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Transcript of the Meeting of the
CHARTER REVISION COMMISSION
FORUM ON PROCUREMENT
held on Thursday, July 24, 2003
Columbia Presbyterian Hospital,
168th Street and Ft. Washington Avenue
Borough of Manhattan

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1 Meeting convened at 4:35 p.m.

2 P R E S E N T

3 FRANK MACCHIAROLA, Chairman

4 COMMISSIONERS:

5 KATHERYN PATTERSON

6 PATRICIA GATLING

7 STEVEN NEWMAN

8 FATHER JOSEPH O'HARE

9 BILL LYNCH

10 FRED SIEGAL

11 MOHAMMED KHALID

12 CECILIA NORAT

13 VERONICA TSANG

14

15 Also Present:

16 DR. ALAN GARTNER, Director

17 ANTHONY CROWELL, General Counsel

18

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1 COMM. PATTERSON: I want to welcome you all
2 here to a forum that will last until about 6:00 on
3 procurement issues with respect to the City. This is an
4 open forum. We had previously had a meeting where we
5 had experts testify regarding procurement issues, so now
6 this is an opportunity for the general public and other
7 interested citizens to speak up.

8 I am Kate Patterson. I'm chairing this. At
9 6:00, we will have an open meeting regarding a variety
10 of Charter revision suggestions that have been
11 publicized. Until 6:00, I would ask that all comments
12 relate specifically to procurement. This is an issue
13 that is very important, and has received a little less
14 attention than the issue of non-partisan elections. So
15 please limit your comments until 6:00 to procurement
16 issues and thereafter it will be open for a general
17 discussion on other topics.

18 I want to introduce the Commissioners. To
19 my left is Frank Macchiarola, who is the Chair of this
20 Commission, and moving to my right, although I'll do him
21 a favor and say not politically, is Steve Newman.
22 Certainly not politically to his right, Bill Lynch,
23 Father O'Hare and Fred Siegal and the executive director
24 to Dr. Macchiarola's right, Alan Gartner and the counsel
25 for the Commission, Anthony Crowell, to Alan's left.

1 Alan has a list of people who have signed up. If you
2 wish to speak and are not signed up, please come. It's
3 right over there, and Frank berry will have it.

4 DR. GARTNER: Simon Bello, New York City
5 Police Department.

6 MR. BELLO: I guess I'm here to speak about
7 procurement of specialized goods. My reason for being
8 hear is the Police Department in particular is an agency
9 which requires goods that are not typically purchased by
10 other agencies. Examples include things we need for our
11 bomb squad like robots, protective shields, helicopters
12 for our aviation units. There aren't a lot of such
13 items, which I call specialized items. However, they're
14 usually very important procurements for the Police
15 Department.

16 In the past, we've worked closely with DCAS
17 and they've been very good in terms of working with.
18 However, the process of going through another agency
19 oftentimes creates extended time in order to complete
20 the procurement, and it really comes back down to what
21 the Police Department has done in justifying
22 procurement. We have other oversight in looking at it
23 as well, the Mayor's Office of Contracts, OMB,
24 Comptroller's office. So in essence, what I'm trying to
25 defend or hope does get looked at seriously is the

1 passage of something that would allow us to acquire
2 these specialized goods directly, rather than going
3 through another agency.

4 I believe this is also, DCAS is in favor of
5 this change, as well as the Mayor's Office of Contracts,
6 so I know that there's no animosity or anything on that
7 end of it. And that's really all I have to say.

8 Are there any questions?

9 CHAIRMAN MACCHIAROLA: Are we locked in by
10 Charter, there are no special exceptions that can be
11 granted?

12 DR. GARTNER: There are, Dr. Macchiarola
13 exceptions, but they do not relate to this topic. They
14 are exceptions about emergencies, exceptions about price
15 of the item, but they would not cover the kind of
16 circumstance that Mr. Bello referred to. I want to
17 affirm his comment that DCAS supports this change. In
18 fact, the language in the staff report is with the
19 approval of DCAS, and they indicate that they will
20 support the change.

21 CHAIRMAN MACCHIAROLA: We just have to craft
22 the language and everybody will enthusiastically endorse
23 it and support it.

24 MR. BELLO: Correct.

25 CHAIRMAN MACCHIAROLA: What a nice witness

1 you are.

2 DR. GARTNER: Could I ask, Mr. Bello, I
3 assume, but help me be sure, that in the purchase of
4 paper and pencil and such mundane items, the Police
5 Department does not seek an exemption from DCAS's role,
6 is that correct?

7 MR. BELLO: That's correct, yes.

8 COMM. NEWMAN: Picking up on what both of
9 you said, what I'm looking for is the definition of what
10 these items are. Does this mean that any time one
11 decides there's a specialized item, DCAS has to approve
12 their doing it on their own, or is there some broader --

13 MR. CROWELL: What it would cover would be
14 special items that are unique to maybe one or two
15 agencies, but DCAS wouldn't likely, in every instance
16 would have to grant the waiver. If you set a precedent
17 by saying you need helicopters every ten years, then
18 maybe DCAS would say they have discretion to purchase
19 helicopters as we could afford. In their rule making
20 capacity, DCAS could perhaps enumerate which items there
21 are, but I think the highly specialized nature, because
22 it could be possibly be done by rule.

23 COMM. NEWMAN: DCAS would approve it, they
24 would do the purchasing, I assume it would still go
25 through the Mayor's Office of Contracts?

1 MR. CROWELL: All the same. It's the
2 standard procurement process, it's just the procuring
3 agency would be the actual utilizing agency.

4 COMM. PATTERSON: I also wanted to double
5 check. The staff recommendation was an amendment to the
6 Charter in essence to delegate to DCAS the decision on
7 when it should allow other agencies to do direct
8 procurement. I assume that that text also, not just the
9 concept, but the text has been passed by DCAS?

10 DR. GARTNER: DCAS has approved.

11 COMM. PATTERSON: Then I think this is an
12 easy one. Thank you.

13 DR. GARTNER: They should all be that easy.

14 MR. BELLO: Thank you very much.

15 DR. GARTNER: Mr. Singh?

16 MR. SINGH: Good evening, ladies and
17 gentlemen. Madam Chairman, chairperson and
18 distinguished members of the Commission. My comments
19 relate to two fundamental issues in the procurement
20 process. The practice of revising the Charter itself,
21 especially as it pertains to the procurement process,
22 and the implications of delegation of Government
23 authority to agencies in certain circumstances. I refer
24 to some of the staff recommendations in my discussion,
25 when they are germane to my comments, but I try not to

1 delve into the thematics, per se.

2 The New York City Charter. The Charter is a
3 sacred document depicting the wisdom of our Founding
4 Fathers. Like the Magna Carta and the Bill of Rights,
5 they could have written volumes of detailed instructions
6 and explanations, but didn't. We have found, we have
7 tried to perfect the Charter, and update it over the
8 years, but have failed and will, sad to say, continue to
9 fail, partly because the subjects are dynamic.

10 You can appreciate how small the U.S.
11 Constitution document is, and I can assure you that the
12 UN Charter itself is no larger than this folded piece of
13 paper, and no thicker than this.

14 I support the Commission's premise that,
15 quote, "the current Charter's provisions and the entire
16 procurement process are complex and in need of
17 revision," unquote.

18 As you are well aware, a Government
19 protection specialist must abide by an exhaustive pile
20 of rules and regulations, sometimes mired in fine print
21 and legalese. In New York City he has to follow the
22 Federal laws, State laws, New York City Charter,
23 regulations and rules of the Procurement Policy Board,
24 the Executive Orders, regulations and rules of the
25 Mayor's Office of Contracts, the Administrative Codes,

1 regulations and rules of DCAS, the advice of the
2 Oversight Department, to name just a few.

3 Fundamentally, both the law needs to be
4 consolidated and the process streamlined. Undoubtedly,
5 it is a daunting task, and could take considerable time.
6 But we have to take the bull by the horns and the sooner
7 the better and every technological advantage must be
8 embraced to enhance the efficiency and economy of the
9 process.

10 In this way, even the sanctity of the
11 Charter might perhaps be restored.

12 I, therefore, contend that rather than,
13 quote-unquote, tamper with the New York City Charter
14 provisions so much and so often, why not, for example,
15 the Mayor, the Comptroller and the City Council get
16 together under the authority of the Charter and amend it
17 from the lectern and promulgate a consolidated and
18 updated set of procurement rules and procedures which
19 may likewise be updated periodically. After all, the
20 Mayor ipso facto remains ultimately responsible for all
21 city procurement and administration of contracts.

22 The delegation of procurement authority, the
23 second issue. On the subject of delegation of
24 procurement authority, to agencies, particularly those
25 which are operational in nature for specific products or

1 services, while this method may give some advantages, it
2 tends to weaken the uniform application of rules,
3 procedures and supervision in every agency, due to lack
4 of receipt of procurement expertise which normally is
5 only found or resides at the centralized locations where
6 highly developed contract laws, facilities, procedures
7 and practices are perfected and applied.

8 Thank you.

9 COMM. PATTERSON: Thank you. Any
10 questions? Thank you very much.

11 DR. GARTNER: George Spitz.

12 MR. SPITZ: Honorable Commissioners,
13 adopting the Feerick Commission's recommendation dealing
14 with contracting ethical conduct as part of a package of
15 amendments to the New York City Charter will go a long
16 way towards making New York City a more efficient and
17 moral place.

