information as provided by vendors in City administered questionnaires, as well as information provided by City agencies and law enforcement organizations. Vendors are required to file both Business Entity Questionnaires and Principal Questionnaires every three years if they have done $100,000 or more worth of business with the City (contracts, franchises and concessions) during the preceding 12 months, or if they have sole

source contracts totaling more than $10,000.

Vendor Rehabilitation: An administrative proceeding available to vendors that have negative information indicated in VENDEX, but can demonstrate that they have adequately addressed those problems and can prove their readiness to be awarded new contracts.

Vendor: An actual or potential contractor.

List of Mayoral Agencies and Acronyms	
Acronym	**Agency**
ACS	Administration for Children's Services
BIC	Business Integrity Commission
CCHR	City Commission on Human Rights
CCRB	Civilian Complaint Review Board
DCA	Department of Consumer Affairs
DCLA	Department of Cultural Affairs
DCAS	Department of Citywide Administrative Services
DCP	Department of City Planning
DDC	Department of Design & Construction
DEP	Department of Environmental Protection
DFTA	Department for the Aging
DHS	Department of Homeless Services
DOB	Department of Buildings
DOC	Department of Correction
DOF	Department of Finance
DOHMH	Department of Health and Mental Hygiene
DOI	Department of Investigation
DoITT	Department of Information Technology & Telecommunications
DOP	Department of Probation
DOT	Department of Transportation
DPR	Department of Parks & Recreation
DSNY	Department of Sanitation
DYCD	Department of Youth & Community Development
FDNY	Fire Department
HPD	Department of Housing Preservation & Development
HRA	Human Resources Administration
Law	Law Department
LPC	Landmarks Preservation Commission
MOCJ	Mayor’s Office of Criminal Justice
NYPD	Police Department
OATH	Office of Administrative Trials and Hearings
OEM	Office of Emergency Management
SBS	Department of Small Business Services
TLC	Taxi & Limousine Commission