

Committee on Contracts  
Eric Bernstein, Legislative Counsel  
Casie Addison, Policy Analyst  
John Russell, Financial Analyst



**THE COUNCIL OF THE CITY OF NEW YORK**

**Briefing Paper of the Governmental Affairs Division**

**Matthew Gewolb, Legislative Director**

**Rachel Cordero, Deputy Director, Governmental Affairs Division**

**COMMITTEE ON CONTRACTS**

**Hon. Helen Rosenthal, Chair**

**April 4, 2016**

**Oversight: Challenges Facing Non-Profits in City Contracting**

## **I. INTRODUCTION**

On April 4, 2016, the Committee on Contracts, chaired by Councilmember Helen Rosenthal, will hold an oversight hearing on *Challenges Facing Nonprofits in City Contracting*. Specifically, the Committee will focus on issues experienced by nonprofits contracting with New York City to provide human services, examine the effectiveness of the HHS Accelerator system and discuss the recommendations for improving the City's processes and procedures for human services procurement and contracting offered by the Human Services Council in its February 2016 report "New York Nonprofits in the Aftermath of FECS: A Call to Action." Those intended to testify include the Mayor's Office of Contract Services (MOCS), the Human Services Council (HSC), and nonprofit service providers.

## **II. BACKGROUND**

MOCS defines human services as "a class of services that is provided directly to third party clients," typically by vendors who are nonprofit organizations.<sup>1</sup> Nonprofit human services organizations play an important role in building and supporting the well-being of New Yorkers.<sup>2</sup> Nonprofit human services organizations administer services to an estimated 2.5 million New Yorkers annually, providing such services as job training and placement, early childhood education and afterschool programming, community health services, and senior services.<sup>3</sup> Other than the vital services the sector provides, it also remains one of the largest employers in the City, accounting for nearly 40% of all jobs in the Bronx, a third of employment in Brooklyn and

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<sup>1</sup> City of New York, Mayor's Office of Contract Services, *Agency Procurement Indicators: Fiscal Year 2015* 86 (2015), available at <http://www1.nyc.gov/assets/mocs/downloads/pdf/IndicatorsReport/2015%20Agency%20Procurement%20Indicators.pdf> (hereinafter "Mayor's Office of Contract Services, Agency Procurement Indicators")

<sup>2</sup> Human Services Council "Human Services Council Leads #5and5COLA Campaign. Human Services Council" (April 27, 2015) <http://www.humanservicescouncil.org/documents/Human%20Services%20Council%20Leads%20COLA%20Campaign.pdf>

<sup>3</sup> *Id.*

Staten Island, and 22% of all jobs in Queens in 2012.<sup>4</sup> Notably, the vast majority of those employed by the human services sector are women and people of color<sup>5</sup>, women representing four out of every five workers.<sup>6</sup>

Of the City's \$13.8 billion expense contract budget in Fiscal Year (FY) 2015, nearly \$2.3 billion was awarded for human services.<sup>7</sup> A significant majority of these contracts were procured by eight agencies: the Administration for Children's Services (ACS), the Department for the Aging (DFTA), the Department of Health and Mental Hygiene (DOHMH), the Department of Homeless Services (DHS), the Department of Probation (DOP), the Department of Youth and Community Development (DYCD), the Human Resources Administration (HRA), and the Mayor's Office of Criminal Justice (MOCJ).<sup>8</sup> Nearly half (48%) of human services procurements in FY 2015 were made by DYCD and ACS.<sup>9</sup>

While the City and agencies contract with nonprofits to address many of the same social issues and to serve vulnerable populations, many continue to experience ongoing financial difficulties. SeaChange Capital Partners (SeaChange), a New York-based merchant bank serving the nonprofit sector, recently analyzed the financial risks of the nonprofit sector and ways to mitigate them. The findings from their analysis illustrate the fragility of the nonprofit sector in New York City. According to the report, more than 10% of nonprofits<sup>10</sup> are insolvent (where

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<sup>4</sup> "Helping the Helpers Will Help Us All: The Economic Situation of New York City's Health Care and Social Assistance Sector." Fiscal Policy Institute (May 7, 2012), available at <http://fiscalspolicy.org/wp-content/uploads/2012/05/fpi-helping-the-helpers-nonprofits-and-the-nyc-economy.pdf>

<sup>5</sup> Human Services Council, "2.5% Cost of Living Adjustment for New York City's Human Services Workers" (June 11, 2015)

