



NEW YORK CITY COMPTROLLER
BRAD LANDER

NYC Contracts

Caught in the Slow Lane

BUREAU OF CONTRACTS ADMINISTRATION

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Executive Summary

Registration is a step in the procurement process at which most contracts become legally effective, allowing the City to pay vendors with whom it does business. This spotlight report catalogues the City's ongoing struggles to register contracts in a timely manner. These delays, which extend to both contracts registered by this Office and contracts that are self-registered by City agencies, often place enormous financial strains on business and non-profits. Many organizations are forced to borrow to cover cash flow and triage their own expenses, making it extremely difficult to pay their workers, sustain operations, and grow their footprint. In addition to the challenge of late payments, contract delays can result in:

1. **An undermining of public faith in the fairness of the City's procurement process:** Contract registration is not the only part of the procurement process where there are delays. The Procurement Policy Board ("PPB") Rules require agencies to notify the public and solicit input about many types of purchases. When agencies are delayed in providing such opportunities for input until after they've finalized their procurement decisions, it weakens the openness and transparency that the City's procurement rules were designed to achieve.
2. **Additional payment delays even after the contract is registered:** Vendors must submit budgets and invoices for agency approval as a precondition for most payments. Many of these processes can't begin until a contract is registered, and they can become increasingly complicated to manage the longer a vendor has been working at-risk under a pending contract. This is especially true for contracts registered in a fiscal year after the one in which contracted work began. For more information on the budget and invoice submission process, [see this link](#).
3. **Higher barriers-to-entry for NYC organizations wanting to do business with the City:** Organizations that don't have a sizeable capital cushion to weather payment delays could be priced out of potential contracting opportunities. High costs associated with City contracting have dampened competition by discouraging M/WBEs, which have historically lacked access to capital, from bidding on City projects.
4. **Ambiguity about the terms of a given contract:** Most contracts are not made legally effective until registration. Until the City confirms the contractual standards under which a vendor will be operating, it can be harder for vendors and the City to hold each other to account for related supports and deliverables.

Risks for Vendors providing goods or services before their contracts are registered: While rare, the City is sometimes forced to cancel a planned procurement due to irreconcilable procedural issues or because of adverse findings uncovered by an oversight entity. Understanding the urgency of this problem, Comptroller Lander partnered with the Mayor's Administration to establish the Joint Task Force to Get Non-Profits Paid and the Capital Reform Task Force and to

propose critical reforms needed to address components of contracting systems.¹ Some initial progress was made, including the “Clear the Backlog” initiative in the summer of 2022; an Allowance Amendment Initiative to enable the City to make certain modifications for things like cost of living increases and indirect rate increases or for the performance of additional work without requiring lengthy contract amendments; and an initiative with the City Council to make discretionary award contracts multi-year, which is starting to eliminate red tape and prevent providers from having to complete the entire City procurement process for thousands of contracts on an annual basis. However, the Administration has fallen short when it comes to the most important job of examining and reforming aspects of the procurement process that it directly oversees.

This is epitomized by the Administration’s failure to deliver on one of the taskforce’s most consequential reforms, a commitment to establish timeframes and key performance indicators for the City’s procurement process. These indicators have the potential to reveal what parts of the contracting process are causing the most delays and empower policy makers to pursue sustainable reforms. The Comptroller’s office currently manages the only part of the procurement process with a charter-mandated time-limit to register or return each contract within 30 days of receiving it – an obligation this Office has met consistently.

Comptroller Lander has advocated for and supported the passing of, Local Law 169 (LL 169), enacted in 2023 to gain a better understanding of procurement process timelines and identify areas for targeted improvements. In furtherance of these goals, LL 169 directs the Mayor’s office to study and report on the discrete action steps undergirding procurement methods used by the City. Unfortunately, the first LL 169 report released by the Mayor’s office was inexplicitly limited in scope, and failed to make any new insights or recommendations to help City agencies register contracts on a timelier basis. Until the Administration is willing to examine the portions of the procurement pipeline that it oversees, the City will not see meaningful improvement in its retroactive registration rates.

With hopes of moving the conversation on this topic forward, this spotlight report explores a number of topics relating to retroactivity including:

1. FY24 retroactive rates for procurement contracts.
2. A comparison of retroactivity rates between Comptroller-registered and agency self-registered contracts.
3. An examination of retroactivity rates across Mayoral agencies.
4. Case studies of contract transparency milestones that were delayed or missed.

¹ To learn more about the Joint Task Force to Get Nonprofits paid on time, please refer to “A Better Contract for New York”:
<https://comptroller.nyc.gov/reports/a-better-contract-for-new-york/>

Similarly, more information can be found on the Capital Reform Task Force here:
<https://www.nyc.gov/assets/mocs/downloads/Regulations/legislative-regulatory-reform/CP-Reform-Task-Force.pdf>

Procurement to Registration Life Cycle

There can be hundreds of actions that City entities must take to advance procurement and contract management actions through the City's contracting pipeline through the procurement pipeline. As in any system where there are dependencies across multiple stakeholders and processes, a delay in one area can reverberate in others. Often before this work can even begin, many of these same entities are tasked with resolving complex requisition (e.g. what is the City looking to buy, from whom, and for how much) and sourcing (e.g. market analysis, development and release of bid parameters, and vendor selection) decisions. Finally, there are many discrete tasks which can only start after the City has selected a vendor with whom to do business, and end when the contract is registered.

