

The Public Ought to Know: City contracting system should be overhauled

By Corey Bearak

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In that column, I questioned its appointment and mandate, never the integrity of its distinguished chairman, Frank Macchiarola, whom I know and respect. Since Steve seeks input, here goes this week's column: City Contracting. You say what?

Talk about budget, people care. They hate to pay; they want their fair share. Talk about major issues, transportation, schools, crime, fire, parks, environment, water, taxes. Previous columns even covered some. And then talk contracts. What? Who cares?

Contracts may not excite or grab attention. Do you recall the mid-1980s major scandals or the 1960s? City contracts were involved. We get told to follow the money; in our city, that means follow the contracts. Yet few do. Find a newspaper story on Bloomberg's Charter Revision Commission contracting proposals.

When someone who is not a city worker delivers a service, who does? When we see major park, highway, school, and bridge renovations, do you notice the private vehicles and workers? Who staffs your senior center?

Do the supplies city workers use grow in city-owned forests? Of course, not. The city needs to buy computers, paper, pens and pads, even paper clips.

One thing you may have heard about: the city and its agencies often hire consultants. (This year I experienced it firsthand). In too many instances, it might be more cost-effective to use city employees instead, but I leave that for a future commentary.

The bottom line: A former and possible future candidate for citywide office never ceases to tell me: "Look at contracting" when we discuss wresting savings from the city budget.

Thankfully, Charter Revision Commissions review contracting. The 1989 charter required a separate contract budget — often fatter than the expense or capital budgets, and a Procurement Policy Board. This commission may offer proposals. A staff report recommends improving measures of procurement in the Mayor’s Management Report supplemented by a comprehensive annual procurement report and giving Agency Chief Contracting Officers more discretion. As a former deputy ACCO, I concur.

Other staff proposals recentralize contracting in the Office of the Mayor, leaving to a mayoral-dominated board rather than the City Council the power to set contracting rules, building on the 1989 PPB precedent. This includes setting the dollar thresholds that determine the levels of necessary review (albeit to Council review), removing any City Council-passed laws governing VENDEX (a system that gathers information to weigh vendor integrity), and limiting further the comptroller’s power to question bad contracts (the staff proposal requires that the mayor answer one Comptroller query).

What stops City Hall from using the proposed “security” exceptions from public notice and hearing requirements to withhold information? Frankly, the City Council ought to enact significant contracting and procurement changes, not an administrative body.

While driving back from a Queens Civic Congress or another meeting, my friend and Bellerose neighbor Jim Trent, one of Queens’ most dedicated civic leaders, and I often discuss this mundane but important issue. Jim was a source for good proposals I developed while in government.

Here’s what Jim, former professional contracts chief for 23 years for the city Departments of General Services (now Citywide Administrative Services) and Design and Construction suggests:

Abolish the Mayor’s Office of Contracts, a non-responsive body that focuses on procurement mechanics rather than its need. The contracts office, says Jim, thinks nothing of delaying procurement for months, if not over a year, while it agonizes over compliance with all rules. This delays important construction projects or purchases.

1 Instead of the Mayor’s Office of Contracts, give more discretionary power to agency chief contracting officers. Empower the Procurement Policy Board to post-audit randomly selected procurements as a check on the performance of contracting officers and to guarantee their adherence to procurement rules. PPB only makes policy and has no role in enforcement.

Transfer the VENDEX integrity check, the one task the Mayor’s Office of Contracts oversees, to the Department of Investigation. VENDEX checks the past performance of a contractor/ vendor, and gathers other information about a firm such as lawsuits against the company and conflicts of interest. Even the VENDEX checks have been overwrought, with contracts held up for months over nonsense, including checking the details checked before and dismissed as not relevant or inconsequential.

Once an item is placed on a VENDEX record, it is impossible to remove, even when it is determined to be irrelevant, misleading, or simply wrong.

Jim also recommends that the commission establish a body like the Board of Estimate for elected officials to approve procurements because the public holds it accountable for delivering projects and programs covered by procurement; that body then remains less likely to block approvals.

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