18 I believe unless Feerick Commission
19 recommendations are adopted, are included, campaign
20 finance reform and the non-partisan elections are simply
21 window dressing and will have little effect on improving
22 the climate of New York City Government. But I have two
23 suggestions along the lines of the Feerick Commission
24 reports that are important, too. The first deals with
25 contracting, stipulates that contracts could only be let

1 through a sealed bidding process in which in order to
2 prevent collusion among bidders, the contractors should
3 provide a step-by-step analysis of how he arrived at his
4 final bid, and the contract officer, contracting officer
5 be required to certify with full explanation that Civil
6 Service employees are unable to perform the task at
7 lower cost.

8 The second deals with leasing and stipulates
9 that the City shall rent no space in privately owned
10 buildings, unless the leasing officer certifies that the
11 City is utilizing the most modern methods of space
12 savings in municipally owned property and that there is
13 no area to perform the function in Government-owned
14 space.

15 Honorable Commissioners, in 1934, Mayor
16 LaGuardia inherited a city virtually bankrupt, due to
17 the depression and 16 years of Tammany misrule. During
18 the next eight years, despite continued widespread
19 unemployment, LaGuardia maintained a five cent transit
20 fare, free tuition in colleges, he kept branch libraries
21 opened from 9 a.m. to 9 p.m. six days a week in the main
22 public library 10 a.m. to 10 p.m. seven days a week, 90
23 schools in 90 months, the Sixth Avenue subway,
24 Triborough Bridge, a 50 percent increase in park space,
25 opening up of Brooklyn and Queens College, the Bronx

1 High School of Science, and substantial increases in
2 recreational and health care facilities. All these were
3 accomplished with a 1 percent sales tax and no income
4 tax.

5 Now a succession of mayors and, Bill, I
6 exempt David Dinkins from this stand, he did restore
7 six-day library service which had been cut previously,
8 and also set up and provided beacon schools, and he made
9 some other improvements, but generally, widespread
10 service cuts, tax increases and constant rises in
11 tuition costs at the City University.

12 I submit the reason why New York City's
13 Government financial picture has steadily deteriorated
14 is bad Government, particularly mushrooming contracting
15 out and rental costs.

16 In 2001, Mayor Dinkins' last budget had
17 9,922 contracts. I analyzed this when I was running for
18 Mayor. Mayor Giuliani's last budget, 21,213 contracts,
19 totaling \$5.7 million. That's a big hike. And the
20 amount of employees went up also at the same time. What
21 extra service did the people of New York get for this?

22 Now, I'm going to skip to leasing costs.
23 During 2001 Mayoral campaign, Eric Lichtman in The New
24 York Times reported that Mark Green's brother, who
25 leases considerable space to the City, found it

1 necessary to pay 2500 a month to arrange meetings,
2 quote, "with Deputy or Assistant Commissioners of the
3 Department of Administrative Services or the Department
4 of Buildings to the firm LoCicero and Tam, headed by a
5 former Democratic reform District leader who bundled
6 \$39,000 in contributions."

7 Now, Dean Feerick noted that no City
8 official -- the Charter says, "No City official shall
9 receive any valuable gift, whether in the form of
10 service, loan thing or promise or in any form for any
11 person, firm, corporation or entity which to his
12 knowledge is interested directly or indirectly in any
13 manner whatsoever in such business dealing."

14 But the Court of Appeals held that valuable
15 gift did not mean campaign contributions, so they give
16 campaign contributions, and they still receive all the
17 contracts and goodies from the City just the same.
18 We've seen that in a story in the Post about Gifford
19 Miller, who had people like Bobby Dryfuss bundling
20 contributions for him, and at the same time the
21 contributors were receiving favorable things from the
22 City budget.

23 You can stop this by adopting the Feerick
24 Commission recommendations.

25 Now, during the course of the hearings, I

1 informed the Honorable Commissioners of a number of
2 examples of contracts that could be done more
3 efficiently, and substantially lower costs by using
4 Government employees, preferably Civil Service. I
5 attach appendixes to this report and cite one example
6 brought to my attention by the International Board of
7 Operating Engineers. The Board of Education in recent
8 years has been using private contractors in some schools
9 in place of Civil Service employees, but the Board's own
10 figures show that the cost per pupil is \$839 per private
11 contractor, while \$528 for the Civil Service custodians.
12 Total loss to the City from this experiment is \$51
13 million.

14 STAFF: One minute remaining.

15 MR. SPITZ: One final point I want to
16 make. I pointed out that Betsy Gottbaum, then Parks
17 Commissioner devised a competition to measure the
18 performance between City Civil Service tree climbers and
19 pruners against private contractors showing the work
20 done by private contractors cost the city \$10,688,
21 similar with the benefits and salaries for Civil Service
22 workers, cost 6,244.

23 I begged Betsy, why don't you get this
24 message across? Why are you now that you're in office,
25 why do you refuse to cooperate with me in exposing these

1 useless contracts? But she's in this feud with the
2 Mayor over things and I think it shows how the
3 nomenclature of parties have such a grip on people, most
4 people, and this is why we have such bad Government, and
5 you have a chance now to do something about it, adopt
6 the Feerick Commission recommendations. That would help
7 clean up Government.

8 COMM. PATTERSON: Questions? Thank you.

9 DR. GARTNER: Council Member Robert Jackson.

10 COUNCIL MEMBER JACKSON: Good afternoon,
11 everyone. I get a sense of feeling that I was going to
12 fall back here, because I'm on the edge here when you
13 sit back in the Chair.

14 CHAIRMAN MACCHIAROLA: Only when we push the
15 button, Councilman.

16 COUNCIL MEMBER JACKSON: I want to thank you
17 for giving me the opportunity to be in front of you this
18 afternoon, especially considering the tragic incident of
19 yesterday. In fact, several of my colleagues on the
20 Contract Committee, Council Member Yvette Clark of
21 Brooklyn and Council Member Marguerita Lopez, was
22 supposed to come and give testimony, and I believe they
23 will be submitting written testimony to the Commission
24 for consideration. And I appreciate the Commission
25 coming up into northern Manhattan, into Council Member

1 Miguel Martinez and my District in order to hear what
2 people have to say, especially in northern Manhattan,
3 concerning this issue of procurement reform and a little
4 later, on the issue of non-partisan elections.

5 My name is Robert Jackson and I am the Chair
6 of the City Council's Contract Committee, and I thank
7 you for giving me the opportunity to testify today on
8 the Charter Revision Commission's staff proposals
9 regarding procurement reform.

10 I must tell you that I am very concerned
11 about these proposals. I believe that some of the
12 proposals, while perhaps well-intentioned, need not be
13 the subject of referendum, while others are arguably
14 illegal and would harmfully and unnecessarily impede the
15 Council's job and involvement as it relates to
16 procurement.

17 I forgot to introduce the individual sitting
18 to my right. This is Robert Newman. Robert Newman is
19 the counsel to the Contracts Committee.

20 Indeed, all of the staff proposals with
21 respect to procurement, only one, the provision
22 regarding contract registration, is appropriately an
23 issue requiring referendum. Two others, the so-called
24 principals enrolled provision and subsection 310B and
25 provision regarding vendor integrity, proposed Section

1 329B, are we believe illegal infringements on the
2 Council's fundamental legislative authority and they
3 should be abandoned.

4 All the remaining staff proposals, since
5 they do not abolish, transfer or curtail the power of an
6 elected, official may and should be done through Local
7 Law. We do not support spending the people's time and
8 money doing by referendum what may be done by
9 legislatively, nor do we believe it wise to set such a
10 precedent. We have worked very closely and
11 cooperatively with this administration on procurement
12 legislation over the past 18 months, and there is no
13 reason why these proposals cannot be addressed
14 legislatively.

15 If these proposals are adopted, they
16 certainly could be undone through legislation if the
17 Council sees fit. The Commission should note that the
18 administration never consulted the Council regarding the
19 proposals it would set forth. The proposals that we
20 believe are an illegal infringement on the Council's
21 legislative powers are unacceptable, not just because
22 they would violate the State Constitution and the
23 Municipal Home Rule Law, but also as a matter of policy,
24 because, one, they are designed to strip the Council of
25 power that it needs to act as an effective check and

1 balance to the Mayor's already strong powers in
2 procurement; two, they would provide greater opportunity
3 for corruption, and three, they would silence the
4 diverse voices of the Council in discussion of City
5 procurement.

6 Specifically, the so-called principles and
7 goals section is a thinly veiled, but as I noted
8 earlier, illegal attempt to prevent the Council from
9 doing its job and legislating policy in citywide
10 procurement. Along with stating that the goal of
11 procurement should be to find the highest quality at the
12 lowest cost, the provision states that, quote, once a
13 decision to procure is made by the City, the Mayor or
14 the procuring entity has ultimate responsibility and
15 power to procure and administer the contract, consistent
16 with this chapter upon such terms as shall be found by
17 the Mayor or procuring entity to promote the goals
18 stated in this subdivision. End of quote.

19 The provision closes with an aspirational
20 goal to consider the best interests of the City of New
21 York in deciding whether or not to procure. First, to
22 the extent that this provision was intended to provide
23 guidance on the procurement process, it is unnecessary,
24 in that it states the obvious. No one in the
25 procurement community, least of all the Procurement

1 Policy Board, the PPB, needs to be told that one of the
2 goals of procurement is to obtain the highest quality at
3 the lowest cost, or to aspire to the best interests of
4 the City of New York. Indeed, the Procurement Policy
5 Board rules Section 1-103 already includes such
6 guidance. Such statements serve no legislative purpose
7 and should not be the subject of Charter revision.
8 Setting forth goals instead of concrete laws in the
9 Charter will only serve to confuse.

10 It is our law, not our goals, that needs to
11 be codified in the Charter. Second, to the extent that
12 the provision can be read to say that the Mayor has
13 exclusive power over procurement, the provision is
14 illegal in that State law gives the Council the power to
15 legislate policy that is to be carried out by the
16 executive, in this case the Mayor. Taken to its
17 extreme, such a tactic could be used to strip the
18 Council of any or all legislative authority. This
19 provision should be eliminated entirely, as it serves no
20 useful purpose and may result in many dollars worth of
21 less than useful litigation.