<https://humanservicescouncil.wordpress.com/2015/06/11/2-5-cost-of-living-adjustment-for-new-york-citys-human-services-workers/>

<sup>6</sup> *Id.*

<sup>7</sup> Mayor's Office of Contract Services, Agency Procurement Indicators, *supra* note 1, at 69.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Dylan Roberts and John MacIntosh, *Risk Management for Nonprofits* 5, Marsh & McLennan Companies (March 2016), available at <http://seachangecap.org/wp-content/uploads/2016/03/SeaChange-Oliver-Wyman-Risk->

their liabilities exceed their assets), 18% of which are nonprofits that provide health and human services.<sup>11</sup> Many organizations are “limping from payroll to payroll” with less than a month of cash, borrowing from vendors by delaying payment and/or dipping into restricted funds.<sup>12</sup>

Roughly more than one-third of nonprofits surveyed received more than 90% of their funding from the government, and nearly 80% of the largest human services organizations in the City are over 90% publically funded. According to the SeaChange report, funding in the form of government contracts or restricted grants “virtually guarantees” a deficit and creates working capital needs, as funding often arrives after expenses are paid and is subject to unpredictable delays.<sup>13</sup> Additionally, the rising cost of the face-to-face, labor-intensive services (typically not benefitted by updated technology) provided by such organizations, presents financial difficulties for nonprofits.<sup>14</sup> The real cost of services, which are often not fully covered by government contracts or grants, has risen substantially over time and is projected to do so in the future.<sup>15</sup> SeaChange also found that nonprofits face structural challenges recruiting and maintaining high-quality staff in finance, accounting, technology, and back-office functions due to the small size of many of these organizations, challenges providing career development, and competition from higher paying for-profit organizations.<sup>16</sup>

### **III. CHALLENGES FACING NON-PROFITS IN CITY CONTRACTING**

While the City has made improvements over the past few years in the procurement process for nonprofit service providers, particularly through the development and

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[Report.pdf](#). This is based on a representative sample of approximately 1,335 nonprofits filing IRS Form 990s for which the company obtained.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 6

<sup>13</sup> *Id.* at 2

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

implementation of the HHS Accelerator system (to be discussed further below), these providers still face a number of critical challenges.

### *Retroactive Contracts*

Retroactive contracts, those contracts registered by the Comptroller after the contractual start date,<sup>17</sup> continue to impact many human services providers. MOCS testified at a prior City Council hearing that there is “significant harm” associated with retroactive contracts in the context of the provision of human services.<sup>18</sup> Contractors outside of the human services sector typically do not incur significant costs until contracts are registered or operate in an environment where it is customary to provide service in advance of billing, while nonprofits who must rely on regular payment from the City to meet their financial obligations as they provide service, are acutely impacted by retroactive contracts.<sup>19</sup> Additionally, in circumstances where contracts must be renewed or extended or existing programs are re-bid, human service providers generally continue to serve their clients’ needs while contract registration is pending.<sup>20</sup>

The Committee held a hearing in February 2014 that examined the impact of late registration of contracts on City vendors. At that hearing, MOCS testified that “many complex variables” contribute to retroactivity, including the agency and Office of Management and Budget (OMB) budget process, the election of human services providers to negotiate changes in contract language or terms, and the finalization of responsibility determinations.<sup>21</sup> HSC noted

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<sup>17</sup> Mayor’s Office of Contract Services, Agency Procurement Indicators, *supra* note 1, at 88.

<sup>18</sup> Council of the City of New York, Briefing Paper of the Committee on Contracts 3 (Feb. 27, 2014), available at <http://legistar.council.nyc.gov/View.ashx?M=F&ID=2925222&GUID=88331D51-8F92-4DDA-BB83-7411426CEB97>

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> Council of the City of New York, *Testimony of Andrea Glick, City Chief Procurement Officer and Director of the Mayor’s Office of Contract Services Before the Committee on Contracts* (February 27, 2014), available at <http://legistar.council.nyc.gov/View.ashx?M=F&ID=2934272&GUID=57547C25-1448-4789-8C20-619F5AD8CABE>

that some City Council discretionary awards are also problematic for providers as certain contracts are immediately retroactive due to the City's budgeting process.<sup>22</sup> MOCS discussed a number of steps it was taking to reduce delays, including implementing a paperless, online VENDEX system and issuing VENDEX waivers to allow qualifying nonprofit vendors to complete VENDEX processing post-registration.<sup>23</sup> It also recommended that the VENDEX threshold be raised to apply to aggregate contractual awards of \$250,000.<sup>24</sup> Further, MOCS cited the Returnable Grant Fund (RGF) as another resource to assist nonprofit providers. RGF was created in 1992 and is administered jointly by MOCS and the Fund for the City of New York.<sup>25</sup> Under this program, nonprofit entities currently receiving or pending receipt of expense funding from the City, who are able to demonstrate an inability to meet short term operating costs, are eligible to receive interest free loans on a short-term basis.<sup>26</sup> MOCS testified in February 2014 that the office never rejected an eligible applicant based on a shortage of available funds.<sup>27</sup>

