



New York City Department of Youth and Community Development

Contracts for Personal and Miscellaneous Services

Report 2009-N-12



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of State Government Accountability

June 29, 2010

Jeanne B. Mullgrav
Commissioner
New York City Department of Youth and Community Development
156 William Street
New York, NY 10038

Dear Ms. Mullgrav:

The Office of the State Comptroller is committed to helping State agencies, public authorities and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit of the New York City Department of Youth and Community Development: Contracts for Personal and Miscellaneous Services. This audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1, of the State Constitution; and Article III, Section 33, of the General Municipal Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller
Division of State Government Accountability*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

Audit Objectives

One objective of our audit was to determine whether the Department of Youth and Community Development (Department) justified the need to contract for personal and miscellaneous services. Another objective was to determine whether the Department periodically reassessed personal and miscellaneous service contracts to identify what work could be deferred, eliminated or reduced in an effort to deal with the current fiscal crisis.

Audit Result - Summary

The City Charter, Procurement Policy Board Rules, and City Comptroller Directives establish certain expectations for City agencies regarding decisions to contract out for personal and miscellaneous service contracts (Service Contracts). These guidelines have added significance given the City's increasing fiscal difficulties. In his January 2009 State of the City Address, the Mayor outlined the need to find new efficiencies throughout City government while protecting core City services. For the period July 1, 2008 through November 30, 2009, the Department had 23 Service Contracts in place with a total value of \$11.4 million.

We reviewed documents related to each of the Service Contracts to determine whether the decision to contract for service was in writing and whether there was documentation supporting that decision. Sixteen of the 23 contracts were supported by a standardized form that identified the reason for contracting out the service. This form was not prepared for the other seven contracts because the services were purchased off existing City or State contracts. The reason most often cited was that contracting out for the service was cost-effective. However, Department officials could not provide any written analyses or other relevant documentation used to support their decisions.

Department officials told us they believe the standardized form sufficiently documents the need to procure a service and that they generally do not maintain additional documentation. However, the absence of documentation showing that alternatives were considered, cost benefits were analyzed, and informed decisions were made leaves the taxpayers without adequate assurance that all relevant factors were considered in making the decision to contract out work.

In light of the current fiscal crisis, Department officials need to ensure that expenditures are necessary and cost-effective. To achieve this goal, we believe the Department should perform a comprehensive review of each Service Contract to determine what can be delayed, suspended,

postponed or performed in-house. We found that the officials have not performed this type of comprehensive review, even at the time when some contracts have been renewed. In these cases, the Department may be missing opportunities to further reduce costs and save funds. We note that if the Department achieved an 8-percent savings on the unspent amounts remaining on these existing Service Contracts, it could realize about \$173,000 in cost savings.

Our report contains two recommendations for improving Department efforts to attain savings through justification and reassessment of Service Contracts.

This report, dated June 29, 2010, is available on our website at: <http://www.osc.state.ny.us>.

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Office of the State Comptroller

Division of State Government Accountability

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Albany, NY 12236

Introduction

Background

The Department of Youth and Community Development (Department), created in 1996, provides the City of New York with youth and family programming. The Department's principle task is distributing and overseeing City, State, and federal funds provided to community-based organizations for a wide range of high-quality youth and community development programs. With a few exceptions, the Department does not provide direct services, but rather monitors the almost 4,000 human service contracts it has with more than 1,600 community-based organizations. The Department had annual expenditures of \$359.6 million, including payroll costs of \$26.2 million for its 434 employees in fiscal year 2009.

To help achieve its mission, the Department also enters into personal and miscellaneous service contracts (Service Contracts). According to Department records, 23 City and/or State-funded Service Contracts, with a total value of more than \$11.4 million, were in effect during the period July 1, 2008 through November 30, 2009. These contracts were generally for technical assistance, accounting, and cleaning services.

The following guidelines set forth expectations for City contracts:

- Section 312 of the City Charter requires that a cost-benefit analysis be prepared before a City agency enters into any contracts for technical, consultant or personal services valued at more than \$100,000 when such contract would result in the displacement of a City employee.
- Section 2-01 of the Procurement Policy Board Rules (PPB Rules) requires that the decision to procure technical, consultant and personal services that cost more than \$100,000 be in writing. PPB Rules further require agencies to consider several factors in making that decision, such as cost-effectiveness, special expertise and the duration of the needed service.
- New York City Comptroller Directive 24 states that agencies should retain documentation used for purchasing decisions, such as material from vendor presentations, agency discussions and memoranda, and any other paper and/or electronic records supporting the purchase decision.