22 The proposal regarding the Vendex is
23 similarly of little utility and it's facially illegal in
24 that it intends to improperly restrict the Council's
25 State-granted legislative powers. Specifically, the

1 proposed provision would improperly restrict the
2 Council's authority to legislate the basic content of
3 the Vendex system as well as certain basic functional
4 aspects of the system as it now does. Putting aside the
5 legality of the proposal, it would be unwise to take
6 this step, since taking the Council out of the process
7 would only serve to eliminate the diversity of opinion
8 represented by the Council, 51 members, from a pivotal
9 area of Government, deciding what we need to know about
10 who we do business with.

11 If the administration would like to change
12 questions in the Vendex, such a discussion should be
13 open and inclusive of all branches of Government,
14 particularly the one with the most representative body,
15 the City Council. Eliminating the Council from this
16 part of the process will harm the process while adding
17 little or no value. Moreover, the content of the Vendex
18 is not even the problem. Rather, the problem with
19 vendor integrity lies in the implementation and
20 operation of Vendex, which in fact are already the
21 Mayor's job. The fact that forms cannot be submitted on
22 line, the fact that there is no central access for
23 decisions regarding integrity, the fact that information
24 included on Vendex is very nearly impossible to change
25 once it's been added are operational problems that the

1 administration seems unable, I'm not going to say
2 unwilling, unable to address and that are certainly not
3 addressed by the proposed changes.

4 Staff noted in its report that efforts to
5 improve the Vendex system have been hampered by the
6 mandates of the Administrative Code, mandates that have
7 proven over time to be overly restrictive, that is a
8 quote from the report. Which part of the law is overly
9 restrictive, I ask? Which questions required in the law
10 are unnecessary, I ask again. Which questions would be
11 better off not asking? None of these questions are
12 answered in the staff's report, nor have any such
13 concerns been brought to our attention by the
14 administration.

15 We could settle these issues properly and
16 with due deliberation in the sunlight with legislation
17 and the Council is more than happy to sit down with the
18 administration and come to an agreement on amending the
19 current Vendex legislation.

20 Let me just say that since I began my tenure
21 as Chair of the Contracts Committee over 18 months ago,
22 I have been told repeatedly by the administration that
23 big changes were in the offing, and that they will be
24 coming in a couple of months. A couple of months came.
25 Nothing came about. More months came about, and nothing

1 came about. Well, these changes would streamline the
2 procurement process. We're still waiting.

3 Instead, retroactive contracting for human
4 service providers is still the norm. Retroactive
5 contracting is when the provider starts work on a
6 contract before the contract has been completed, the
7 administrative process. Human service providers do this
8 at great risk to their financial well-being, because the
9 continuity of their service is vital in their community.
10 And the communities we're talking about are all the
11 communities in New York City, especially up here in
12 Washington Heights and Inwood. The City may not pay for
13 these services until a contract is entered into, so
14 those providers that decide to continue providing
15 services until their contracts are completed, hundreds
16 of human service providers who provide the City with
17 vital services from child care to domestic violence
18 services, they must take out bridge loans and use
19 precious dollars that could be better used to provide
20 services to make payments to banks while agencies wait
21 for delayed contracts, delays that usually last for
22 months. Believe me, as Chair of the Contracts
23 Committee, I hear it every single day from those
24 providers. Accordingly, to the Comptroller's Office for
25 fiscal year '03, 69 percent of all human service

1 contracts were retroactive. 69 percent. Little in this
2 proposal will change that. It just seems that these
3 revisions are being done simply to say that something is
4 being done.

5 We understand the theoretical components of
6 this proposal, to take the detail out of the Charter and
7 place it with PPB, Procurement Policy Board, which, by
8 the way, is controlled by the Mayor; the Mayor appoints
9 three and the Comptroller appoints two individuals and
10 that Procurement Policy Board is factored into the
11 Mayor's Office of Contracts; the executive director of
12 the Mayor's Office of Contracts has basic control over
13 the operations of the Procurement Policy Board, but such
14 change should not rest on theory alone, and nowhere in
15 the proposal is there any support for the proposed
16 Charter changes other than at our door.

17 Regarding the proposed revision regarding
18 contracts, we believe that the Comptroller's Office's
19 current functions serve as an important vital check to
20 the Mayor's power in procurement and we believe that the
21 Comptroller's office has done an admirable job in
22 pointing out weaknesses in the system. We believe that
23 allowing the Mayor to sidestep the Comptroller and allow
24 him or her to self-register is a mistake and we do not
25 support the proposal.

1 In closing, Commissioners, these proposals
2 were drafted by staff that work either directly for the
3 Mayor or for the Law Department. It is no surprise that
4 the results you see are designed to move power to the
5 executive. But that is not a panacea for our
6 procurement woes. Indeed, it may make matters worse.

7 What is surprising in that we have worked
8 hand in hand with this administration on legislation in
9 this area, yet it was decided that in these issues, we
10 should be blindsided. The proposed provisions that are
11 not even issues that require referendums, such as the
12 provision regarding the reporting on procurement
13 matters, proposed Section 16B, and the devolution of
14 rule making regarding the alternative procurement
15 methods to the PPB, proposed Section 317B and C, only
16 underscore the efforts to cut the Council out of the
17 procurement process. But when you take away the
18 Council's albeit small seat at the table, you lose
19 something great; the diversity of this great City
20 Council and a place for open discussion on the issues.

21 I strongly urge you, the Commissioners, to
22 reject these proposals and I thank you for listening to
23 me this afternoon and I'll be glad to open up a dialogue
24 and answer any questions that I may in consultation with
25 my Council.

1 COMM. PATTERSON: Thank you very much. Do
2 we have questions?

3 COMM. NEWMAN: You talked about retroactive
4 contracting, a serious problem that existed for a long
5 time that is probably no better. You mentioned that
6 you've heard about it from lots of people over a long
7 period of time. I was wondering if you had any
8 recommendations for us or for the Council on how to
9 resolve that matter.

10 Council MEMBER JACKSON: I think the Human
11 Services Council has put out a report. I hope that they
12 will be testifying. Their report is open to the public.
13 The Citizens Budget Commission has made recommendations.
14 I'm sure your staff will have access to that. I know
15 that the City Council Contracts Committee, number one
16 priority is to address that particular issue. Council
17 Members have come up to me as individual Council Members
18 representing their District to indicate that is a
19 problem.

20 What we have said to the administration
21 during the course of hearings that we've held, is that
22 those agencies or contractors that have multiple
23 contracts, why should they go through this every single
24 year? They have already provided the service year after
25 year after year, so, give them the money, knowing that

1 they've already provided these services. In essence,
2 they've been providing it, why do they have to wait
3 every time for a renewal for that to happen? That has
4 not taken place.

5 And also, the prompt payment rule, to pay
6 them promptly right away, instead of delaying, waiting
7 for six months, eight months, eleven months into the
8 contract, would address these, and I'll be glad to have
9 my staff and the staff of the Commission to sit down to
10 discuss that.

11 COMM. NEWMAN: Could I follow up? Did I
12 hear you correctly that you believe the City should pay
13 contractors even if they don't have a registered
14 contract?

15 COUNCIL MEMBER JACKSON: They have
16 registered contracts.

17 COMM. NEWMAN: It expired. I presume it
18 expired, that's the reason for the --

19 COUNCIL MEMBER JACKSON: Mr. Newman, just
20 from a -- I'm sorry to cut you off.

21 COMM. NEWMAN: By the way, we're not
22 related.

23 COUNCIL MEMBER JACKSON: Giving contracts to
24 the contractors is nothing new. In fact, unless the
25 agency or department is putting out a whole new system

1 where they're going to make changes in it, it's
2 basically renewals that are happening, and where there
3 are renewals and where the audits of the contractors
4 have been all satisfactory, then let's go about just
5 renewing these contracts. Because the bottom line of it
6 all is that the City of New York and the City Council is
7 there to provide services for the citizens of New York
8 City, insuring that the integrity of their contract,
9 their body, as far as spending, as far as staffing, as
10 far as providing the services as per contract are being
11 carried out, and that's by the normal audit process.

12 So where a contractor has been rated
13 satisfactory, in my opinion, when they're renewing, they
14 should not have to wait nine months to renew.

15 COMM. NEWMAN: I agree they shouldn't have
16 to wait nine months to renew.

17 COUNCIL MEMBER JACKSON: Then let's fix the
18 problem.

19 COMM. NEWMAN: We can ask the Comptroller
20 later, but I believe there are contractors who have gone
21 forward and who never received the contract and at least
22 the City is then protected from having not paid out the
23 money.

24 On the prompt payment, these contracts, the
25 retroactive contracts don't fall under the Prompt

1 Payment Rule, because the Prompt Payment Rule concerns
2 registered contracts. The '89 Charter created the
3 Prompt Payment Rule, and as best I know it worked quite
4 satisfactorily over a period of years. The interest
5 that the City paid out and then the publicity about it,
6 has resulted in the City expediting payments, and as far
7 as I know in the human service world, the issue is not
8 prompt payment, it's prompt contracting.

9 COUNCIL MEMBER JACKSON: Prompt service.

10 COMM. NEWMAN: The retroactive contracting
11 issue you're talking about.

12 If it was okay for the '89 Charter to put in
13 a prompt payment rule, and that it was legal, why is it
14 not okay for this Charter Commission to create an
15 equivalent rule for prompt contracting? Why should that
16 have to wait for the Council, when in fact the Charter
17 could do it, because they did it in '89 and it worked.