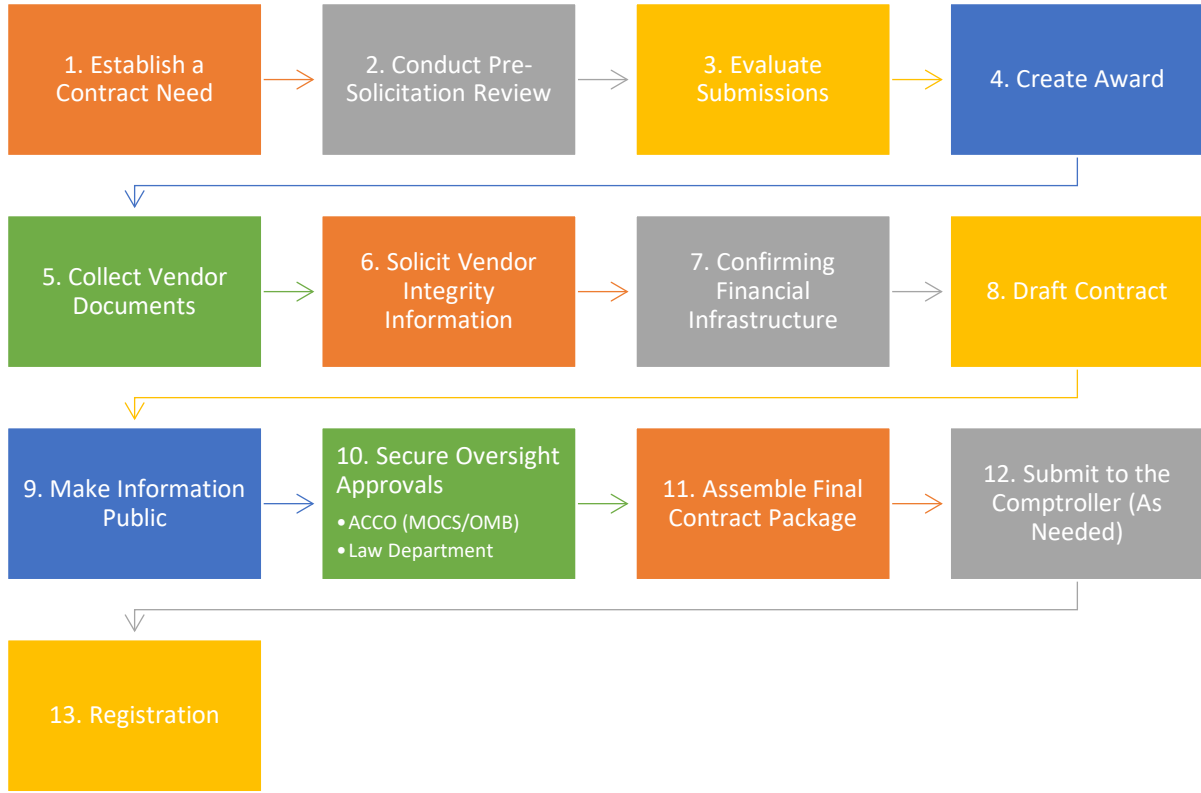
Any discussion of milestones, at least for mayoral agencies, must also include the Procurement and Sourcing Solutions Portal (“PASSPort”), which is an electronic end-to-end procurement platform that manages every stage of the procurement process from vendor enrollment to the solicitation of goods and services, to contract registration and management. Maintained by the Mayor’s Office of Contract Services (“MOCS”), PASSPort is the system in which most City contracts are ultimately processed.² This overview reflects the experience of Mayoral agencies that manage procurement and contracting actions in PASSPort and are subject to the Procurement Policy Board Rules (“PPB rules”), which govern the contracting activities of most City agencies.³

Since PASSPort is a workflow management system that is designed to capture the actions of City entities as they advance contracts through various stages of the procurement pipeline, we should be able to learn something from the PASSPort data about where contracts are getting stuck. Comptroller Lander has long advocated for the Administration to make this data public so that stakeholders can better understand where contracts are getting delayed, and to establish timeframes and key performance indicators for the City’s procurement process. Currently, only the Comptroller’s office has a time limit to complete its portion of the procurement process.

² Mayoral agencies use PASSPort to process prime contract records for many types of contracts. Certain types of contracts, and prime contracts for non-Mayoral agencies are not supported in PASSPort. The MEA administration recently updates PASSPort to capture all subcontract records for both Mayoral and non-Mayoral Contracts.

³ Non-mayoral agencies like the DOE do not currently processes contracts in PASSPort, nor are they subject to the PPB Rules.

Chart 1: Procurement Pipeline Milestones



Establish a Contract Need

An agency may determine that a new contract is needed to procure goods and services that are essential to its operations (e.g., securing office supplies or IT services for its staff). In other cases, an agency may need to use contracts as a mechanism to fulfill certain policy initiatives like expanding 5G access. How the City determines that a good, service, or construction is needed, and where and how they are delivered, can vary by the situation and agency.

Conduct Pre-Solicitation Review

Actions for the pre-solicitation review (“PSR”) phase, as defined by PPB rules, include assessing the existing market for the good, service, or construction; estimating the expected cost; and selecting the most appropriate procurement method for the City’s need. Once the PSR is complete, the Agency Chief Contracting Officer (“ACCO”) creates a summary of this information inclusive of the proposed procurement method. Depending on the procurement method, the expected cost, the type of goods or services, and other factors, MOCS and the Office of Management and Budget (“OMB”) may be required to approve the plan and certify that it complies with all applicable laws, rules and procedures.

Although the next steps can vary depending on the chosen procurement method, agencies must generally solicit quotes, bids or proposals from prospective vendors.

Evaluate Submissions

Procurement methods also inform what considerations agencies may take when selecting a vendor for a particular contract award. Selections may be based on price alone, or they may consider price and qualitative factors together. Some procurement methods don't require the agency to make a substantive evaluation, however in most instances, a selected vendor must be found by the agency to have been responsive to all material terms and conditions of a solicitation, and to all specified requirements. In either circumstance, the solicitation document must set forth the criteria by which the agency will base its determination of award.

Create Award

Once an award has been initiated in PASSPort, the ACCO and other key entities can begin to record critical information and approvals that are necessary to advance the contract. In this phase, the agency is recording important details about the procurement method used by the City to make the purchase, and about the awarded vendor.

Collect Vendor Documents

Awarded vendors must submit a number of documents necessary to confirm details about the goods, services, or construction being provided; business information; financials; and more. Through PASSPort, agency staff create discrete tasks to prompt awarded vendors to submit each required document. Agencies must review all submitted documents for accuracy and completeness before formally logging their approval in PASSPort.

Solicit Vendor Integrity Information

Most vendors must submit disclosures into PASSPort pertaining to its organizational history and its principal owners and officers. Required disclosures include information relating to the organization, its principal owners, affiliated entities, and government contracts held by the organization or its affiliates, within relevant timeframes. If the disclosed information or concurrent agency background checks raise questions about the vendor's business integrity, or the vendor's ability to meet the contract's requirements in a way that cannot be adequately addressed, the agency may find that the vendor is "not responsible" and consider a different vendor instead. Only once an agency determines that a vendor is responsible may it then move forward with awarding and executing a contract.

Confirming Financial Infrastructure

Along with the work being done by the agency's procurement team, its finance team must also work to confirm critical funding infrastructure for each pending contract in PASSPort. These tasks include projecting annual expenditures for the full term of the contract and its associated budget structure, selecting appropriate commodity lines (which tells the City what is being purchased),

and allocating funds to the contract so that the vendor can be paid. Each of these actions must be reviewed and approved by the agency's financial managers and its Chief Financial Officer. While OMB submits its official approval later in the contract process, their support in this phase is often essential for the above-named tasks to be completed.

Draft Contract

Agency legal units help coordinate the drafting of the actual contract package so it can be later sent to the vendor and the City's Law Department for final approval, if required. All contract drafts must be reviewed and approved by the agency's legal managers.