These guidelines have added significance given the City's increasing fiscal difficulties. In the Mayor's January 2009 State of the City Address, the Mayor outlined the need to find new efficiencies throughout City

government while protecting core City services. Further, in November 2009, the City's Office of Management and Budget issued a memo to all agency heads calling for targeted savings of 8 percent of expenditures for most agencies.

Audit Scope and Methodology

One objective of our audit was to determine whether the Department justified the need to contract for personal and miscellaneous services (Service Contracts). Another objective was to determine whether the Department periodically reassessed Service Contracts to identify what work could be deferred, eliminated, or reduced in an effort to deal with the City's fiscal difficulties. For the purposes of our audit, Service Contracts are those in which the majority of costs associated with the contracts are for services and labor. We did not include contracts for commodities or capital construction. Our audit period was July 1, 2008 through April 27, 2010.

To accomplish our audit objectives, we interviewed appropriate Department officials, and officials and staff of other New York City agencies including the Mayor's Office of Contract Services, Mayor's Office of Operations, Department of Citywide Administrative Services, and the City Comptroller's Office. We reviewed New York City's procurement guidelines, and analyzed documentation and data provided to us by the Department related to 23 contracts totaling \$11.4 million.

We conducted our performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these management functions do not affect our ability to conduct independent audits of program performance.

Authority This audit was performed in accordance with the State Comptroller’s authority as set forth in Article V, Section 1 of the State Constitution, and Article III, Section 33 of the General Municipal Law.

Reporting Requirements We provided a copy of this report, in draft, to Department officials for their review and comment. Department officials generally disagreed with our recommendations. A copy of the Department’s response is attached to this report. The Department also included with their response, various standardized contract review forms. These have not been appended to the report and are available for review by contacting the State Comptroller’s Office. We have considered their comments in preparing this report.

Within 90 days of the final release of this report, we request that the Commissioner of the New York City Department of Youth and Community Development report to the State Comptroller advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Contributors to the Report Major contributors to this report include Steve Sossei, Kenrick Sifontes, Stephen Lynch, Joan Williams, and Margarita Ledezma.

Audit Findings and Recommendations

Justification of Service Contracts

We reviewed available documentation for each of the 23 Service Contracts to determine whether the decision to contract for services was in writing and whether there was documentation supporting that decision. Sixteen of the 23 contract files contained a standardized form prepared by Department staff, which identified the reason for contracting out the service - using a check-off box to select among various options, such as cost-effectiveness, special expertise, or lack of personnel. Department staff told us this form was not prepared for the other seven contracts because the services were purchased off existing City or State contracts. Cost-effectiveness was the reason most often cited for the other 16 contracts, which ranged in value from \$121,000 to over \$2.2 million. However, Department officials could not provide any written analyses or other written documentation that would support their determinations.

Department officials, including the agency chief contracting officer (ACCO), advised us that in their opinion, completing the checked-off boxes on the standardized form is sufficient support and that formal analysis of cost-effectiveness is not required. They also stated that such analysis would likely be done only for new contracts, not renewals, and would be performed at the unit level. They recalled that cost-effectiveness may have been discussed at meetings with the ACCO and other officials, but acknowledged that these meetings were not documented.

The need for documentation is illustrated by our review of two cleaning contracts awarded in 2008-09 and 2009-10 for a total of \$242,973. The contracts call for the equivalent of two full-time cleaners to be hired to perform these services. We determined that the Department might have reached a different decision had staff performed an appropriate cost analysis. We compared the cost of using these contracts with that of using City employees and concluded that the services could have been performed in-house for \$153,468 - a saving of \$89,505 or 37 percent.

We also found that Department officials further justified the procurement of 15 of these 16 Service Contracts because the tasks either called for special expertise or the Department lacked in-house personnel who could perform them. Again, we found no documentation to support these conclusions. The records provide no further justification, such as an explanation of problems preventing the hiring of an employee to perform the tasks, or any other analysis indicating that in-house staff could not have used.