18 COUNCIL MEMBER JACKSON: I don't believe
19 based on counsel's advice that it has been proposed in
20 the Charter revisions, proposed revisions.

21 COMM. NEWMAN: Would you support it if it
22 was?

23 COUNCIL MEMBER JACKSON: I do know that I
24 have communicated loud and clear that the City Council's
25 Contract Committee would like to see Prompt Payment Rule

1 for human service providers. In fact, that's what has
2 been recommended to the City's Comptroller's office, and
3 I believe the City Comptroller's office will be
4 advocating that. I know that as a member of the City
5 Council I'm advocating for prompt payment rules for
6 human service providers, because I know that personally
7 when providers are taking out the bridge loans, that is
8 money that's going down the drain that would be going
9 for services to the constituents of New York City.

10 When I say "going down the drain," they're
11 not going for services, but it's going to pay loans,
12 loans that if they were receiving prompt payment they
13 would not have to take out those loans.

14 COMM. NEWMAN: One last, to be defensive of
15 my former office, the Comptroller's Office, the
16 Comptroller's Office has been recommending interest
17 payments for retroactive contracting since 1999, and it
18 has yet to occur, so that if this Charter can accomplish
19 that as a goal, where it has failed over a period of
20 years, why isn't that useful to the --

21 COUNCIL MEMBER JACKSON: I think that, they
22 will speak for themselves, I am sure, but I think they
23 have proposed, made a proposal to the Procurement Policy
24 Board in order to address that particular issue. I hope
25 that it is addressed, because I tell you, the 8 million

1 people that we represent in New York City will be well
2 served by it, and the millions and millions of dollars
3 will go towards services instead of interest payments.

4 COMM. NEWMAN: I agree a hundred percent and
5 from my own standpoint, if I accomplish any one thing on
6 my time in the Charter Commission it is going to be to
7 get this done.

8 COUNCIL MEMBER JACKSON: If there's one
9 thing I wish to address as Chair of the Contracts
10 Committee is to address the Human Service Council's
11 problems in addressing these issues of contracts. That
12 would be a huge accomplishment.

13 COMM. PATTERSON: We have heard testimony
14 from representatives of human service organizations that
15 in addition to the retroactive contracting issue, which
16 as very serious one, lack of interest payments to help
17 cover them over the time period, the Vendex form is a
18 terribly cumbersome form for a not-for-profit with a
19 tiny staff, underpaid and overworked to satisfy, and one
20 of the concerns that I certainly have, I know that many
21 of the Commissioners share an staff shared, was to
22 figure out a way to streamline the Vendex process so
23 that, again, instead of money going to cover overhead
24 necessary to administer Vendex forms every single year
25 with the not-for-profit, it goes back into the

1 community.

2 I think one of the purposes of the proposal
3 to recommend a streamlining of the Vendex process, and
4 an allocation of responsibility to PPB, so that it can
5 distinguish between large billion dollar contracts to
6 rebuild Ground Zero and hundred thousand dollar
7 contracts to produce an after school program, is to help
8 streamline the Vendex forms for not-for-profits
9 specifically.

10 The way the Charter works now, there is
11 virtually no distinction between the human services
12 provider who is doing after school programs or senior
13 center or an AIDS treatment center, and somebody who has
14 got a \$10 million payroll and a whole lot of lawyers.
15 How do you think -- if we keep the system the way it is,
16 how do we help the not-for-profits? In essence, that's
17 what you're suggesting is let's not amend the Charter,
18 how do you suggest we help not-for-profits avoid delay
19 in the overhead?

20 COUNCIL MEMBER JACKSON: I think by
21 listening to the testimony, like you're doing today, and
22 having dialogue, you should come to the conclusion that
23 the recommendations should not be put on the ballot.
24 That's one thing, and then direct -- not direct, but
25 recommend to the Mayor's Office to sit down with the

1 City Council's legislative staff in order to do what is
2 necessary to make the changes that you're referring to,
3 and they can do that also by sitting down with the State
4 Comptroller's Office staff and have the Procurement
5 Policy Board making appropriate changes.

6 Gail Brewer, my colleague on the City
7 Council on the Upper West Side, she's expected to
8 testify this afternoon, I don't know if she's here yet,
9 but Gail Brewer is the Chair of the Subcommittee on
10 Technology, and we've had hearings where some other
11 states are on line with everything, and we, the greatest
12 city in the world, is way behind schedule. And so we've
13 been pushing and bleeding and asking the administration
14 to come and work with us in these areas, in order to
15 reduce the -- reduce the process and have it open so
16 that everyone can go on line and do that, in order to
17 make sure that we save money that is so tight in this
18 fiscal time. So that's how we can do it. We've been
19 waiting.

20 COMM. PATTERSON: But there's a substantive
21 problem with Vendex forms, particularly insofar as they
22 relate to not-for-profits. If you've ever read one,
23 that a not-for-profit has to submit, it's extraordinary,
24 there's a very good reason for it, which is to make sure
25 that people who are not corrupt are getting the money,

1 but on the other hand, it is an incredible drain on
2 resources of those institutions that have the fewest
3 resources and I haven't seen any suggestion from the
4 City Council on how they could, on legislation they
5 could propose to assist not for profits in reducing
6 their overhead, putting more money into the community
7 and streamlining Vendex.

8 COUNCIL MEMBER JACKSON: Commissioner
9 Patterson, I beg to differ. We've mentioned that moving
10 to E-procurement would be the best thing for the City of
11 New York. We said that in our subcommittee, in the
12 committee as a whole, in Gail Brewer's subcommittee.
13 We've been told as, I said in my testimony, for the past
14 year, changes are coming, we will bring them for you in
15 several months. Several months came, they didn't bring
16 them to us. Several months passed. Where is it at?
17 This is all on the record. Hearing after hearing.
18 Where are the proposals that you said you would be
19 recommending to us? We've been waiting for them,
20 waiting for us.

21 We have met with the Commission, met with
22 the Comptroller's Office, people in the field, put
23 recommendations in a report and we submitted that report
24 to the administration which proposed changes, so we've
25 been attempting to work with the administration and I am

1 hoping that the administration will now instead of
2 coming to this Charter Commission to look for changes,
3 to use the process that is there in order to get the
4 changes that they would like to see. Some of them we
5 will agree with, and quite frankly, some of them we will
6 not, especially when they infringe on our power and
7 authority as the legislative body of the City of New
8 York.

9 There's a difference in branches of
10 Government. As you all know, all of you know. There's
11 three branches; executive, legislative and judicial and
12 each one has their own powers and I am not ready as a
13 legislator to give up my power to the executive and I
14 know the Mayor is not ready to give up his power to me.
15 And I think that some of the questions that you've asked
16 me, if you ask the Comptroller's Office, I'm sure they
17 will respond to you as to what they've been doing to try
18 to streamline the process also.

19 COMM. PATTERSON: Your talking about
20 putting things in a computerized system on line is
21 regularly cited by people of the private sector and
22 public sector's panacea. Frankly, it isn't, because the
23 old concept of garbage in, garbage out applies very
24 well.

25 COUNCIL MEMBER JACKSON: That's true,

1 Commissioner, I'm not talking about taking the Vendex
2 form and putting it on line.

3 COMM. PATTERSON: God help us all. We'd
4 need the whole Internet for that.

5 COUNCIL MEMBER JACKSON: But even if it was
6 on line, at least people wouldn't have to come all the
7 way downtown to submit it, they could submit it on line.
8 Wouldn't that be faster?

9 COMM. PATTERSON: Only if there's a human
10 being on the end willing to read it.

11 COUNCIL MEMBER JACKSON: That's the job of
12 the administration, to make sure that individual is
13 there and it's our job to provide the budget.

14 COMM. PATTERSON: It's also the
15 responsibility of the administration to make sure it's
16 not so cumbersome and there is an individual ready and
17 willing to do it.

18 COUNCIL MEMBER JACKSON: And we are ready,
19 willing and able ASAP to sit down with the
20 administration to work on these particular problems.
21 And we've been waiting and waiting and waiting, and
22 we're still waiting.

23 COMM. PATTERSON: What I'm hearing from you
24 is let's keep the status quo, which isn't good for
25 anybody.

1 COUNCIL MEMBER JACKSON: Oh, Commissioner, I
2 don't know how you could come out with that conclusion
3 when I've said that, I'm telling you that I have
4 criticized openly the administration and their executive
5 director and the acting chief of the Mayor's Office for
6 Contracts for not coming forward with what they promised
7 us, and I think if anybody has attended our hearings,
8 everyone knows that no one is more ready to move on this
9 than I am, as the Chair of the Contracts Committee, and
10 if in fact the administration was ready to sit down
11 tomorrow morning at 7:00 in the morning, I as the Chair
12 of the Contracts Committee representing the City Council
13 will be there.

14 Is the administration here now that's ready
15 to sit down? I'm serious. I'm not joking. I'm very,
16 very serious and I'm very serious when I say that,
17 Commissioner.

18 COMM. PATTERSON: Has your Council drafted
19 proposed legislation?

20 MR. NEWMAN: We don't have to do that. If
21 the Council and the administration got together on their
22 own to streamline the Vendex form and they're about to
23 present that to us and talk about it. The reason the
24 form is cumbersome right now is because it's been added
25 to. It's an accretion of questions, not the questions

1 that the Council --

2 COMM. PATTERSON: No, I get that.

3 MR. NEWMAN: Those questions can be lopped
4 off without any question or any change to the Charter
5 and what we're talking about here is not about the fact
6 that there needs to be change, but how that change
7 should be made, we shouldn't be sidestepped.