Make Information Public

The PPB rules outline various ways that agencies are required to make details about a contract award known to the public before it becomes legally effective. City agencies frequently communicate these details by means of notices and public hearings. In service of the latter, agency staff use PASSPort to select public hearing dates, create descriptions of the contract and the procurement method used to solicit bids, and coordinate with the MOCS public hearing team.⁴ Agency staff must use PASSPort to document details about notices and hearings for eventual inclusion in the contract package.

Secure Oversight Approvals

Once the ACCO has certified the completion of the prior steps and approved the draft contract package, agencies must next secure approval from a number of oversight entities. For instance, the Mayor's office, OBM, and the Financial Control Board (as needed) review contract packages to confirm that the final details match information previously shared by the agency, and that no new issues have emerged. Similarly, the City's Law Department is required to review and approve many City contracts. Contracts are also sometimes subject to review and approval by the Deputy Mayor assigned to oversee the contracting agency.

Assemble Final Contract Package

After confirming all oversight approvals in PASSPort, agency staff must finalize the contract package in accordance with the PPB rules. The contract package may include the agreement itself, documents related to the requisition and sourcing phases, financials, approval and certification records, key signatures and more. If any materials are missing or left incomplete in the contract package, it could delay the City's ability to register the contract and pay vendors for their work.

⁴ MOCS can sometimes delegate authority to agencies to hold their own public hearings without coordination.

Submit to the Comptroller (as needed)

Once the ACCO has reviewed the assembled contract package for completeness and given their final approval, they can submit the contract for registration. Agency staff often use PASSPort to transmit contract documents to the Comptroller for review and approval.⁵⁶ They must also create a corresponding record of the contract in the City’s Financial Management System (“FMS”), which is the City’s system of record for purchases.

Registration

The Comptroller’s Bureau of Contracts Administration (“BCA”) is responsible for the review and registration of all City procurement and revenue contracts, real property transactions, contract modifications, and task orders pursuant to the Charter, unless it has otherwise delegated its registration authority to City agencies. These reviews ensure that public dollars are being used in accordance with applicable law, that procedural requisites and required certifications discussed above have been followed, that there was no corruption in the letting of the contract, and that the awarded vendor was not debarred. Under the Charter, the Comptroller must complete all registration reviews within 30 calendar days following an agency filing.⁷ As indicated earlier, this is the only contracting milestone that has a required timeline for completion.

In registering a contract, the Comptroller is not endorsing or approving prior decisions made by City agencies regarding the need for a good or service. Instead, the Comptroller’s office is certifying that the City followed all required procedural requisites. However, registered contracts are subject to post audit review by our Office.

⁵ Note: In addition to exclusions listed in NYC Charter §328(d), agencies have been delegated authority to self-register certain low-dollar contracts internally without having to submit the transactions to the Comptroller for review and registration. When an agency exercises this delegation, BCA performs no registration review function nor is BCA responsible for performing any aspect of the registration process on behalf of the awarding agency in FMS.

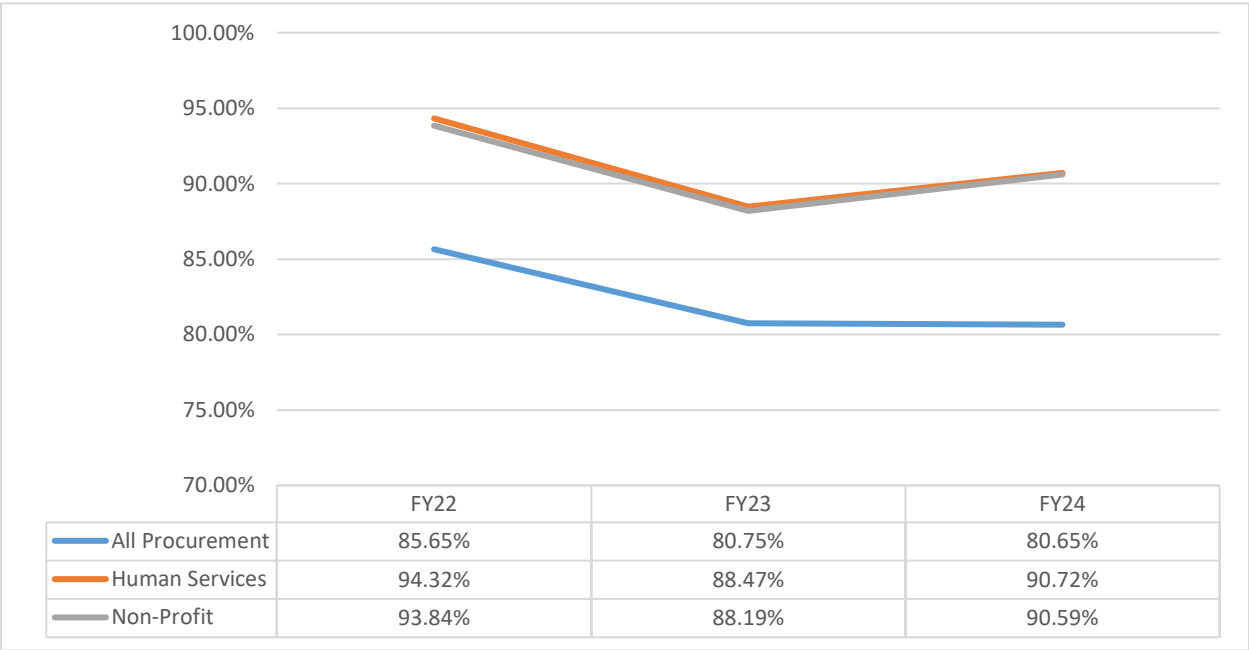
⁶When contracts are not supported by PASSPort, agencies can use a number of other means to submit contracts to the Comptroller’s office for registration. Contracts may also be hand delivered to the Comptroller’s office.

⁷ NYC Charter §328(a)

Procurement Retroactivity Rates FY22-FY24

Unless otherwise specified, retroactivity refers to contracts that the City registers after the contract start date, when vendors typically begin their work.⁸ The overall share of contracts registered retroactively remained stagnant compared to FY23 levels (88.65% in FY23 to 80.65% in FY24). Notably, the retroactivity rate for human service contracts and contracts awarded to non-profit providers worsened slightly from the prior year, with nearly nine out of every ten actions registered late. Although a third of FY24 contracts were still registered more than 6 months late, we also found that retroactive contracts were registered slightly less late relative to the prior year.⁹ See Chart 2 for year-over-year retroactivity trends, by volume of contracts.