In FY 2015, MOCS reported that the percentage of “significantly” retroactive contracts (those registered more than 30 days after the start date) increased by 44% over the “historic” low of 8% in FY 2014. There was also a corresponding increase in the number of days these contracts were retroactive, from 41 days in FY 2014 to 90 days retroactive in FY 2015.<sup>28</sup>

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<sup>22</sup> Council of the City of New York, *Testimony of Michelle Jackson, General Counsel of the Human Services Council of New York Before the Committee on Contracts* (February 27, 2014), available at <http://legistar.council.nyc.gov/View.ashx?M=F&ID=2934272&GUID=57547C25-1448-4789-8C20-619F5AD8CABE>

<sup>23</sup> Council of the City of New York, *Testimony of Andrea Glick*, *supra* note 14.

<sup>24</sup> *Id.* The current threshold is \$100,000. Mayor's Office of Contract Services, Forms: VENDEX, <http://www1.nyc.gov/site/mocs/resources/forms.page> (last accessed March 24, 2016)

<sup>25</sup> *Id.*

<sup>26</sup> City of New York, Mayor's Office of Contract Services, Returnable Grant Fund FAQ, [http://www.nyc.gov/html/nonprofit/downloads/pdf/Returnable%20 Grant Fund FAQ.pdf](http://www.nyc.gov/html/nonprofit/downloads/pdf/Returnable%20Grant%20Fund%20FAQ.pdf)

<sup>27</sup> Council of the City of New York, *supra* note 14.

<sup>28</sup> Mayor's Office of Contract Services, Agency Performance Indicators, *supra* note 1, at 71.

*Human Services Council (HSC) Nonprofits Report*

In February 2016, HSC released its report *New York Nonprofits in the Aftermath of FEGS: A Call to Action*. The report was prompted by the announcement in March 2015 that FEGS Health & Human Services (FEGS),<sup>29</sup> one of New York's largest human services providers with an annual budget of \$250 million, would be filing for bankruptcy.<sup>30</sup> FEGS, established in 1934 during the Great Depression, was a longstanding provider that delivered an array of mental health, disabilities, housing, homecare, and employment services on an annual budget of approximately \$250 million.<sup>31</sup> Annual audits filed by FEGS, which had \$202 million in multiple-year contracts with city agencies, failed to indicate any significant problems.<sup>32</sup> FEGS, faced with a budget shortfall of \$19.4 million<sup>33</sup>, closed its programs after 80 years in operation resulting in 1,900 employees without jobs and unpaid creditors holding more than \$47 million in debt.<sup>34</sup>

HSC suggests that the closing of FEGS signifies systematic issues, including those concerning the procurement and contracting of public services that threaten the survival of the nonprofit human services sector as a whole.<sup>35</sup> Within this report, HSC found that nonprofit human services providers have a higher rate of insolvency than other types of nonprofits.<sup>36</sup> HSC therefore sought to explore the systemic issues that make it difficult for nonprofit human services providers in New York to operate.<sup>37</sup>

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<sup>29</sup> FEGS Health & Human Services was previously known as the Federation Employment and Guidance Service.

<sup>30</sup> Human Services Council, *New York Nonprofits in the Aftermath of FEGS: A Call to Action* 1 (February 23, 2016), <http://www.humanservicescouncil.org/Commission/HSCCommissionReport.pdf>

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Supra* note 7

<sup>34</sup> *Supra* note 8

<sup>35</sup> *Id.* at 2

<sup>36</sup> *Id.* at 3

<sup>37</sup> *Id.* at 2.