8 COMM. PATTERSON: Other questions?

9 COMM. LYNCH: Councilman Jackson?

10 COUNCIL MEMBER JACKSON: Yes, Commissioner.

11 COMM. LYNCH: Your 18 months as Chair of the
12 Committee, what's been your experience as relates to
13 affirmative action? Has it been equal across the board
14 or have you found the use of minority and women
15 contractors just in one sector of the contract?

16 COUNCIL MEMBER JACKSON: As far as that
17 sector is concerned, the City Council and members of the
18 City Council, not only of the contracts committee, but
19 overall in the executive budget hearings and budget
20 hearings, members of the City Council has criticized the
21 administration for not moving forward what we believe
22 fast enough in establishing a higher percentage of
23 minority and women-owned business contracts. And in
24 fact, certain monies were put aside for a study on that
25 particular matter, and so we're trying to pursue this

1 with all vigor.

2 As you know, the Mayor came out I think with
3 the press conference a couple of months ago in this
4 particular matter and they're moving forward on it, but
5 in my opinion it needs to move forward with all vigor
6 and speed to insure that for all of the people of the
7 New York, women and people of color, have the
8 opportunity to have contracts, because you know,
9 Commissioner, if you don't know, New York City lets out
10 approximately \$8 billion a year in contracts, and that
11 should be inclusive of all individuals from all areas of
12 the city. So it needs to be worked on.

13 CHAIRMAN MACCHIAROLA: Council Member
14 Jackson, I want to thank you for being with us and
15 extending your greetings on behalf of the District.

16 The issue that you had raised, which is
17 really the question of inter-Governmental or intra-
18 Governmental relations, I think is one that sometimes
19 doesn't get addressed because people are busy,
20 distracted doing other things.

21 I think the purpose of this Commission
22 should be to put forward proposals that make sense and
23 not wait for those instruments of Government, whether
24 they are in the Mayor's Office or whether they are in
25 the Comptroller's Office, whether they are in the City

1 Council, whether they're all three, to wait for them to
2 address a problem that if we feel there is a solution
3 and that solution may be presented for approval, then we
4 go forward. So I think it's in that spirit, I don't
5 think any of us here wish in any way to impugn the
6 integrity of anyone in the process or usurp authority.
7 Because this Commission is going to be out of business
8 the day after the voters get to vote on proposal. And
9 so, while I'm going to try to recommend to my colleagues
10 when we do meet is that we take into consideration your
11 testimony, your judgment, which I think in many cases is
12 on the money, and to insure that we put forward
13 proposals if we do advance, that advance not just of the
14 interests of the Mayor, not just the interests of the
15 Comptroller, not just the interests of the Council, but
16 the interests of the City. Hopefully that will prove
17 true and we'll draw on you for your advice.

18 Our judgment on these questions is not going
19 to rest in any way -- there are some strongly held
20 opinions by our Commissioners, my colleagues, but none
21 of us have had that benefit of discussion, so you've
22 given us a good deal to chew on, and I thank you very
23 much.

24 COUNCIL MEMBER JACKSON: Thank you for
25 giving me the opportunity to come in front of you and

1 having this dialogue and I look forward to working with
2 you.

3 DR. GARTNER: May I say one word?

4 CHAIRMAN MACCHIAROLA: Sure.

5 DR. GARTNER: I don't want to discuss the
6 substance of the Council Members, but I want to
7 illuminate on the assertion that there are, quote,
8 "illegal proposals." The proposals have been vetted by
9 the legal counsel and the Law Department.

10 COUNCIL MEMBER JACKSON: I appreciate that.
11 Even though I know the Law Department reviewed it and
12 feel they are legal, that's their opinion. That's one
13 opinion versus another.

14 DR. GARTNER: I understand. I just didn't
15 want it to be thought that my opinion was the opinion of
16 all.

17 COUNCIL MEMBER JACKSON: Thank you,
18 Commissioners.

19 DR. GARTNER: Michael Stoller?

20 MR. STOLLER: Before I begin my formal
21 remarks, it's so gratifying that everybody recognizes
22 our problems, and wants to try to solve them. It's
23 great. I especially want to thank you, Council Member
24 Jackson, for his words on this issue, he's been a strong
25 supporter from day one, and I just want to be sure to

1 thank him publicly on the record for that.

2 Now. Good afternoon, Chairman Macchiarola,
3 members of the staff of the Charter Revision Commission.
4 I am Michael Stoller, Executive Director of the Human
5 Services Council, or HSC. HSC, as you know, is the
6 organized voice of the not-for-profit providers of
7 social services in New York City. Almost all of our
8 more than 200 member agencies currently have contracts
9 with New York City, supplying care for children, the
10 elderly, youth and others in need. We appreciate the
11 opportunity to speak with you again about issues of
12 great importance to the human service provider
13 community.

14 The staff report to the Commission is a well
15 stated synopsis of the history, legal underpinnings and
16 current state of affairs of procurement and boldly
17 acknowledges many of today's continuing problems. The
18 section on not-for-profit organizations is particularly
19 welcome to us. First, it shows you're listening. It
20 always feels good to be heard. Second, it feels good to
21 be agreed with, so the statements calling for a stronger
22 partnership between the Government and not-for-profit
23 providers, recognizing the harmful aspects of delay and
24 recommending examination of a signe financial audit are
25 enthusiastically received.

1 In this regard, I want to express HSC's and
2 my personal thanks to the Commission's Executive
3 Director, Alan Gartner who has been more than accessible
4 and who has clearly done his homework. Among other
5 things, Mr. Gartner met with HSC's Contracting Committee
6 for serious and spirited exchange of views and we
7 appreciate this.

8 We have but one recommendation for the
9 Commission: We urge you to go further. With the
10 exception of a draft amendment regarding the financial
11 audits, not one of the specific proposals advances the
12 reforms so clearly needed by the City, the human
13 services providers and the clients that we, together,
14 serve. Even the financial audit piece really gives
15 authority to the PPB that one could argue under Charter
16 Section 311B2 the PPB already has.

17 So while we are gratified that the
18 Commission staff report reflects such proposals for
19 reform, we urge you to take the next step and codify
20 them.

21 Specifically: The Charter needs a prompt
22 contracting law similar to the one in the State Finance
23 Law, which sets time frames under which all relevant
24 agencies must act. The State law also includes
25 provisions for advance payments, access to an

1 interest-free loan fund and interest payments from state
2 agencies responsible for delays. We need such a law in
3 the City Charter.

4 Two, the partnership we both advocate could
5 be enhanced by amending Charter Section 104 to require
6 more details in the contract budget. The City needs
7 more detailed law with specific deadlines so that
8 agencies are given step by step instructions on how to
9 plan. Then these plans must be communicated in a timely
10 fashion to the providers so that we can plan the best
11 way to meet the City's needs.

12 Three, as with many of the proposals in the
13 report, the one on Vendex does not offer a change in the
14 substance of the law as much as a change in authority
15 over it. We would welcome the opportunity to meet with
16 Commission staff on this and other issues to draft
17 specific amendments to the current mandates. The
18 Commission need not act in November, but should take
19 the time necessary to develop further its ideas.
20 Included in this process should be more thought to the
21 elimination of the Council's role in Vendex. Vendex and
22 its predecessor ICCIS were the first comprehensive
23 records of City contract and contractors; these were
24 Council initiatives, the solutions to huge procurement
25 problems of their era. Fine tuning these initiatives

1 might well benefit from legislative input. At least
2 this needs to be explored before the amendment is put to
3 a vote.

4 Fourth and, finally, the single financial
5 audit is an issue that can be resolved in this
6 Commission and not turned over to another body. Further
7 study by the Commission staff can yield a clear law that
8 governs this important area. If further definition is
9 needed by rule, then the PPB is the appropriate vehicle,
10 but the overarching standard of a single financial audit
11 must be enunciated in law.

12 Among the other recommendations in the
13 report, we welcome the expanded report on City
14 procurement, the greater access to contracting
15 opportunities for M/WBE's, and the benefits of
16 recognizing superior provider performance. As with the
17 other recommendations, we urge the Commission to go
18 further, to be more specific, not to refer these
19 important matters to other bodies, but to draft Charter
20 amount that will at the very least guide these other
21 bodies in their work.

22 We thank you for this report. It is an
23 important statement of the need for procurement reform
24 and it provides a road map to follow. We are eager to
25 work with you to travel just a bit further down that

1 road drafting specific language to effectuate the
2 principles that we all share.

3 Thank you.

4 COMM. PATTERSON: Thank you. Questions?

5 COMM. NEWMAN: I presume from your testimony
6 you believe we should not wait and we should go forward.

7 MR. STOLLER: We'll accept any help that you
8 give.

9 COMM. PATTERSON: One other question. The
10 staff proposal really is attempting to, as I understand
11 it, remove from a hard to amend piece of legislation a
12 provision that really requires flexibility and
13 adjustability, based on change of times and sent to the
14 PPB's rule making entity.

15 We heard testimony from Councilman Jackson
16 there are drawbacks to that, specifically the Council's
17 role, minimizing once it goes to an administrative
18 agency. Are you suggesting that we should take very
19 detailed specific changes relating to contract budgeting
20 and financial audit and actually put it back in the
21 Charter or would you be happy with a general directive
22 to the PPB that that's what it should be doing as part
23 of its rule making authority?

24 MR. STOLLER: It depends on how general the
25 directive is. Here's an example, the one that you have

1 on financial audits. It uses the word "may" not
2 "shall." Basically it says this is a good idea, check
3 this out. If it said "thou shalt make a rule that there
4 should be only one audit," do it, that would be great,
5 that would be fine. We don't need you to give more
6 detail how that should work, but to just allow them,
7 what basically is a recommendation written in the
8 Charter, that's not final. Does that answer your
9 question?