Chart 2 – Percent Share of Late-Registered Contracts by Volume – FY22-24

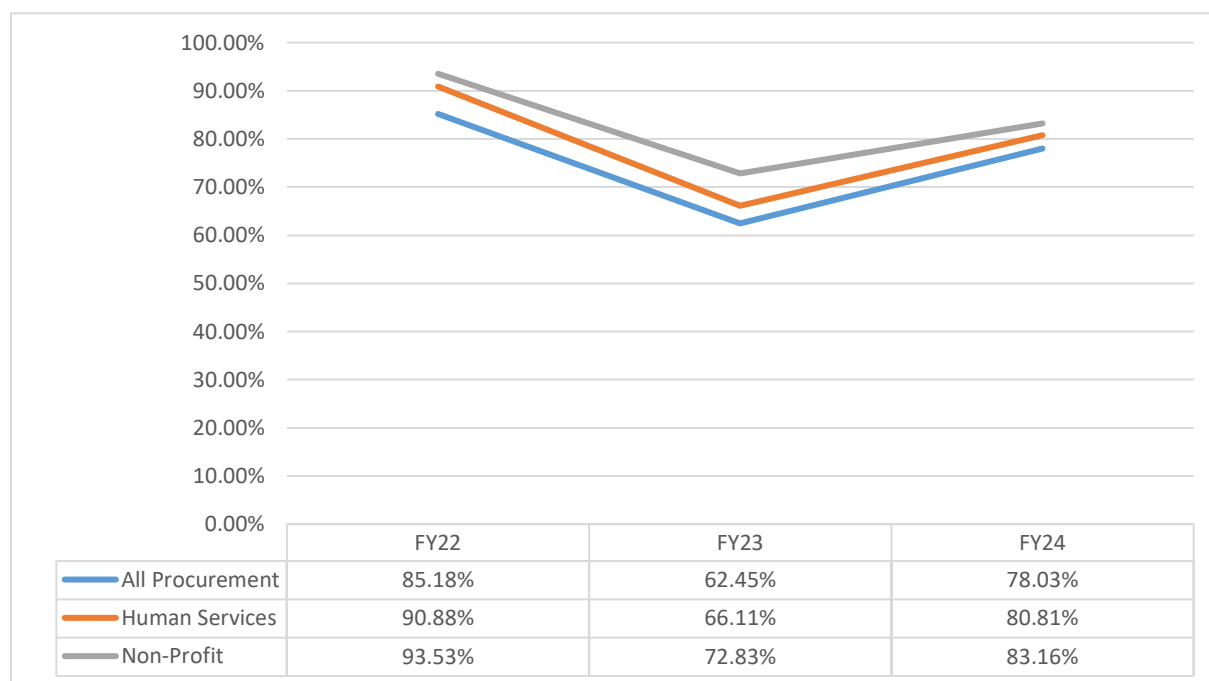


⁸This report relies in an updated methodology from one used in prior Annual Summary Contracts Reports. This year’s analysis excludes DOE purchases under award method 32 (Small Purchase Written), which are actually purchase orders. Through a systems quirk in FMS, DOE purchase orders with values between \$20K-\$25K are processed under a contractual document label rather than a purchase order label. Due to the high volume of these purchases, and because they are not subject to many of the same requirements as contracts, this report excludes DOE Small Purchase Written records so as not to muddy the picture of Citywide retroactivity rates for contracts.

⁹ For more detailed information about FY24 contract retroactivity, please refer to the FY24 edition of the Annual Summary Contracts Report.

Although the share of retroactive contracts remained relatively stagnant, the City registered a much higher share of contract value late in FY24 that it did in the prior fiscal year. See Chart 3 for additional details.

Chart 3 – Percent Share of Late-Registered Contract Value – FY22-24



Retroactive Registrations for Contracts Starting in Prior Fiscal Years

While the City can't pay vendors for services until their contracts have been registered, payment delays can also stem from processes that occur after registration. For instance, vendors must submit budgets and invoices for agency approval as a precondition for most payments, often with supporting documentation. Many of these processes can't begin until a contract is registered, and they can become increasingly complicated the longer a vendor has been working at-risk while their contract is pending registration. This is especially true for contracts registered in a fiscal year after the one in which contracted work began.

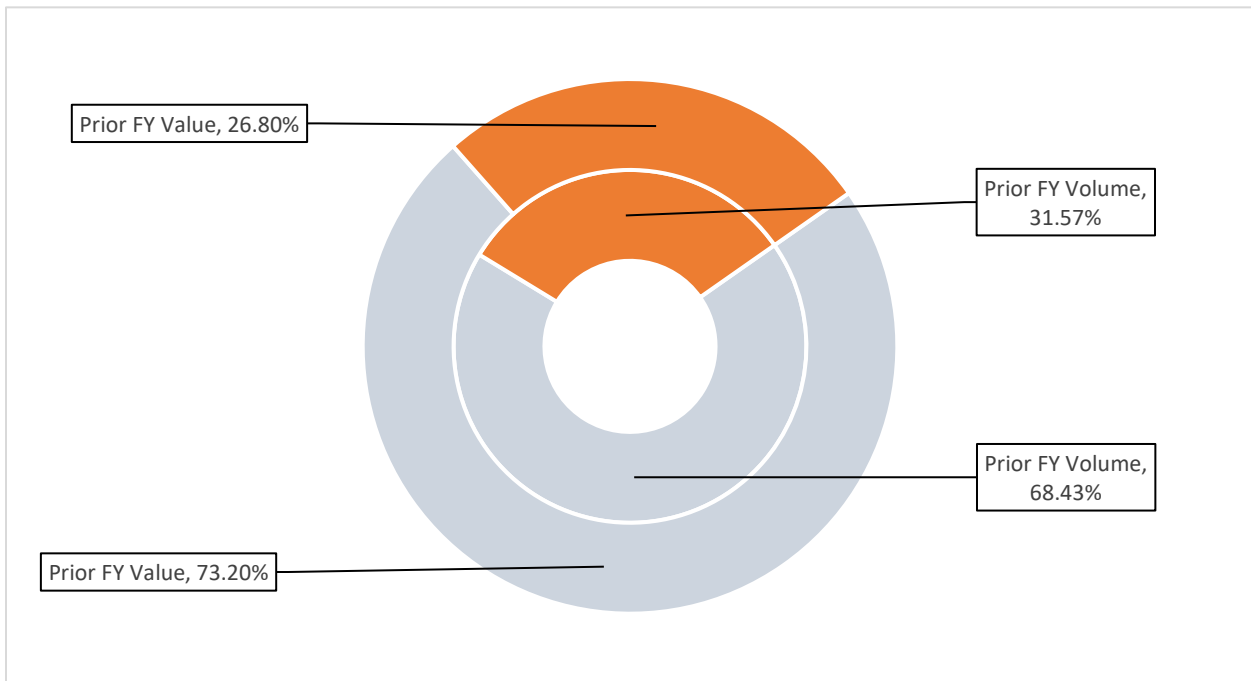
Our analysis found that the share of retroactive contracts where work started prior to the fiscal year in which they were registered has increased in each year of the Adams administration. From FY22 to FY24, vendors began providing goods and/or services under about 7,600 contracts, worth over \$15.61 billion, in a fiscal year prior to the one in which their contract was registered. See Table 1 for details.

