

NYC Department of Social Services

Information Session: Subcontractor Approvals Process & Requirements

Office of Contracts, Vendor Compliance and Relations

DSS Office of
Contracts

Information
Session:
Subcontractor
Approvals
Process

Agenda

- Welcome and introductions
- Acronyms & Definitions
- When Subcontractor Approval is Required
- Requirements for Subcontractor Approvals for third-party agreements greater than \$25,000
- Requirements for subcontractor Approvals for third-party agreements less than \$25,000
- Submissions
- Forms: 65A, PASSport screenshot, Subcontractor Log, Preliminary Approval Request, Monthly Log, Procurement Requirements
- Important Links/Resources
- Contact Information



Acronyms & Definitions

- **ACCO:** Agency Chief Contracting Officer

The ACCO for DSS/HRA/ DHS is Vincent Pullo. He oversees all procurement activities for DSS and DHS. He reviews and makes final determinations on all subcontracts.

- **VCR:** Vendor Compliance and Relations. This unit is Directed by Lisa Morris. She is also the DSS M/WBE Officer.

Acronyms & Definitions

- **Vendor, Consultant, Subcontractor:** all are third-party agreements (contracted services*)

These include, but are not limited to:

- IT consultants
- contracted food
- Security guards
- Language services
- Maintenance
- Elevator repair
- Alarm systems
- Locksmith service
- Temporary staffing
- Medical services
- contracted services performed by other non-profits (medical/mental health, case management, financial counseling, etc.

*DHS Fiscal Manual p.18

Acronyms & Definitions

- **PIP:** Payee Information Portal

Registration is required. PIP is where you can view your financial transactions with the City and where you are required to report your subcontractor payments.

- **PASSport:** Procurement and Sourcing Solutions Portal

Subcontractors must register in PASSport and their profiles must be marked as “FILED”.

Note: A “FILED” profile does **not** mean they are approved for you to do business with. It only means that they have a profile.

When Subcontractor Approval is Required

WHEN SUBCONTRACTOR APPROVAL IS REQUIRED

- Department approval is required for subcontracts greater than \$25,000
- When total payments made to one entity or person in the course of a one (1) year period are equal to or greater than \$25,000
- The threshold amount is not determined by individual subcontract amount, but by all subcontracts collectively

EXAMPLE:

Let's say you want to retain Dr. John Brown as a psychiatrist to work on 5 subcontracts for \$5000 for each. Do you need to submit a 65a form for Dr. Brown?

YES, because the total subcontract value to be paid to Dr. John Brown for the year is \$25,000.

Requirements
for third-party
agreements
\$25,000 and
up

Department
Approval is
Required

REQUIREMENTS FOR THIRD-PARTY AGREEMENTS GREATER THAN \$25,000:

- ❑ **Subcontractor Approval Form-65A (DSS)** – Unit/Div: examples: Families With Children, Emergency Intervention Services, etc.
- ❑ **Subcontractor Log** listing your submissions included in the email – *you may use one log to list all subcontractors*
- ❑ **Subcontractor** (vendor status) **must be “FILED”** in PASSPort, *not in draft*
- ❑ **Subcontractor must be active in (PIP)**
- ❑ **Prime Contractor must list the proposed subcontractor in PIP** -*the 65a must match what is in PIP, the dates, the description, and the value. Note, if the contract is not yet registered, you will not be able to list your sub in PIP. However, you can still submit your subcontractor approval forms, and add the subcontractors once the contract is registered.*
- ❑ **At least three (3) bids.** At least three bids are required for all subcontracts greater than \$25,000. Bids must be obtained BEFORE submitting your package for approval. Bids are to be dated, signed, and must include the name and contract info of the person who provided the quote. Pricing details and services must be explicitly outlined; the annual amount and number of guards. Security bids must include prevailing wage rates. For all subcontracts, it is best practice to either solicit bids every 3-5 years and/or match the dates of the subcontract agreement. NOTE: the dates must fall within the dates of the prime contract.

Requirements
for third-party
agreements
\$25,000 and
up

Department
Approval is
Required

REQUIREMENTS FOR SUBCONTRACTS GREATER THAN
\$25,000 (continued):

- Justification Letter:** If the lowest bid is not selected, a justification letter is required. The letter must be addressed to the ACCO explaining why the vendor was chosen. If you do not have bids, you must explain why and provide a bidding schedule which outlines your plan to comply with the procurement requirements of your contract. This must include dates/timeframe of when subcontract will be bid out.
- Proof of professional liability insurance or error and omissions insurance, *if applicable.***

Requirements for third-party agreements less than \$25,000

REQUIREMENTS FOR SUBCONTRACTS LESS THAN \$25,000*:

- Subcontractor must be active in PIP
- Prime Contractor must list the proposed subcontractor in PIP
- PASSport** It is recommended that the Subcontractor to be registered in PASSPort. However, if the subcontract value increases beyond \$25,000, they are required to register in PASSport.
- Monthly Log** submitted to VCR by the 15th of each month for the duration of the subcontract – you are required to report your monthly payments to subcontractors which we compare to your recorded payments in PIP.