10 COMM. PATTERSON: I guess so. My other
11 question was with respect to not-for-profits that
12 provide a wide variety of services, such as settlement
13 houses. They have a wide variety of contracts from a
14 bunch of different City and State agencies performing
15 different services, and the auditors who are capable of
16 evaluating the effective management of a method on
17 maintenance program, have different knowledge and
18 different criteria than the auditors who would be
19 monitoring the after school program, we hope.

20 Is it feasible to have a single audit?

21 MR. STOLLER: The distinction I'm making is
22 between a financial audit and a program audit. The
23 financial audit you have in order, in fact. You could
24 have a Charter provision that says human service
25 providers could have independent audit of their finances

1 and that could be in accordance with PPB rule.

2 COMM. PATTERSON: Independent audit by --

3 MR. STOLLER: CVA, why not just hand that
4 in. God knows there are enough Federal forms or State
5 forms. But program audit is something different.
6 That's not what we're suggesting here, at least not in
7 my testimony. If I wasn't here, I apologize. There are
8 these nuances and differences between a child care
9 program and program for the elderly and that might need
10 separate program evaluations, but finance is the same.

11 COMM. PATTERSON: Finance should be the
12 same.

13 MR. STOLLER: One.

14 COMM. PATTERSON: Thank you. Any more
15 comments? Thank you very much.

16 COMM. NEWMAN: Could I make a comment on the
17 record on the last issue from my Comptroller experience?
18 The Federal Government at present has a single audit for
19 governments on one hand and the single audit is a
20 comprehensive audit of financial and operational
21 matters, and obviously the one for the City covers
22 issues as disparate as the Police Department to day
23 care, but it's looking at financial and operational
24 issues. It does not stop a Federal funding source from
25 doing a program audit if they so want, and they have a

1 similar formulation for private organizations who
2 receive Federal funds for not-for-profits, like my own,
3 we have a single audit, and some do a wide range of
4 services and there's a single audit done on fiscal and
5 operational matters.

6 Doesn't mean that auditors don't show up
7 independently of that, in fact, I have two sets at the
8 office at the moment. But it does reduce -- I have two
9 sets in the office at the moment. There have been times
10 in the past when I had half a dozen. So it is
11 significant.

12 DR. GARTNER: Suellen Schulman.

13 MS. SCHULMAN: Good afternoon. I would like
14 to thank the Charter Revision Commission, Marla Simpson,
15 our City Chief Procurement Officer and my Commissioner,
16 Linda Gibbs, for the opportunity to offer testimony to
17 the Commission on the current efforts of procurement
18 reform.

19 My name is Suellen Schulman. I have worked
20 within the City's procurement and contracting system
21 since 1981, when I started as a contracting officer. In
22 1989 I became an assistant director of the newly formed
23 Mayor's Office of Contracts and soon after drafted the
24 Procurement Policy Board rules. I served as Deputy ACCO
25 at Department of Environmental Protection, Agency Chief

1 Contracting Officer, Department of Information
2 Technology Telecommunications and I am now the ACCO at
3 the Department of Homeless Services, where I've been for
4 the past two years. I'm also a Certified Public
5 Purchasing Officer.

6 I want to commend Mayor Bloomberg and
7 members of his administration for taking the strides it
8 has to examine the issues and create and implement
9 procurement reform. With an annual contract budget of
10 over 600 million, the Department of Homeless Services is
11 responsible for managing and administering to the
12 largest homeless population in the nation. Originally a
13 division within the Human Resources Administration, DHS
14 was created as a separate agency in 1993. Over the
15 years, more and more human services were procured
16 through third party agreements.

17 At the present time we contract out
18 approximately 80 percent of the services we provide. We
19 are a contracting agency. We procure goods and services
20 to insure the effective operations of the 14 family and
21 adult shelters the agency presently runs as well as
22 contract with 113 not-for-profits to operate
23 transitional shelters. Our contracting portfolio
24 consists of the operation of adult and family
25 transitional shelters, many specializing in mental

1 health or unemployment or substance abuse services,
2 single room occupancies, medical and outreach services,
3 rental assistance programs, repair and maintenance,
4 architectural and engineering and construction
5 management services; asbestos abatement, transportation
6 food, security services and more.

7 Our portfolio is now growing to include
8 anti-eviction services as we bring more attention to
9 homelessness prevention. Commodities which support the
10 clients and shelter staff range from beds, diapers, home
11 care kits to tools, lumber and pipes. In other words,
12 we buy it all.

13 We use every procurement tool available to
14 insure our clients receive the assistance they require
15 and services continue uninterrupted through each fiscal
16 year. We use the renewal, authorized source and
17 extension processes, including negotiated acquisition to
18 continue services. We utilize Competitive Sealed Bid,
19 negotiated acquisition, emergency and demonstration
20 methods of source selection to insure our agency keeps
21 up with the increasing demand for shelter.

22 In January 2000, DHS issued an open-ended
23 request for proposal to help address this ongoing need.
24 The open-ended RFP is a solicitation document available
25 on an ongoing basis for providers to submit proposals

1 for our various shelter programs, continually advertised
2 in the City Record. It allows proposers to pick up the
3 solicitation and submit a proposal at any time. The
4 ACCO's office within DHS is centralized. Staff
5 reporting to the ACCO specializes in source selection
6 methods which has contributed to increased productivity
7 and a decrease in retroactive agreements. However,
8 there is still work to be done in procurement reform
9 which will assist DHS in meeting its agency position and
10 contracting mandate.

11 New York City has a legal obligation to
12 provide shelter on demand to adults and families through
13 a consent decree that was signed in 1981 by then Mayor
14 Edward Koch. While this decree requires the City to
15 provide shelter to any homeless person and assures that
16 our citizens do not have to sleep on the street, it also
17 presents a procurement challenge to the existing rules
18 and regulations. Each night DHS services feeds and
19 sleeps approximately 38,000 people. 17,000 of them are
20 children in a mix of 233 shelters, hotels, drop-in
21 centers, churches and synagogues. It is this nightly
22 and not always predictable demand that requires the most
23 creative and flexible approach to the procurement
24 process. We are often required to identify buildings,
25 inspect them to insure they meet all applicable codes,

1 arrange for the provision of social services and examine
2 potential problems with the site and/or the provider in
3 a period of days or weeks.

4 The closest we have come to meeting this
5 need is the open-ended RFP, but the method which is
6 rooted in the RFP process still requires the same steps
7 to award, negotiate and eventually register a contract.

8 Creation of alternative procurement methods
9 as proposed by Procurement Policy Board may open a door
10 for a procurement mechanism which meets the needs of DHS
11 while still maintaining the need for integrity of the
12 process and insures awards are made to responsible
13 providers.

14 I have long been witness to the push-me/
15 pull-you activity between the Mayor's Office and
16 Comptroller's Offices, specifically related to the
17 registration process. Over time the registration
18 process has morphed into an activity different than what
19 is described in the Charter or the PPB rules. My agency
20 would welcome a clear description of what is required
21 and what is anticipated during the registration process.
22 We think this will help both agency and Comptroller
23 analysts to approach registration in a uniform manner.

24 A big step in procurement flexibility is the
25 recommendation giving the Department of Citywide

1 Administration Services the discretion of allowing
2 agencies to procure specific goods on their own behalf.
3 We have long relied on DCAS and welcome their purchasing
4 expertise to assure we obtain the goods required to
5 maintain our shelters and supply our clients with the
6 essential needs of daily life. However, there are times
7 when an agency's expertise in a specific purchase and
8 control over that procurement takes precedent to a
9 citywide purchase. An agency should be able to make
10 that argument and DCAS should be able to make the final
11 decision.

12 We believe procurement reform already
13 initiated by the Bloomberg administration has already
14 had a positive effect on how we do our work. Rules
15 passed relating to the waiver of public hearings in
16 cases where a contract is substantially the same as its
17 predecessor shave a month off the process. It saves a
18 lot of paper and a lot of staff time. There was a
19 positive change to be felt immediately. Additionally,
20 we are looking forward to increased authority to approve
21 our own renewals without oversight scrutiny. These
22 reform efforts were based in sound analysis and a
23 recognition that agencies can control their contracting
24 destinies and still procure with the integrity and
25 ethics required by the profession and demanded by the

1 taxpayers. The preliminary recommendations made by the
2 Charter Revision Commission explore more flexible
3 procurement structure while taking into consideration
4 the professional tenets that the City's ACCO's and
5 professional staff has been trained in over the years.
6 We support these recommendations.

7 Lastly, with more flexibility comes more
8 responsibility. Since 1989, the City has created a
9 staff of trained procurement professionals. We are
10 ready, willing and able to assume more responsibility
11 for the procurement process. I want to stress the need
12 for the furtherance of a professional development and
13 training of the City's purchasing and contracting staff.
14 We have to be knowledgeable in the application of an
15 abundance of rules, regulations executive orders and
16 records of procedural memoranda, financial and vendor
17 information systems and all the checks and balances that
18 accompany them. The Procurement Training Institute has
19 been an invaluable resource over the years and I applaud
20 the current strides in website development. However,
21 hands-on workshops, round table discussions, City-
22 specific contracting conferences would go far to keep
23 City procurement staff in touch with current procurement
24 issues.

25 Thank you for this opportunity to speak.

1 COMM. PATTERSON: Thank you very much.
2 Questions, comments?

3 COMM. NEWMAN: The Police Department
4 official before talked about special purchasing,
5 helicopters, guns, et cetera. It sounded perfectly
6 acceptable, it sounds reasonable. I'm starting to
7 wonder what the equivalents are for the Department of
8 Homeless Services.