Table 1 – Volume and Value of Retroactively Registered Contracts with Start Dates from Prior Fiscal Years.

Fiscal Year	# of Contracts	% Share of All Retroactive Contract Volume	Value of Contracts	% Share of All Retroactive Contract Value
FY22	2,614	28.06%	\$3,606,513,899	9.76%
FY23	2,646	31.25%	\$5,279,722,885	22.10%
FY24	2,378	31.57%	\$6,732,345,264	26.80%
Grand Total	7,638	N/A	\$15.61 billion	N/A

Chart 4 illustrates the share of retroactive volume and value for FY24-registered contracts with start dates in the prior fiscal year.

Chart 4 – Breakdown of FY24 Retroactive Contracts by Start Date



What Impact Do Comptroller Registration Reviews Have on Retroactivity?

Several Comptroller administrations have chosen to delegate registration authority to City agencies for certain types of procurement transactions. Such delegations, virtually all within micro or small purchase dollar thresholds, were extended to help ease administrative burdens for common low-risk purchases, or to encourage the use of equity-based procurement methods.¹⁰ However, a comparative analysis of retroactive rates between Comptroller and agency self-registered contracts reveals that such delegations have had little bearing on the City's procurement delays, even after accounting for the 30-day review period that comes with Comptroller-registered contracts.

Despite such delegations, the Comptroller's office still registers most City contracts by volume, and the vast majority of the City's registered contract value. In FY24 about 60% of contracts came through the Comptroller's office for registration vs 40% that were self-registered by City agencies. While these contract volumes appear somewhat close, we must also note that the Comptroller-registered contracts were almost 50 times more valuable than the City's self-registered contracts.

Table 2 below compares the retroactivity rates for Comptroller-registered and agency self-registered contracts by volume. Notably, even if the Comptroller's 30-day review period was eliminated (resulting in the timely registration of some additional contracts registered during the "within 30 days late category"), six-in-ten contracts subject to Comptroller-registration would have still been registered after their contract start dates. One might expect the retroactivity rate for self-registered contracts to be much lower because they are not subject to the Comptroller's 30-day reviews, and because low-dollar value purchases don't need to satisfy as many oversight and transparency requirements. However, our analysis found that nearly four-in-five agency self-registered contracts were registered after their contract start dates in FY24.

¹⁰ In exchange for the delegation of registration authority in some procurement methods, our Office has required City Agencies to meet additional reporting and transparency requirements. Besides Micro and Small Purchases, the Comptroller has delegated registration authority for agencies to register M/WBE small purchases up to \$1.5 million.

Table 2 – FY24 Comparison of Retroactivity Rates Between Comptroller Registered and Agency Self-Registered Actions By Volume

Retro Category	Comptroller Registered Actions		Agency Self-Registered Actions	
	# of Contracts	% Share of Contracts	# of Contracts	% Share of Contracts
On Time or Early	1,022	18.67%	753	20.36%
Late – Within 30 Days	1,052	19.22%	1,221	33.02%
Later – Between 31-180 Days	1,315	24.02%	895	24.20%
Very Late – Between 181-365 Days	999	18.25%	234	6.33%
Latest – More than 1-Year	1,086	19.84%	595	16.09%
Grand Total	5,474	100.00%	3,698	100.00%

Table 3 similarly compares the retroactivity rates for Comptroller-registered and agency self-registered contracts by value. While a higher share of agency self-registered contract value was timely registered in FY24, the relative value of these contracts is significantly less than the value of contracts that are subject to Comptroller review.

Table 3 – FY24 Comparison of Retroactivity Rates Between Comptroller Registered and Agency Self-Registered Actions By Value

Retro Category	Comptroller Registered Actions		Agency Self-Registered Actions	
	Value of Contracts	% Share of Value	Value of Contracts	% Share of Value
On Time or Early	\$6,718,536,085	21.78%	\$195,309,106	31.45%
Late – Within 30 Days	\$7,058,925,750	22.88%	\$223,329,248	35.96%
Later – Between 31-180 Days	\$10,397,322,810	33.70%	\$121,651,145	19.59%
Very Late – Between 181-365 Days	\$3,800,951,890	12.32%	\$21,499,672	3.46%
Latest – More than 1-Year	\$2,878,484,648	9.33%	\$59,233,807	9.54%
Grand Total	\$30,854,221,182	100.00%	\$621,022,978	100.00%

True Submission Deadlines

To ensure the best chance for timely registrations, City agencies must account for the Charter-set review period and submit applicable contracts to the Comptroller’s Office at least 30 days prior to the contract start date. While the Administration has occasionally argued that contracts could be considered on-time as long as they are submitted to the Comptroller prior to their start dates, such planning fails to account for the Comptroller’s charter-mandated contract reviews.¹¹ The fact that a fifth of Comptroller-registered contracts were registered within 30-days of their start-date in FY24 demonstrates that agencies are still struggling to submit contracts to the Comptroller’s office on time.

To better analyze this problem, we established a “true submission deadline” milestone that is set to 30 days prior to a given contract’s start date. Barring procedural concerns, agencies that submit contracts by this milestone could be assured of their timely registration. Next, we used this true milestone to generate a more accurate picture of retroactivity for Comptroller-

¹¹ In the 2024 Citywide Indicator Report, the Administration measured contracts in the Health and Human Services Timeliness initiative as “on-time if it is submitted to the Comptroller before the contract start date.”

registered actions.¹² Tables 4 and 5 examine retroactivity in this manner for all Comptroller-registered contracts and for the subset belonging to the Human Services industry respectively. Our analysis found that City agencies submitted more than four out of every five contracts to the Comptroller’s office after the true submission deadline. Shockingly, agencies submitted a fifth of their contracts to our Office at least six months late. These delays were even more pronounced for contracts in the Human Services industry.

The “Average Number of Days Early/Late” column in Table 4 below indicates how close to the contract start date the City made its submission for each retroactive category. Contracts in the second category in this table, “within 30 days after BCA submission deadline” would be considered on-time by the Mayor’s Office if they were part of the Administration’s timeliness initiative for Health and Human Service contracts, because they were submitted to the Comptroller’s office before the contract start date. However, since these contracts were submitted an average of 14 days after the true submission deadline, the Comptroller’s Office would have needed to complete reviews in just half of the Charter-set review period of 30 days to ensure timely registration.