NOTE: You must ensure that you are accurately forecasting expenses. Per the Contract, you should also already have bids lined up in case you go over the \$25,000 threshold.

*A 65A Form is NOT required

Submission

All information must be sent in **one** email to:
subcontractorapprovals@dss.nyc.gov

Sending information sporadically, in piecemeal, or in different email threads will delay the approval process and you may be asked to resubmit your request.

Packages should not be sent until you have the necessary documentation.

You may submit one email for multiple contracts for one vendor. Or vice versa, one contract for multiple vendors. Just be sure to specify what is being sent in your email.

Submission

To streamline the approval process, the subject line of the email must be formatted as follows: **contract number - organization's name – subcontractor name** (example: CT1017000000000000 – Non Profit USA – ABC Foods)

The Subcontractor Approval Process

Step 1 – Once the contract has been awarded, the HRA/DHS Contract Manager/ program area complete the top portion of the Subcontractor Approval Form-65A with all contract and prime contractor information.

The Subcontractor Approval Process

Step 2 – HRA/DHS Contract Manager/ program instructs the prime contractor to fill out one Form for each subcontractor, per contract along with all required documents.

The Subcontractor Approval Process

Step 3 – For emergency contracts a Preliminary Approval Request Form should be emailed to subcontractorapprovals@dss.nyc.gov.

VCR shall notify the vendor within thirty days whether preliminary approval has been granted. Once preliminary approval is granted the prime contractor has 60 days to submit a complete subcontractor approval package for final approval.

The Subcontractor Approval Process

Step 4 – After VCR completes its review, the package is then submitted to the ACCO for final determination.

The Subcontractor Approval Process

Step 5 –VCR notifies Prime Contractor and program area of agency's decision via email. Approval times can take 30 days.

Note, potential contractors with performance issues and/or business integrity issues will require additional scrutiny and may take longer. It is in the ACCO's sole discretion to determine if any potential subcontractor require additional scrutiny.

Subcontractors are approved when the Department approves the subcontractor in PIP or via a Subcontractor Approval Form-65A, signed by the ACCO or designee.

Subcontractor Approval Form- 65A (DSS)

| NEW YORK CITY DEPARTMENT OF SOCIAL SERVICES OFFICE OF CONTRACTS SUBCONTRACTOR APPROVAL FORM – 65A (DSS) | | |
|--|--|----------------------|
| I. CONTRACT DETAILS | | |
| CONTRACTING AGENCY: HRA/DSS <input type="checkbox"/> DHS <input type="checkbox"/> | UNIT/DIVISION: | |
| CONTRACT NUMBER: CT- | IS CONTRACT REGISTERED: YES <input type="checkbox"/> NO <input type="checkbox"/> | |
| CONTRACT EPIN: | CONTRACT VALUE: \$ | |
| CONTRACT DESCRIPTION: | | |
| TYPE: EMERGENCY <input type="checkbox"/> PLA <input type="checkbox"/> HUMAN SERVICE <input type="checkbox"/> NON-HUMAN SERVICE <input type="checkbox"/> CONSTRUCTION <input type="checkbox"/> | | |
| II. PRIME CONTRACTOR | | |
| PRIME CONTRACTOR: | | |
| CONTRACTOR ADDRESS: | | |
| NAME OF SUBMITTER: | TITLE: | EMAIL: |
| III. PROPOSED SUBCONTRACTOR | | |
| SUBCONTRACTOR: | MWBE CERTIFIED: NO <input type="checkbox"/> YES <input type="checkbox"/> | |
| ADDRESS: | CITY/ STATE: | PHONE: |
| DESCRIPTION OF WORK: | | |
| LOCATION OR NAME OF FACILITY OF WHERE SERVICES WILL BE PERFORMED: | | |
| IS SUBCONTRACTOR USING A SUBCONTRACTOR (2 ND TIER)? NO <input type="checkbox"/> YES <input type="checkbox"/> MWBE CERTIFIED: NO <input type="checkbox"/> YES <input type="checkbox"/> | | |
| NAME: | EIN: | DESCRIPTION OF WORK: |
| SUBCONTRACT VALUE: \$ | START DATE: | END DATE: |
| IV. MARK ALL DOCUMENTS THAT ARE INCLUDED IN THIS SUBMISSION: | | |
| <input type="checkbox"/> SUBCONTRACTOR IS ENROLLED IN PASSPORT | <input type="checkbox"/> THREE BIDS | |
| <input type="checkbox"/> SUBCONTRACTOR IS ACTIVE IN PIP | <input type="checkbox"/> SUBCONTRACTOR LOG | |
| <input type="checkbox"/> PRIME CONTRACTOR HAS LISTED SUBCONTRACTOR IN PIP | <input type="checkbox"/> PROOF OF PROFESSIONAL LIABILITY INSURANCE | |
| <input type="checkbox"/> PREVAILING WAGE/ LIVING WAGE PRE-AWARD STATEMENT | <input type="checkbox"/> PROOF OF BUSINESS LICENSING/CREDENTIALS | |
| <input type="checkbox"/> OTHER [SPECIFY]: | <input type="checkbox"/> SUPPLY AND SERVICE REPORT | |
| V. PRIME CONTRACTOR CERTIFICATION | | |
| I AM THE PRIME CONTRACTOR AND HEREBY AFFIRM THAT THE INFORMATION SUPPLIED IS TRUE AND CORRECT | | |
| SIGNATURE: | TITLE: | |
| PRINT NAME: | SUBMISSION DATE: | |
| VI. SUBCONTRACTOR REVIEW (DSS USE ONLY) | | |
| REVIEW CONDUCTED BY: | COMPLETION DATE: | |
| VII. AGENCY CHIEF CONTRACTING OFFICER FINAL DECISION (DSS USE ONLY) | | |
| AGENCY FINAL DETERMINATION: APPROVED <input type="checkbox"/> DENIED <input type="checkbox"/> | | |
| ACCO NOTES: | | |
| SIGNATURE: | DATE: | |