9 MS. SCHULMAN: I guess the example I could
10 use for DHS is currently food. Food has been an issue.
11 We buy our own food. We have bought our own food for
12 years. And right now it's under debate as to whether or
13 not this food is considered services or goods. We like
14 being in control over our contracts. I like having
15 control over when I put a solicitation out and the
16 timeliness over which it is awarded and registered, so I
17 would like control over my food contracts.

18 COMM. NEWMAN: I guess you just made me very
19 troubled with the proposal. I was all for it when the
20 Police Department official spoke and I believe I could
21 probably think of equivalents with the Fire Department,
22 but food is purchased through many City agencies.

23 MS. SCHULMAN: That's correct.

24 COMM. NEWMAN: And what you're in essence
25 proposing is that any city agency could decide to

1 purchase whatever it wants if it could somehow influence
2 either DCAS or the Mayoralty, and even though there
3 might be vast economies of scale by merging the
4 purchasing of food that goes on between the Department
5 of Education, you folks, the hospitals, the Department
6 for the Aging, the Agency for Children's Development, et
7 cetera. Anyway, I just --

8 MS. SCHULMAN: Let me just, I need to
9 address that, Commissioner, because a contract is
10 defined as to whether it's a good or service depending
11 upon how much of that is within the contract. We have
12 to make a case. I wouldn't expect DCAS to approve
13 anything frivolously and we would have to make our case,
14 we would need to make it sound. We would need to show
15 that our contracts are indeed much more percentage of
16 services than it is for the purchases of goods. Let me
17 tell you also, the way the City purchases food is
18 different from one agency to the next and in many cases
19 it needs to be different.

20 COMM. NEWMAN: I accept what you think about
21 it. Anyway, you helped my thinking on the process,
22 because at least for me it states we have to set
23 criteria for this proposal.

24 Secondly, you described some difficulties
25 with registration with the Comptroller's Office. Could

1 you provide some examples? And I admit I'm biased.

2 MS. SCHULMAN: First let me say I have been
3 working with the Comptroller's Office for many years, as
4 long as I've been working for the City and the
5 Comptroller's Office has been very helpful to me on
6 many, many occasions, I consider the Comptroller's
7 Office my partner as far as contracting and registration
8 is concerned. But there are instances when we send out
9 contracts to the Comptroller's Office, they're assigned
10 to many analysts, different analysts. Sometimes I will
11 have two awards for one contracts that are assigned to
12 two different analysts. It's the same contract with the
13 same material, but two different analysts see it. They
14 approach the contract very, very differently. We never
15 know what to expect as far as the questions from the
16 Comptroller's Office are concerned.

17 If we had better sense as far as what was
18 required from the package, if we had better sense as far
19 as what was required per type of contract, regarding the
20 documentation that was given, that would be great and I
21 would welcome that and I really think that the analysts
22 in the Comptroller's Office would welcome it too, I know
23 my contract analysts would.

24 Second example is the clock ticks away and
25 ticks away and we think everything is fine until the

1 third plan, the 28th, 29th day and all of a sudden we
2 have a request for a piece of information that we really
3 didn't know needed to be within the package. We looked
4 in the Procurement Policy Board rules and we thought we
5 covered all our bases and it's a last minute type of
6 angst that we go through. It doesn't happen a lot. I
7 must say it doesn't happen a lot, but it does happen.

8 I just think that when all folks are on
9 board with the same ideas and knowledge about an issue,
10 the more streamlined and the more -- the more
11 streamlined the process is and effective the process is.

12 COMM. NEWMAN: Do you think, then, it would
13 be helpful if the Charter or PPB spelled out materials
14 that should be provided to the Comptroller's Office and
15 that the Comptroller's Office would then given another
16 date that was short of the thirty days, three weeks,
17 let's say, where they had to provide you what other
18 information they might need or what?

19 MS. SCHULMAN: I think that would be
20 helpful. I do.

21 DR. GARTNER: I have a story about myself
22 that I just cannot help but tell, but I also have a
23 question. A long time ago, I became the head of the
24 antipoverty program in Suffolk County and I filled out
25 for the first time a grant proposal for the Somerset

1 store. I thought consumable supplies in the budget form
2 meant food. I really did.

3 My question to you, and I don't want to stop
4 on that, because I want you to forget my clumsiness on
5 that point. You talked at the end of your testimony
6 about the importance of professional development. I
7 heard that from many people in the procurement
8 community. The staff report for which I'm responsible
9 was silent on that topic in terms because we didn't see
10 something to say in the Charter that might relate to
11 that. Do you have some thoughts about how a Charter
12 Revision Commission might reinforce the point that you
13 make about staff development or is that something we
14 should just root for and leave alone?

15 MS. SCHULMAN: I don't see your legislating
16 staff development. It's a thought process that needs to
17 be pushed within the executive offices and within the
18 agency at the executive level, for all the agencies.

19 I work for a great agency. My Commissioner
20 is totally on board with professional development. I've
21 been in this business for many, many years and I teach
22 my staff as we go along and I've also taught at the
23 Procurement Training Institute advanced City-specific
24 contracting. To get your certification, for example,
25 it's a great thing to do, but I'd love to know how many

1 Commissioners know that to become a Certified Public
2 Purchasing Officer, you need to take classes and you
3 need to pass tests, including which is a three hour oral
4 test. I defy any Commissioner to tell me that they know
5 that this exists.

6 But when we do go for these tests and we get
7 these certifications at all levels, it's a great thing
8 and it's just never known by the agency that their staff
9 are going through this extra learning experience.

10 COMM. PATTERSON: May I ask one question?
11 Do all ACCO's have to be certified?

12 MS. SCHULMAN: No. It's not a requirement.
13 And I don't think it should be, but I guess what I'm
14 trying to say is that in, when I worked in the Mayor's
15 Office of Contracts under Michael Rogers, we had a two-
16 day conference. It was on Citywide procurement
17 contracts, it was unlike anything that anybody has ever
18 seen in the contracting and purchase world for the City.
19 It was over the course of two days. We had 800 staff
20 attending, over 24 workshops and sessions, and it was
21 specifically geared to City contracting and procurement.

22 There are organizations such as National
23 Institute of Governmental Procurement, which deals with
24 municipal purchasing, but it's not City specific. So it
25 was a great thing and the feedback resulting from this

1 conference from staff on all levels was extremely,
2 extremely positive. They began to think on their feet,
3 new things began to open up for them.

4 It's never happened again. It was never
5 followed up, and we have a Procurement Training
6 Institute which is, like I said in my testimony, a great
7 entity, but it offers good courses, but it offers
8 courses that I wish that the students could identify
9 more the topic and translate what they learn back into
10 what they're doing in the office and I think it just
11 needs to come from a top and really be imagined from an
12 executive level.

13 COMM. NEWMAN: If I could follow that up.
14 You spoke -- just a quick question. You spoke glowing
15 about training certification, PTI, et cetera, so why
16 don't you believe it should be a requirement for ACCOs?

17 MS. SCHULMAN: Well, I'm not sure --

18 COMM. NEWMAN: Because that is something we
19 could do.

20 MS. SCHULMAN: I don't think it should be in
21 the Charter. I really don't think that training should
22 be legislated. Training is something that, training and
23 the education and knowledge is something that is
24 fostered and formed from the top of an agency and maybe
25 within the Mayor's Office, but I don't think it should

1 be legislated. I just feel that it's not the right
2 thing to do.

3 COMM. PATTERSON: Thank you very much.

4 MS. SCHULMAN: Thank you so much.

5 DR. GARTNER: The question that you were
6 raising is that we scheduled the hearing on procurement,
7 and then at 6 the general hearing. We have only one
8 person who wants to testify on procurement Robert Shick
9 and then we will take a brief break.

10 VOICE: I'm also from procurement.

11 DR. GARTNER: I understand you want to talk
12 on both.

13 VOICE: Just procurement.

14 MR. SHICK: Is it okay if I go now? I don't
15 have any prepared remarks. It was more a comment that I
16 would like to make. My name is Robert Shick. I teach
17 at Long Island University, I teach in the Master's of
18 Public Administration program. I also had a long career
19 in City Government, managing probably the largest set of
20 contracts that the City has in human services, the home
21 attendant contracts, which now I think costs about \$1.5
22 billion and the concern that I had was on the unified
23 law. I think it is certainly a proposal in order to
24 make it easier for nonprofits, but one of the things
25 that people in Government are trying to do, is trying to

1 ascertain where costs go and compared to what is given
2 to them through the funding process, and I just think it
3 has to be, I don't think this is particularly a Charter
4 revision issue, but more maybe a detailed issue of how
5 the audit guidelines are a very complex issue for those
6 of you who have some experience with that, and how
7 things are allocated between different programs if there
8 are ten, twenty programs that an organization has, and
9 had to know where that money is truly spent, especially
10 when you have, in my experience, a very large program,
11 the contracts for this particular program are anywhere
12 between 5 and \$25 million, then you have organizations
13 managing those contracts, but they also have contracts
14 for \$200,000, for \$400,000, so how do you write these
15 audit guidelines in a way that auditors are going to be
16 able to follow rules in order to put costs in the right
17 places to match the revenues for those contracts.

18 That's all I have to say.

19 COMM. PATTERSON: Thank you. Any comments?
20 Questions?

21 DR. GARTNER: The last person?

22 COMM. PATTERSON: While the speaker is
23 coming up, in the last half hour or hour, we've been
24 joined by three more Commissioners. Dr. Mohammed
25 Khalid, Cecilia Norat and Veronica Tsang.

