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JOHN C. LIU  
COMPTROLLER

May 10, 2013

Honorable Michael R. Bloomberg  
Mayor  
City Hall  
New York, NY 10007

Dear Mayor Bloomberg:

The CityTime fiasco involving the outside consultant SAIC resulted in millions of dollars in overbilling to the City and in criminal charges that led to a deferred prosecution agreement and a \$500 million settlement against SAIC, as well as guilty pleas by some of its subconsultants. Additionally, at one point while my office was questioning the costs and time delays in the CityTime project, SAIC tried publicly to coerce the City into renewing its contract by claiming that the City did not have the capacity to run or maintain the CityTime system.

At the time, our offices worked together to call SAIC's bluff, transitioning from SAIC's outside consultants to City employees and transferring knowledge of the timekeeping system in-house.

I am concerned that we are faced with a similar situation with respect to Verizon, the outside vendor that supplies critical components of the City's E911 telecommunications system, including 911 call handling software.

The City's E911 program was significantly impacted by Verizon's delays in meeting its E911 contractual obligations, resulting in \$59 million of additional cost to the City. After spending nearly 7 years on Verizon's \$196 million E911 contract, which is set to expire at the end of June, the City still cannot independently operate the E911 software without Verizon consultants and technicians. Meanwhile, despite Verizon's poor performance, the City's Department of Information Technology and Telecommunications ("DoITT") has indicated their intent to renew the contract for up to an additional \$144 million over the next four years.

I propose that we work together again to safeguard the taxpayers of the City of New York by ensuring that the City will not be held hostage by a vendor for the continued operation of a critical public safety system.

Even as we seek to recover damages owed by Verizon because of its delays in providing E911 services, DoITT must renegotiate Verizon's contract to ensure that, to the extent possible, there is an appropriate transfer of knowledge of the E911 system in-house to enable City employees to provide the required system maintenance. The City simply cannot afford to be dependent on an outside vendor for this critical City function.

As always, I am available to discuss this matter with you.

Sincerely,



John C. Liu