The report cited several problems with the City’s contracting process, from RFP development to payment. HSC commented that barriers due to City procurement rules and insufficient community engagement prevented “real collaboration” in the development of concept papers for City programs prior to the RFP.<sup>38</sup> Next, the report commented that government contracts are “characterized by egregiously low indirect payment rates” that fail to sufficiently cover indirect costs.<sup>39</sup> These include rent, facility maintenance, equipment purchases, fundraising, insurance costs, and human resources and accounting functions.<sup>40</sup> HSC noted that the federal government, which historically has paid “significantly” higher indirect cost rates on grants than other levels of government, has recognized these challenges in guidelines issued in December 2013 by the White House Office of Management and Budget.<sup>41</sup> These guidelines require that “pass-through entities,” such as local governments, which provide Federally-funded awards to organizations to carry out parts of a Federal program, reimburse the reasonable indirect costs for nonprofit organizations.<sup>42</sup>

Providers surveyed by HSC reported indirect cost rates of nine percent or less on New York City contracts.<sup>43</sup> The report cited several examples of City agencies with low indirect payment rates. For example, one provider reported that DFTA only reimbursed overhead costs on one of its three contracts with the agency, at a rate of seven percent (compared to the organization’s actual overhead ratio of 20%). DOHMH was also reported to reimburse overhead at seven percent, while DHS was reported not to reimburse for any indirect costs.<sup>44</sup> This lack of

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<sup>38</sup> *Id.* at 6.

<sup>39</sup> *Id.* at 16.

<sup>40</sup> *Id.* at 15.

<sup>41</sup> *Id.* at 16.

<sup>42</sup> See Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) (December 26, 2013), *available* at <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>

<sup>43</sup> Human Services Council, *New York Nonprofits in the Aftermath of FEES: A Call to Action*, at 16.

<sup>44</sup> *Id.*

funding is particularly critical, according to HSC, because government monies account for at least 80% of provider revenue, and the resulting budget shortfalls are unlikely to be made up by private funding.<sup>45</sup>

Providers have also cited late and unpredictable contract payments as a major strain on their operations, as this presents challenges to preparing a budget for operational and staff expenses. HSC's survey found that only 20% of City payments were received on time and 34% of City contract payments were received more than 90 days late.<sup>46</sup> Late payments are frequently the result of delayed contract registrations. Because services must begin on the first day of a contract, registration delays can force nonprofits to incur significant upfront costs to provide such services prior to the time during which they have a right to reimbursement.<sup>47</sup> When providers borrow money to cover these costs, they are usually unable to have interest payments reimbursed.<sup>48</sup> The HSC report cited the example of DYCD's Middle School Expansion Program. DYCD notified providers of grant awards in March 2015 for summer services, and providers began to gather staff and find space for that summer's program.<sup>49</sup> The awards were retracted in May, reinstated in June, and were not registered until mid-August.<sup>50</sup> This meant that providers had to lay out the entire cost of the program throughout the summer before they were reimbursed.

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<sup>45</sup> *Id.* at 17.

<sup>46</sup> *Id.* at 21. By comparison, 25 percent of State grant payments were received on time and 25 percent were received more than 90 days late. *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* at 22.

<sup>50</sup> *Id.*

#### IV. HHS ACCELERATOR

In 2009, in part to address the procurement challenges cited by the nonprofit social service provider community, the Bloomberg Administration convened the Strengthening Nonprofits Task Force.<sup>51</sup> Among the initiatives developed by the Task Force was the Health and Human Services Accelerator (HHS Accelerator), first proposed in a concept paper published by the Office of the Deputy Mayor for Health and Human Services and MOCS in 2010.<sup>52</sup> HHS Accelerator was intended to be a web-based procurement system designed to maximize existing resources and streamline the procurement process.

After designing and testing the new system, Mayor Bloomberg issued Executive Order 160 of 2012, which established HHS Accelerator within the Office of the Mayor.<sup>53</sup> HHS Accelerator removed redundant paper-based requirements, reengineered certain processes and standardized contracting documents. Vendors were permitted to prequalify online, as well as upload and store documents electronically (documents had previously been submitted in hard copy for each contract solicitation).<sup>54</sup> Subsequently, the Procurement Policy Board (PPB) promulgated rules in 2013 that established the HHS Accelerator as the default procurement method for most client service contracts and defined its functions, set forth the policy and criteria governing the prequalification of vendors through HHS Accelerator, and established the process

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<sup>51</sup> Carol J. De Vita and Sarah L. Pettijohn, *Innovations in NYC Health & Human Services Policy: Procurement and Shared Services*, Urban Institute (February 2014), available at <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/413056-Innovations-in-NYC-Health-and-Human-Services-Policy-Procurement-and-Shared-Services.PDF>