PASSport FILED vendor status

BASIC COMPANY INFO

Participant ID (Vendex legacy System): [REDACTED]

PASSPort Vendor Status: **FILED**

Vendor Name: [REDACTED]

Doing Business As:

Annual gross revenue: \$1,000,000-\$2,499,999

Business Category: Construction

Date business was formed: 05/11/2001

Country in which business was formed: UNITED STATES

State in which business was formed: New York

County in which business was formed: King

National or regional stock exchange or NASDAQ listing:

PASSPort Vendor Code: [REDACTED]

EIN: [REDACTED]

Corporate Structure: Business Corporation

DUNS number: [REDACTED]

FMS Vendor code: [REDACTED]

Website:

Twitter:

Facebook:

Other Social Media:

12 Month Aggregate amount: \$

SUBMITTING VENDOR'S PRIMARY ADDRESS / CONTACT INFORMATION

Address Line 1: [REDACTED]

Address Line 2:

City: BROOKLYN

Country: UNITED STATES

State/Province: New York

Zip Code: 11234

Phone number: [REDACTED]

Subcontractor Log (subcontracts greater than \$25,000)

SUBCONTRACTOR LOG \geq \$25,000

Please list all subcontractors, consultants and vendors for which you use and/or intend to use

| | | |
|--|--|--|
| Date: | | <p align="center">DEFINITIONS</p> <p>SUBCONTRACTOR: A sub-awardee performing services outlined in the contract scope of work. If a subcontractor is being used, it must be entered on the subcontractor log.</p> <p>CONSULTANT: An expert (sometimes an individual) who normally bills by the hour. If consultants are being used, they must be entered on the subcontractor log.</p> <p>VENDOR: Performs standard services that do not include analysis or evaluation of the project and are more standard in function, for example, food and security. Vendors normally bill by standard/fixed rate. If a vendor is being used, it must be entered on the subcontractor log.</p> |
| Prime Contractor : | | |
| First and Last Name: | | |
| Title: | | |
| I hereby certify that the information in this document is true and correct. | | |
| Signature: | | |

| Contract Number | Company Name | Is company a subcontractor, consultant or vendor? | EIN Number | M/WBE Certified? | Description of Work | Est. Start Date | Est. End Date | Contract Amount | Is sub using a 2nd tier contractor? Y/N |
|-----------------|--------------|---|------------|------------------|---------------------|-----------------|---------------|-----------------|--|
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | | | | | | | | | |

Preliminary Approval Request Form

*primarily used for emergency contracts

SUBCONTRACTOR LOG FOR PRELIMINARY APPROVAL REQUEST

Please list all subcontractors, consultants and vendors for which you use and/or intend to use for emergency contracts only

Date: _____

Contractor: _____

First and Last Name: _____

Title: _____

I hereby certify that the information in this document is true and correct.

