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## **STRINGER ANNOUNCES REFORMS TO CITY MANAGEMENT OF INFORMATION TECHNOLOGY CONTRACTS**

*First New Directive Issued Since 2005 will Target Runaway IT Consulting Costs*

New York, NY – Comptroller Scott M. Stringer today announced he has proposed a draft directive, to standardize oversight of Information Technology (IT) contracts with New York City. The directive, [the 31<sup>st</sup> such directive issued since 1978](#), will create robust procedures for verifying the work done by the City’s IT consultants before they are paid.

“Today marks a new day for how the City pays for and monitors Information Technology consulting contracts,” Stringer said. “We’ve seen how millions of taxpayer dollars have been spent improperly due to lack of oversight and accountability. Moving forward, this directive will provide structure and accountability to ensure New York City gets what it pays for on its IT contracts.”

Currently, there are no minimum standards for “Time and Materials” (billed by the hour) contracts for IT consultants including how City agencies process and verify IT consultant timesheets; how City agencies verify consultant credentials and work effort when approving invoices for payment; or what the roles and responsibilities are for City IT contract managers.

The directive will require:

- Time sheets to include a detailed description of the type of work completed and where it was performed. Time sheets must be submitted within one month of the work being performed and approved by the City no more than one month later;
- Agencies to verify an individual’s qualifications for the rate at which the contractor is billing the City;
- A City employee to certify time sheets are accurate and an independent City employee to review these time sheets to ensure they correspond to contract parameters; and
- Agencies must specify the maximum allowable mark ups for personnel and material costs.

The City Charter grants the Comptroller the authority to dictate policies, procedures and standards for the accountability and control of New York City’s financial operations and transactions. This directive will be another step the Comptroller has taken to ensure that there are clear expectations on the agency and vendor side of monitoring and oversight of services.

“I am looking at issues across the City, from settlements to audits to accounting, for ways in which we can work smarter, save money and get better results for taxpayers,” Stringer said. “This directive will codify requirements for how the City oversees and manages payments to IT contract workers. We will be working with City agencies over the coming weeks to implement this directive.”

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