<sup>52</sup> Human Services Council, *The New York City Procurement Reform Project: Part 1-The Initial Impact of HHS Accelerator 5* (April 30, 2015), available at <http://www.humanservicescouncil.org/documents/Reports/HSC%20HHS%20Accelerator.pdf> [hereinafter “Human Services Council, Procurement Reform Project”]

<sup>53</sup> City of New York, Mayor’s Office of Contract Services, *Notice of Adoption of Final Rule by the Procurement Policy Board* (Nov. 8, 2013), [http://www1.nyc.gov/assets/mocs/downloads/pdf/ppb/PPB\\_Amendments\\_HHS%20Accelerator\\_11082013.pdf](http://www1.nyc.gov/assets/mocs/downloads/pdf/ppb/PPB_Amendments_HHS%20Accelerator_11082013.pdf)

<sup>54</sup> *Id.*

for soliciting proposals from prequalified vendors through the system.<sup>55</sup> The system officially went live in October 2013 to facilitate health and human services procurements.<sup>56</sup>

HHS Accelerator features four main components. The *Document Vault*, which may be used by any client or community-based services provider regardless of City contracting status, is a secure, Web-based filing cabinet enabling providers to store and share documents (such as corporate structure, financial and policy documents) with the City and other organizations.<sup>57</sup> The *Prequalification* component allows organizations to establish a profile with the City and receive simpler, targeted Request for Proposal (RFP) documents.<sup>58</sup> This process involves registering for a NYC ID and then completing both the Business and Service applications. The City will only release RFPs to vendors who have prequalified through HHS Accelerator.<sup>59</sup> The *Procurement Roadmap* provides a central location where all Health and Human Services RFPs are published, and allows providers to download all associated documents, submit proposals, and track award status in one location.<sup>60</sup> Currently, fourteen agencies are utilizing the Procurement Roadmap.<sup>61</sup> Finally, the *Financials* component provides organizations with a paperless process for managing budgets, invoices, and payments for contracts.<sup>62</sup> Features of this system include: a standardized budget template, increased transparency, a shared interface for agencies and providers to conduct

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<sup>55</sup> *Id.*

<sup>56</sup> Mayor's Office of Contract Services, Agency Procurement Indicators, *supra* note 1, at 69.

<sup>57</sup> City of New York, HHS Accelerator, *Provider Guide to the Document Vault* 3, [http://www1.nyc.gov/assets/hhsaccelerator/downloads/pdf/introduction\\_to\\_the\\_document\\_vault.pdf](http://www1.nyc.gov/assets/hhsaccelerator/downloads/pdf/introduction_to_the_document_vault.pdf)

<sup>58</sup> City of New York, HHS Accelerator, "Prequalification," <http://www1.nyc.gov/site/hhsaccelerator/funding/prequalification.page> (last accessed March 22, 2016)

<sup>59</sup> *Id.*

<sup>60</sup> City of New York, HHS Accelerator, "How It Works," <http://www1.nyc.gov/site/hhsaccelerator/about/how-it-works.page> (last accessed March 22, 2016)

<sup>61</sup> *Id.* These agencies are: Administration for Children's Services (ACS), Department for the Aging (DFTA), Department of Consumer Affairs (DCA), Department of Corrections (DOC), Department of Education (DOE), the Department of Health and Mental Hygiene (DOHMH), the Department of Homeless Services (DHS), Department of Probation (DOP), Department of Small Business Services (SBS), Department of Youth and Community Development (DYCD), Housing Preservation and Development (HPD), Human Resources Administration (HRA), Mayor's Office of Criminal Justice (MOCJ), and New York Police Department (NYPD).

<sup>62</sup> City of New York, HHS Accelerator, "Financials," <http://www1.nyc.gov/site/hhsaccelerator/financials/financials.page> (last accessed March 22, 2016)

contract transactions, and improved efficiency for contract and budget management.<sup>63</sup> While the City is phasing in use of the Financials module, in FY 2016, programs from nine agencies are currently using the module.<sup>64</sup>

FY 2015 marked the first full year that all new human services RFPs were released through HHS Accelerator, and 77% of new human services contracts registered that year were awarded via a competitive process through the system.<sup>65</sup> In FY 2015, HHS Accelerator prequalified 922 new providers to compete for human services procurements, increasing the prequalified vendor pool by more than 200% (to 1,830 providers).<sup>66</sup>