¹² To align more closely with the Administration’s methodology for calculating retroactivity (see the MOCS Indicator Report), DOE AM32 contracts, discretionary contracts; contracts registered under EDC, NYCHA, and H&H; and modifications were excluded from this analysis.

Table 4 – FY24 Retroactivity for Comptroller-Registered Contracts

Retro Category	Number of Contracts	% Share of Contracts	Average Number of Days Early/Late
Submitted On Time	777	17.27%	26.31
Within 30 days after BCA Submission deadline	1,299	28.87%	-14.00
Within 31-120 days after BCA Submission deadline	1,229	27.31%	-66.01
Within 121-180 days after BCA Submission deadline	295	6.56%	-147.84
Within 180-365 days after BCA Submission deadline	532	11.82%	-247.74
One year or more after BCA Submission deadline	368	8.18%	-620.96
Grand Total	4,500	100.00%	-107.29

Table 5 – FY24 Retroactivity for Comptroller-Registered Contracts (HUMAN SERVICE INDUSTRY)

Retro Category	Number of Contracts	% Share of Contracts	Average Number of Days Early/late
Submitted On Time	224	13.54%	16.59
Within 30 days after BCA Submission deadline	624	37.73%	-14.30
Within 31-120 days after BCA Submission deadline	337	20.37%	-62.47
Within 121-180 days after BCA Submission deadline	79	4.78%	-145.11
Within 180-365 days after BCA Submission deadline	185	11.19%	-255.94
One year or more after BCA Submission deadline	205	12.39%	-566.81
Grand Total	1,654	100.00%	-121.69

Retroactivity Rates for Mayoral Agencies

The following analysis explores retroactivity for agencies directly overseen by the Mayor’s Administration.¹³ Table 6 compares retroactivity rates for Mayoral agencies relative to all non-Mayoral agencies. Although Mayoral agencies modestly out-performed non-Mayoral agencies in FY24, more than three-quarters of contracts in each group were registered late.

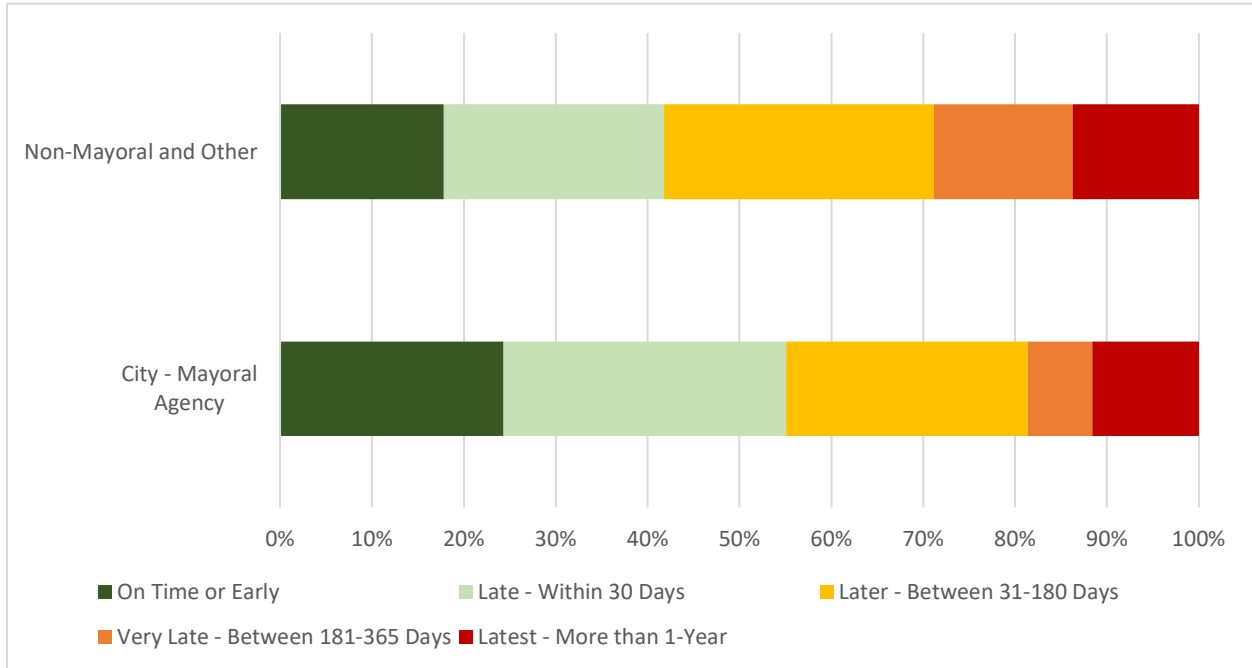
Table 6 – FY24 Comparison of Retroactivity Rates: Mayoral Agencies vs Non-Mayoral Agencies

Retroactive Category	Mayoral		Non-Mayoral and Other	
	# of Contracts	% Share of Contracts	# of Contracts	% Share of Contracts
On Time or Early	1,513	24.30%	234	17.85%
Late - Within 30 Days	1,918	30.80%	314	23.95%
Later - Between 31-180 Days	1,637	26.29%	385	29.37%
Very Late - Between 181-365 Days	436	7.00%	198	15.10%
Latest - More than 1-Year	723	11.61%	180	13.73%
Grand Total	6,227	100.00%	1,311	100.00%

¹³ As in the prior section, we adjusted our methodology for this analysis to align more closely with the one used by the Administration’s. Accordingly, this analysis also excludes DOE AM32 contracts, discretionary contracts; contracts registered under EDC, NYCHA, and H&H; and modifications.