Signature: _____

| DEFINITIONS | |
|-----------------------|---|
| SUBCONTRACTOR: | A sub-awardee performing services outlined in the contract scope of work. If a subcontractor is being used, it must be entered on the subcontractor log. |
| CONSULTANT: | An expert (sometimes an individual) who normally bills by the hour. If consultants are being used, they must be entered on the subcontractor log. |
| VENDOR: | Performs standard services that do not include analysis or evaluation of the project and are more standard in function, for example, food and security. Vendors normally bill by standard/fixed rate. If a vendor is being used, it must be entered on the subcontractor log. |

| DSS/DHS Contract Number | Company Name | Is company a subcontractor, consultant or vendor? | EIN Number | M/WBE Certified? | Description of Work | Est. Start Date | Est. End Date | Contract Amount | Is sub using a 2nd tier contractor? Y/N |
|-------------------------|--------------|---|------------|------------------|---------------------|-----------------|---------------|-----------------|---|
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | | | | | | | | | |

Section 4.05 Procurement Requirements (Standard Human Service Contract)

Section 4.05 Procurement requirements.

A. Procurement records. Contractor shall retain records that detail the method of procurement, the basis for selection or rejection of a contractor, consultant or supplier, and the basis for the contract price. Contractor shall retain proper and sufficient bills, vouchers, duplicate receipts, and documentation for any payments, expenditures, or refunds made to or received by Contractor in connection with this Agreement. Contractor may maintain a petty cash fund in accordance with the Fiscal Manual; however, no expenditures may be made from such fund for procurements valued in excess of \$1,000. Contractor shall make all procurement expenditures in excess of \$1,000 by check or credit card.

B. Extent of competition required. Contractor shall comply with the following requirements concerning competition.

1. Contractor must solicit and document at least three (3) written estimates for any payment made or obligation undertaken in connection with this Agreement for any purchase of goods, supplies, or services (including but not limited to consulting services) for amounts in excess of \$25,000 or, if this Agreement is a federally funded subrecipient agreement, for amounts in excess of \$3,500. The monetary threshold applies to payments made or obligations undertaken in the course of a one (1) year period with respect to any one (1) person or entity. Payments made or obligations undertaken will not be artificially divided in order to avoid the requirements of this paragraph.
2. For any payment made or obligation undertaken in connection with this Agreement for any purchase of goods, supplies, or services (including but not limited to consulting services) for amounts between \$5,000 and \$25,000, Contractor shall conduct sufficient market research and/or competition to support its determination that the price of such purchased goods, supplies, services or equipment is reasonable. Notwithstanding the dollar amounts in the previous sentence, if this Agreement is a federally funded, subrecipient

3. The City may retain the services of a Group Purchasing Organization (GPO) to facilitate the purchase of supplies or other items. If the City retains such a GPO, the Department may direct Contractor to utilize the services of such GPO. If Contractor is directed by the Department to use the GPO or if Contractor becomes a member of and makes purchases through the GPO retained by the City with or without the City's direction, Paragraph B shall not apply to those purchases and the procurement requirements will be satisfied through the use of the GPO.

C. Compliance with State and Federal Law. If this Agreement is funded by a State or federal grant, additional procurement requirements may apply. To the extent that State and/or federal procurement requirements conflict with the procurement requirements herein, Contractor shall comply with the stricter requirement.

D. Equipment. If so directed by the Department, title to all equipment or other property purchased with funds obtained through this Agreement shall be in the name of the City of New York and title shall pass to Contractor upon the end of the equipment's or property's useful life (as the phrase "useful life" is defined in Internal Revenue Code § 1.169-2). Contractor shall properly maintain and keep in good repair all equipment acquired with funds obtained through this Agreement. Contractor shall dispose of such equipment in the manner provided in the Fiscal Manual or as otherwise directed by the Department, and shall maintain detailed records concerning such dispositions. At the Department's request, Contractor must execute a UCC-1 to evidence the Department's interest in equipment purchased at a price in excess of \$25,000 and to enable the Department to perfect that interest by filing or otherwise.

E. M/WBE suppliers. Contractor is encouraged to utilize businesses and individual proprietors listed on the NYC Online Directory of Certified M/WBE Businesses, available at www.nyc.gov/sbs, as sources for its purchases of goods, supplies, services, and equipment using funds obtained through this Agreement. Contractor is also encouraged to utilize businesses and individual proprietors owned/operated by people with disabilities as sources for its purchases of goods, supplies, services, and equipment using funds obtained through this Agreement.

Important Links/Resources

Subcontracting FAQ's:

<https://www1.nyc.gov/site/dhs/about/contracts.page>.

PIP Technical Assistance: email pip@fisa-opa.nyc.gov. Include your business name, phone number, and vendor code in your communication.

PASSport:

<https://mocssupport.atlassian.net/servicedesk/customer/portal/8>

M/WBE Online Directory:

<https://Sbsconnect.nyc.gov/certification-directory-search/>

Contact Information

For all submissions and status updates please email us at subcontractorapprovals@dss.nyc.gov

Lisa Morris, Director of Vendor Compliance and Relations: morrisli@dss.nyc.gov

Rebecca Isaac, Deputy Director of Investigations and Contract Compliance: isaacr@dss.nyc.gov

Thank You