1 MS. STIX: Good evening, Chairman
2 Macchiarola and members and staff of the Charter
3 Revision Commission. My name is Margaret Stix, I'm the
4 Associate Director of the New York City Employment and
5 Training Coalition. The Coalition is a coalition of 160
6 training providers who together serve more than 300,000
7 predominantly low income persons annually. Our members
8 move people from welfare checks to jobs and from low
9 paying jobs to self sufficiency. We very much
10 appreciate the opportunity to work together to reform a
11 procurement system that all too often becomes an
12 obstacle to delivering the services needed by New
13 Yorkers.

14 The staff report to the Commission
15 represents a thoughtful first step to tackling
16 multiplicity of procurement issues and offers a number
17 of promising recommendations. Among these are the
18 proposals to permit more flexibility in the procurement
19 methods, revamping Vendex and eliminating multiple
20 audits. More flexible procurements allow the
21 development of just-in-time training programs that meet
22 the specialized needs of businesses that can't wait for
23 skilled workers while an RFP wends its weary way through
24 the process. Making Vendex simpler, fairer and more
25 limited in its scope should alone qualify the Mayor and

1 the Comptroller to medals.

2 The Coalition has recommendations
3 specifically addressed to Vendex that are attached to
4 the testimony and we hope to participate in this effort
5 during the coming year. Any effort to streamline Vendex
6 should pay particular attention to the length of time
7 negative reports are stored and how they're used.

8 According to the Mayor's Office of
9 Contracts, information will now be purged after ten
10 years. Thought should be given to reducing these time
11 limits seriously once the conditions that gave rise to
12 the negative report are corrected. We're especially
13 gratified to see the report acknowledge the problems
14 faced by not-for-profit sectors and treatment of
15 not-for-profits as partners in the provision of
16 services. However, we were disappointed by the absence
17 of substantive recommendations directly addressing our
18 single biggest procurement issue, late contracts and the
19 problems faced by performance-based contracts.

20 Most of our members operate under contracts
21 that are registered late. During FY 2002, 96 percent of
22 the Department of Employment contracts were registered
23 late. Late registration can cause major financial
24 hardship. We had one member that had to wrack up
25 175,000 in program costs that year for a contract that

1 was registered six months late, and I know there's
2 misconceptions about this. This is the nexus between
3 performance-based contracts and late registration is
4 what causes this hardships, because if a program is
5 supposed to start July 1, their performance is measured
6 from July 1, so even if a contract isn't registered,
7 they are expected to perform on that contract at their
8 expense and if they don't, then they will get a negative
9 Vendex report, which is what happened to one of our
10 members that chose not to perform on a contract that was
11 registered late and so they have a negative Vendex
12 report as a result.

13 While the payment of interest, the bridge
14 loans could cover the cost of service delivery prior to
15 registration and health, it will be far better and
16 cheaper to cure the problem. Late registration could be
17 addressed at no cost simply by being realistic about how
18 long procurement takes, planning accordingly and
19 sticking to those plans. To do this, agencies must
20 seriously value the procurement process and work
21 backward so contract award and registration conclude
22 before the anticipated date of services.

23 This planning process should be undertaken
24 with the release of the executive budget. Each agency
25 should compile a schedule of anticipated procurements

1 and develop time frames for every step in the process,
2 including adequate review by the Law Department and the
3 Mayor's Office of Contracts. To allow vendors to
4 anticipate RFP issuance of contract start dates, this
5 procurement schedule should be posted to the web after
6 adoption of the budget.

7 The Mayor's Office of Contracts should track
8 agency performance in meeting procurement schedules and
9 issuing bridge loans and develop a plan of correction
10 for agencies that are responsible for late registration,
11 and as the Human Services Council, of which we're a
12 member, proposed legislation modelled on the New York
13 State Prompt Contracting Law which sets forth timetables
14 for RFPs, contract renewals and payment of interest
15 should be presented to the Procurement Policy Board.

16 There are several potential vehicles for the
17 adoption of this process, and as the Human Services
18 Council has mentioned, Section 104 of the Charter is one
19 potential vehicle. We think that Sections 310 and 325,
20 particularly 325 because it talks about notification of
21 contract opportunities, are alternatives which should be
22 explored, with specific implementation set forth as a
23 rule by the Procurement Policy Board.

24 We also commend the Procurement Policy Board
25 to review the administration of performance-based

1 contracts as part of its study proposed to evaluate
2 vendor performance. Many contracts now backload
3 payments for as long as a year after services are
4 rendered. This poses a terrific and unfair financial
5 burden on hard pressed nonprofits and community-based
6 organizations. While awards for performance are
7 welcome, contract payments that actually cover the cost
8 of services as they're rendered would go a lot further
9 to assure achievement of contract goals.

10 We respectfully request this recommendation
11 as well as those concerning procurement time frames be
12 included in the final recommendations issued by the
13 Commission.

14 In closing, we thank you for providing this
15 opportunity to share our procurement concerns with you
16 and for the preliminary recommendations of your staff.
17 We look forward to working with you as those
18 recommendations are refined. We need a procurement
19 system that meets contractors' needs for predictability
20 and fairness, as well as the City's needs for services
21 and accountability. Thank you.

22 COMM. PATTERSON: Thank you very much. Any
23 questions, comments? Yes, Fred.

24 COMM. SIEGAL: Looking at the accompanying
25 statement you have about contracting issues and

1 recommendations for reform, in 2A you say, "Employment
2 and training providers do not object to the concept of
3 being paid for performance. However, many training and
4 employment contracts now define performance so narrowly
5 that contractors can wait a year or more before they are
6 paid."

7 What do you mean by "narrowly?"

8 MS. STIX: It's been modified somewhat, but
9 most City contracts base performance on job placement.
10 If you have a job training program with a terrible
11 economy, it could take ten months before a person is
12 actually placed in a job and meanwhile that organization
13 has assumed all the costs of the training of that
14 person, all the costs of support services, all of the
15 costs that have gotten them into that job and may have
16 gotten only 30 percent of the actual, they may have only
17 gotten payments equalling 30 percent of the actual cost.

18 COMM. SIEGAL: How do for-profit job
19 placement agencies like America Works --

20 MS. STIX: America Works has actually been a
21 contractor on some of these. They're a much better
22 funded organization and have better resources to draw
23 on. With not-for-profits you're talking about operating
24 very close to the bone. In fact, a very estimable
25 not-for-profit actually discontinued -- talking about

1 Common Ground Community -- actually discontinued
2 providing services to homeless persons because they
3 could no longer afford to do it under the strict tours
4 of performance-based contracts. You're dropping out a
5 segment of very good providers.

6 COMM. SIEGAL: The Doe Fund also operates
7 under these rules and it seems they're able to operate
8 very effectively.

9 MS. STIX: The Doe Fund is one of our
10 members and is very active in the coalition. They have
11 a terrific time. I can't speak specifically for the Doe
12 Fund, but many of our members engage in very creative
13 accounting to avoid going under and borrow from other
14 lines to meet holes in deadlines.

15 COMM. SIEGAL: You can see how this
16 statement could seem to be a way of undermining the
17 question of performance-based contracting altogether.

18 MS. STIX: We really don't have a problem
19 with performance-based contracts, but we feel that if
20 we've assumed 75 percent of the costs during the, say,
21 first six months of the contract period, we should be
22 paid 75 percent of what it costs us to deliver the
23 services, and it's really not fair to ask hard-pressed
24 not-for-profits to be so specific.

25 Is that it?

1 health board system, and I think we should also have a
2 human service commission system as well, a community
3 system for the oversight of human services of the City,
4 because there is a great need here for many people in
5 our city to have these services, and they don't seem to
6 be adequately helping the people of the City.

7 I think we should talk about the business of
8 the City. Somehow we think the City's business is the
9 business of somebody else's business. I think we should
10 think more in terms of in-house, in terms of Civil
11 Service than in contracting out and procurements. I
12 think that when we have to contract out, we should
13 justify why we're doing such a thing, why we're not
14 producing a Civil Service system and a City system that
15 is serving us. Any business, I assume, knows that if
16 they do it themselves, that they do it cheaper, and
17 somehow something's wrong here. We act like this isn't,
18 the City is our business. It is the business of our
19 people and needs. It is the business of supplying these
20 needs fairly, and promoting the welfare of the entire
21 City, of their residence, of their companies, of the
22 City itself.

23 Somehow, I get the impression that we're
24 milking the City. We're supplying jobs for people that
25 don't live here, who don't get taxed to support us.

1 It's outrageous. Why are we milking our City and making
2 it into an impoverished City? We need to strengthen our
3 City, we need to make our City rich. We need to make
4 our City healthy. We need to help the small businesses
5 of our City, and at these times -- and I think I'm going
6 to say something about our great loss of Jim Davis,
7 because Jim Davis did great things to help small
8 business, and he is a great loss to our City, both as a
9 Councilman and as a human being. He really cared for
10 the people of this City, the regular, everyday
11 struggling, hard-working people of this city. So we
12 have suffered a great loss. It's not just a big
13 excitement, it's a great loss here.

14 We need to have oversight. We need to have
15 less contracts, less -- I think I got upset. I'm sorry.

16 We need to have more oversight, more
17 community involvement and as I said, we need to have a
18 Health Systems Agency and a Health Services Agency, we
19 need to strengthen our City from within and not be for
20 the outside.

21 I just can't go any further. Thank you very
22 much.

23 COMM. PATTERSON: Thank you very much.
24 Thank you for your kind words about the Councilman.

25 CHAIRMAN MACCHIAROLA: Ladies and gentlemen,

1 this concludes the forum. We're running a little late.
2 We're going to take a five-minute break and then we're
3 going to begin the hearing for the Commission and
4 Commissioner Norat will preside over that. So we stand
5 adjourned as a forum, we'll reconvene in five minutes.

6 (Time noted: 6:30 p.m.)

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