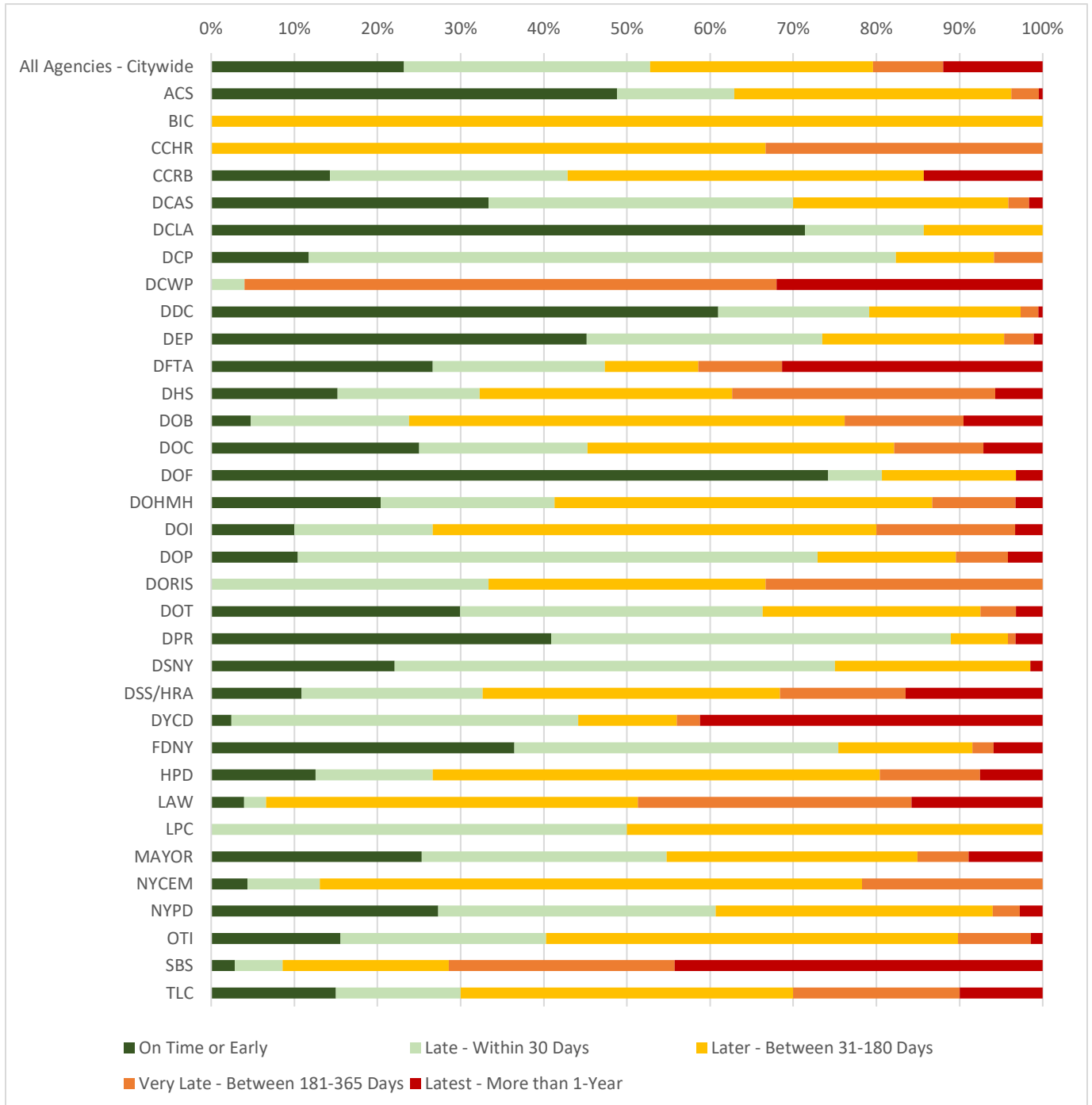
Chart 5 below is a graphical representation the relative retroactivity rates for Mayoral and non-Mayoral agencies.

Chart 5 - FY24 Retroactivity Rates Across Agency Categories



Finally, Chart 6 displays the retroactivity rates for each Mayoral agency. Notably, only DCLA, DDC, and DOF, registered a majority of their FY24 contracts on time. DYCD, the agency with the largest human service procurement portfolio, and SBS, which helps power community investments in NYC, registered over four-in-ten of their contracts more than a year late in FY24.

Chart 6 - FY24 Comparison of Retroactivity Rates Across Mayoral Agencies



Multi-Year Council Discretionary Contracts

One of the recommendations from the Joint Task Force to Get Non-Profits Paid and the Capital Reform Task Force in 2022 was to lengthen discretionary award contracts (which, in FY23, only make up 2% of total Human Service contract value, but nearly a quarter of all Human Service contracts by volume) to span multiple years. By doing so, the City hopes to reduce payment delays associated with an annual procurement process. Although contract registrations are not required in years two and three of the multi-year contract, the Council and agencies must still ensure that vendors are “cleared” and that funds are properly encumbered to fulfill the intended goal of paying providers on-time pursuant to these agreements.

Per table 7 below, the overwhelming majority of FY24 multi-year contracts in the inaugural years of this program were registered more than 6 months late.

Table 7 – Retroactivity for Multiyear Discretionary Contracts by Volume: With a 7/1/2023 Start Date

Retroactive Category	# of Contracts	% Share of Contracts	Value of Contracts	% Share of Value
On Time or Early	0	0%	0	0%
Late – Within 30 Days	0	0%	0	0%
Later – Between 31-180 Days	20	3.75%	\$19,383,604	3.37%
Very Late – Between 181-365 Days	513	96.25%	\$556,192,395	96.63%
Grand Total	533	100.00%	\$575,575,999	100.00%

Notably, data sourced from PASSPort Public as of October 2024 indicates that over 1,600 multi-year discretionary contracts with FY24 start dates (out of 2,600) are still pending. Nearly all of these contracts were slated to begin on July 1, 2023. The benefit of the multi-year reform is that the awarded vendors won’t need to endure such procurement delays each year, as they have in the past.

Case Studies: Delayed Transparency Milestones

As the City struggles to register contracts in a timely manner, agencies are also falling behind when it comes to meeting key transparency deadlines. Agencies are more frequently making critical disclosures, notices, and holding public hearings so late (even sometimes after the contract start date) that it risks further undermining public confidence in the City’s procurement process. The following case studies illustrate how contracting delays, and the Administration’s approach to managing them, are undermining procurement requirements that are designed to support fair competition and transparency.

Case Study 1 – Department of Youth and Community Development (“DYCD”) literacy Contracts

Particularly for RFP procurements where agencies are awarding taxpayer-funded contracts based on criteria beyond just price, public hearings offer meaningful transparency into the procurement process. The public has an opportunity at these hearings to raise questions or concerns about the agency’s management of the procurement process and vendors chosen by the agency to award.

On August 6, 2024, DYCD posted a notice in the City Record Online (“CROL”) that it would be holding a contract public hearing later that month regarding 40 proposed literacy contracts.¹⁴¹⁵ Unfortunately, the vendors to whom the City awarded these literacy contracts had already been providing services for over one month. To the public, DYCD’s decision to hold these hearings after the contract start date signals a lack of regard for their input. Meanwhile, the 40 DYCD vendors providing these services have been doing so at greater risk. Should an adverse vendor issue or an irreconcilable procedural obstacle emerge to threaten the City’s ability to register these contracts, the City would have no contractual mechanism to provide reimbursement for services already rendered.