HHS Accelerator also reported last year on a number of other program metrics covering the period from the system launch in fall 2013 through summer 2015. As of summer 2015, the system supported 7,204 users, including 1,854 prequalified vendors (up from 1,372 in 2014 and 515 in 2013).<sup>67</sup> The population most served by these prequalified vendors is children, while the least served population is individuals with Alzheimer's disease.<sup>68</sup> The services with the largest amount of prequalified providers are child care services and academic supports, while the services with the least amount of prequalified providers are restitution collection and secure detention.<sup>69</sup> With respect to language capacity (other than English) of prequalified providers, 69% reported providing services in Spanish, 17% in Chinese, 16% in Russian, 16% in Haitian Creole, 7% each in Italian, Hebrew, and Korean, 6% each in French and American Sign Language, and 5% in Yiddish.<sup>70</sup>

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<sup>63</sup> *Id.*

<sup>64</sup> *Id.* These agencies are: ACS, DOE, DHS, DOP, SBS, DYCD, HPD, HRA, and MOCJ.

<sup>65</sup> Mayor's Office of Contract Services, Agency Procurement Indicators, *supra* note 1, at 69.

<sup>66</sup> *Id.* at 70.

<sup>67</sup> City of New York, HHS Accelerator, *HHS Accelerator Data Provider Report 3* (2015), available at <http://www1.nyc.gov/assets/hhsaccelerator/downloads/pdf/HHSAcceleratorProviderDataReport2015.pdf>

<sup>68</sup> *Id.* at 8.

<sup>69</sup> *Id.* at 6.

<sup>70</sup> *Id.* at 7.

Next, the report examined improvements to the procurement process. HHS Accelerator released 93 RFPs between Fall 2013 and Summer 2015, with DYCD as the agency most often utilizing the service (27 RFPs), followed by HRA and MOCJ (14 RFPs).<sup>71</sup> The median number of calendar days from the initial release of these RFPs to the final contract award is 98 days, including 55 days from the RFP release to the date proposals are due, and 43 days for the agency review and award selection process.<sup>72</sup> For those providers submitting their RFP proposal via HHS Accelerator, the current rate of winning an award is 44%.<sup>73</sup> Of the 908 prequalified providers who submitted a proposal, 602 of them (approximately 2/3) received an award through the HHS Accelerator procurement process.<sup>74</sup>

Finally, the report examined the HHS Accelerator Financials module. The total contract value managed in the system doubled from \$591.32 million in FY 2015 to \$1.187 billion in FY 2016.<sup>75</sup> Providers submitted a monthly average of 350 invoices (worth \$40 million) in HHS Accelerator in FY 2015.<sup>76</sup> With respect to the budget review process, the median number of calendar days from budget submission to approval was 19 days.<sup>77</sup> Thirty three percent of budgets were approved after only one return, 25% were approved with no returns, 23% were approved with three or more returns, and 18% were approved with two returns.<sup>78</sup> The invoice approval process (from submission to approval) took a median of nine days, with 73% of invoices approved without any return.<sup>79</sup>

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<sup>71</sup> *Id.* at 9.

<sup>72</sup> *Id.* at 10.

<sup>73</sup> *Id.* at 11.

<sup>74</sup> *Id.* at 12.

<sup>75</sup> *Id.* at 13.

<sup>76</sup> *Id.* at 14.

<sup>77</sup> *Id.* at 15.

<sup>78</sup> *Id.*

<sup>79</sup> *Id.*

An April 2015 survey of providers by HSC found a “high level” of satisfaction with HHS Accelerator.<sup>80</sup> Providers reported experiencing reductions in redundancy and staff time on procurement issues, “outstanding” customer support, and an overall increased level of satisfaction with the administrative aspects of the City’s procurement process.<sup>81</sup>

## V. CONCLUSION

In order to continue to provide quality, effective services to millions of New Yorkers, human services providers must be able to rely on an efficient City contracting system. This includes the ability to apply for opportunities in a streamlined manner, to have input in the development of contracted programs, and to rely on timely, sufficient payments for services. Today, the Committee will hear from MOCS about their ongoing efforts to improve nonprofit human services contracting in New York City, as well as from providers about their recommendations of steps the City can take to strengthen the contracting process to better enable them to fulfill their mission to serve New Yorkers.

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<sup>80</sup> Human Services Council, Procurement Reform Project, *supra* note 53.

<sup>81</sup> *Id.* at 14-19.