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## COMMUNITY BOARD NO. 2, MANHATTAN

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April 29, 2018

Hon. Bill de Blasio  
Mayor  
City Hall  
New York, NY 10007

Hon. Corey Johnson  
Council Speaker  
224 West 30<sup>th</sup> St. Suite 1206  
New York, NY 10001

Dear Mayor de Blasio and Council Speaker Johnson:

At its Full Board meeting on April 18, 2018 Community Board #2, Manhattan (CB#2, Man.) adopted the following resolutions:

### **A resolution calling for improvements to the city's process for approving contracts with social service providers.**

#### **WHEREAS:**

- 1) The Office of the New York City Comptroller has conducted two annual analyses of the City's procurement process, the latest report entitled "Still Running Late: An Analysis of NYC Agency Contracts in Fiscal 2018," published in January of 2019; and
- 2) The Comptroller's office is required to review and register every City procurement contract before payment can be made to a service provider. The Comptroller's office has 30 days to register (or to return) a contract. However, it can take months or even years of delay and review by up to five other city agencies—none of which has a required timeline for review—before the Comptroller's office receives it for registration; and
- 3) When registration is made only after the contract period has already begun, a contract is deemed "retroactive"; and
- 4) The Comptroller's report concluded that 89% of human service contracts were "retroactive": that they arrived at the Comptroller's Office long after the actual contract start date, meaning that these non-profit organizations were already fulfilling their contract and providing services before being paid to do so; and
- 5) The report determined that the average length of retroactivity for human service contracts in 2018 was 224.7 days; and
- 6) Delaying payment by months puts tremendous strain on the finances of social service organizations, especially small-volume providers working on slim margins; it creates inefficiencies by frequently requiring organizations to acquire a line of credit to cover cash deficits, adding to the cost of their debt service; it forces providers to decide between delaying the start of service and beginning service without payment; and it threatens the fiscal sustainability of organizations providing needed services; and

- 7) The Comptroller's report proposes two specific policies to ameliorate contract delays:
  - a. "Assign each City agency with a role in contract oversight a specific timeframe for their contract review work. By holding agencies to specific contract timeframes, the contracting process can be expedited and standardized"; and
  - b. "Create a public facing tracking system to allow vendors to monitor the progress of their contract through each stage of the contract process. Making the contract process more transparent would introduce real accountability to the City's oversight agencies."

**Therefore, be it resolved that CB2**

- 1) considers delays in the payment of city contracts to be reprehensible; and
- 2) urges the City Council to adopt immediate measures to eliminate retroactivity in human service contracts, including serious consideration of the Comptroller's proposed solutions; and
- 3) is grateful for the commitment of our not-for-profit organizations that continue to help residents despite long delays in reimbursement by the city for their services.

**VOTE: Unanimous, with 36 Board Members in favor.**

Please advise us of any decision or action taken in response to these resolutions.

Sincerely,



Carter Booth , Chair  
Community Board #2, Manhattan



Susanna Aaron, Chair  
Social Services Committee  
Community Board #2, Manhattan

CB/EM

c: Hon. Scott M. Stringer, NYC Comptroller  
Hon. Gale Brewer, Man. Borough President  
Hon. Margaret Chin, Council Member  
Hon. Carlina Rivera, Council Member