¹⁴ <https://a856-cityrecord.nyc.gov/RequestDetail/20240730016>

¹⁵ CT1-260-20258802141, CT1-260-20258802142, CT1-260-20258802535, CT1-260-20258802360, CT1-260-20258802230, CT1-260-20258802128, CT1-260-20258802195, CT1-260-20258802704, CT1-260-20258802618, CT1-260-20258802435, CT1-260-20258802043, CT1-260-20258802233, CT1-260-20258802320, CT1-260-20258802875, CT1-260-20258802697, CT1-260-20258802192, CT1-260-20258802309, CT1-260-20258802603, CT1-260-20258802366, CT1-260-20258802720, CT1-260-20258802384, CT1-260-20258802363, CT1-260-20258802357, CT1-260-20258802382, CT1-260-20258802379, CT1-260-20258802348, CT1-260-20258802404, CT1-260-20258802364, CT1-260-20258802355, CT1-260-20258802359, CT1-260-20258802716, CT1-260-20258802365, CT1-260-20258802717, CT1-260-20258802466, CT1-260-20258802324, CT1-260-20258802370, CT1-260-20258802641, CT1-260-20258802229, CT1-260-20258802474, CT1-260-20258802920

Case Study 2 – Human Resources Administration (HRA) and InfoPeople Corporation

HRA used the M/WBE Small Purchase procurement method to contract with InfoPeople Corporation for IT Consulting Services.¹⁶ This contract, which ran from January 1, 2023, through June 30, 2024, was valued at over \$300 thousand. Although the Comptroller’s office delegated authority for agencies to self-register M/WBE Small Purchase contracts, setting aside the Charter-mandated 30-day review process, HRA only registered this contract on January 3, 2025 - over two years after its start date. Until the contract was registered, InfoPeople was unable to even start the process of submitting documents to be paid for services rendered under the fully expired agreement.

Perhaps even more shockingly, PASSPort records indicate that the public hearing for this contract was held on November 6, 2024, which was nearly a half-year after the contract had ended. PASSPort records also indicate that HRA’s request for documents, the drafting of the contract, and required approvals from the ACCO and Law Department all occurred after the contract term had expired. As a result of these delays, the public was robbed of an opportunity to provide input on the contract before it started, InfoPeople provided services for eighteen months at risk and under unconfirmed contractual standards, and oversight agencies were not afforded an opportunity to provide necessary and mandated approvals until long after the contracted work was completed.

Case Study 3 – Department of Corrections (“DOC”) and Keefe Group LLC

DOC awarded an FY24 negotiated acquisition contract to the vendor Keefe Group LLC to manage commissary operations.¹⁷ While negotiated acquisitions enable agencies to move forward with less competition relative to other procurement methods, the PPB rules require agencies to publish a “notice of intent” no later than ten days before negotiations with the awarded vendor are expected to begin so that other vendors are positioned to compete for these contracted services in the future. Unfortunately, DOC did not post this notice until nearly six months after the contract start date. DOC’s delay in posting the notice of intent could be perceived as a lack of interest on the part of the agency in fostering future competition for these services.

Moreover, DOC incorrectly attested in its PSR that the Keefe contract was exempt from M/WBE participation goals. This mistake amounted to a missed opportunity for DOC and Keefe to

¹⁶ CT1-069- 20258804462

¹⁷ CT1-072- 20248804557

prioritize subcontracting opportunities for M/WBE vendors, in keeping with the City's commitments to create a more equitable procurement space.

Case Study 4 – Administration for Children’s Services (“ACS”) and Derive Technologies LLC

In June of 2024, ACS awarded a technology contract to Derive Technologies LLC (“Derive”) through a New York State Office of General Services (“OGS”) intergovernmental procurement.¹⁸ When making such a procurement, City agencies typically send Requests for Quotes (“RFQ”) to all of the reseller businesses on the OGS contract in order to determine which one can offer the lowest price. Derive, the only vendor to submit a bid, claimed it had never received an RFQ, calling into question whether the other listed businesses were notified.¹⁹ Even when using an intergovernmental procurement method to access goods or services, failing to disclose bid opportunities to eligible vendors on a timely basis hurts the ability of an agency to secure the best price for taxpayers.

ACS also failed to provide a completed Doing Business Accountability Form for Derive, which details municipal campaign contributions from principal officers, owners and senior managers of entities considered to be doing business with the City. This omission, along with reports surfaced by the media alleging undisclosed ties between Derive and high-ranking members of the Administration, resulted in further contract registration delays.²⁰

Case Study 5 – Mayor’s Office of Criminal Justice (“MOCJ”) and the Center for Alternative Sentencing and Employment Services Inc (“CASES”).

In July of 2024, MOCJ submitted a retroactive contract extension to the Comptroller’s Office that would have enabled the agency to compensate CASES for work they performed in the prior fiscal year.²¹ The Comptroller’s Office was unable to register this action because MOCJ had already exhausted the maximum allowable one-year extension available for the underlying contract.

¹⁸ Contract # 20258800595

¹⁹ Moreover, Derive’s bid was submitted two days after the deadline set for the RFQ, calling into question whether ACS should have considered it in the first place.

²⁰ <https://nypost.com/2024/09/08/us-news/school-chancellors-brother-bragged-about-politicalconnections-but-scrubbed-his-website-after-federal-raid/>.

²¹ 20211416338-00013

Because of this oversight, MOCJ was forced to further delay payment to a vendor that was already providing services without reimbursement, under an expired contract, for more than a year.

Without the ability to extend the underlying contract further, MOCJ was forced to enter into a new negotiated acquisition extension (“NAE”) contract with CASES. NAEs are typically used when agencies have exhausted all contractual renewals, as well as contract extensions permitted by other sections of the PPB Rules, because goods or services were needed for a longer time than originally anticipated, or because the agency has not been able to procure a replacement contract in a timely manner. However, since the new NAE contract’s term is entirely retroactive, requirements for MOCJ to publish a notice in the City Record and hold a public hearing are devoid of the purposes intended by the rules; to enable the public to provide input and to alert other vendors about future bidding opportunities.

In subsequent correspondence with the Comptroller, MOCJ indicated that it expects to release a new RFP in the Fall of 2025, well after the most recent NAE contract for CASES will have expired. Consequently, MOCJ is failing to appropriately plan for this future procurement, positioning itself to once again either extend the existing agreement without competition or ask vendors to compete for a new contract knowing the winner will need to operate at risk for many months until their new contract is registered.

Conclusion

The City's ongoing struggle to register contracts in a timely manner place enormous financial strains on business and non-profits. This is an issue for contracts that are reviewed by our office as well as contracts that are self-registered by agencies. It is also an issue for both mayoral and non-mayoral agencies and all vendors regardless of what industry they specialize in. The fact that Comptroller's office reviews are the only part of the procurement pipeline that has a time limit is unacceptable given how much time contracts spend moving through earlier stages of the procurement process. It is past time for the public to have greater transparency into where contracts are getting stuck so that we can begin to make the system work better and more fairly for all of us.

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