We acknowledge that there are times when outside service contracts should be used. However, given the substantial amounts of money involved, it is good business practice that officials involved in these decisions obtain and review documentation supporting the rationale for contracting out services. The absence of documentation showing that alternatives were considered and cost benefits were analyzed leaves taxpayers without adequate assurance that all relevant factors were considered in making the decision to contract out work - and that an economical and effective choice was selected. Furthermore, maintaining written support for these decisions will improve the Department's transparency.

Reassessment of Service Contracts

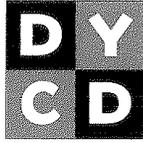
In light of the current fiscal crisis, Department officials need to ensure that expenditures are necessary and cost-effective. To achieve that goal, we believe the Department should perform a comprehensive review of each Service Contract to determine what can be delayed, suspended, postponed or performed in-house. Department officials informed us there had been no comprehensive review of the contracts for this purpose in fiscal years 2008-09 and 2009-10. We noted that some of the Service Contracts had been renewed without any initial or subsequent analysis by Department officials.

We believe a comprehensive review of each Service Contract may reveal additional opportunities for savings, especially in light of OMB's call to reduce expenditures by 8 percent. As of March 2010, about \$2.2 million remained on the 23 Service Contracts open during our scope period. If the Department could achieve an 8 percent reduction on the remaining balances of these contracts, over \$173,000 in cost savings could be achieved.

Recommendations

1. Communicate to appropriate staff the need to develop and retain written analyses to justify the need for contracted services.
2. Instruct managers to reassess all Service Contracts periodically, identifying opportunities to delay, suspend, postpone or bring them in-house, and to document these determinations.

Agency Comments



**NEW YORK CITY
DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT
SERVING NEW YORK CITY YOUTH, FAMILIES, AND COMMUNITIES**

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JEANNE B. MULLGRAV
Commissioner

June 9, 2010

Audit Director Steven E. Sossei, CPA
Office of the State Comptroller
110 State Street
Albany, New York 12236

Re: Draft Audit Report (2009-N-12) Contracts for Personal and Miscellaneous Services (Draft Report)

Dear Mr. Sossei:

The New York City Department of Youth and Community Development (DYCD) has reviewed the Draft Report and carefully considered the recommendations it provides. The DYCD Response, supplemented by a letter of the Mayor's Office of Contract Services, is enclosed herewith for attachment as an appendix to the Final Report.

DYCD acknowledges audit focus on ensuring that public agencies make the most effective use of the resources available to them. DYCD remains committed to this goal and welcomes suggestions in its ongoing efforts to improve youth and community development services for New Yorkers.

Sincerely,

Jeanne B. Mullgrav

RESPONSE
OF THE DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT
TO THE OFFICE OF THE STATE COMPTROLLER DRAFT AUDIT REPORT
ON CONTRACTS FOR PERSONAL AND MISCELLANEOUS SERVICES
REPORT NUMBER 2009-N-12 (DRAFT REPORT)

The Department of Youth and Community Development (DYCD) appreciates the opportunity to offer this response to the recommendations set forth in the Draft Report. In addition to the comments below, there is attached a letter from Marla G. Simpson, Director of the Mayor's Office of Contract Services (MOCS), dated March 31, 2010 (Simpson Letter), previously delivered to the Office of the State Comptroller in response to a Preliminary Draft Report dated March 22, 2010. The Simpson Letter clarifies the applicable laws and regulations, including New York City (City) Procurement Policy Board (PPB) Rules, that govern procurements of personal and miscellaneous service contracts (Service Contracts) by City agencies, including DYCD. It is requested that the Simpson Letter be made part of the DYCD response to be attached as an appendix to the Final Report.

Recommendation 1:

Communicate to appropriate staff the need to develop and retain written analyses to justify the need for contracted services.

DYCD Comment:

DYCD develops and retains specific procurement documentation for each Service Contract, in form and substance as prescribed and approved by MOCS, to ensure compliance with PPB Rules and other applicable laws and regulations and to maintain records that withstand public scrutiny of procurement decisions. Nevertheless, Recommendation 1 suggests that DYCD should independently adopt an internal practice of adding information not required by the PPB Rules and not prescribed as to form and substance. To do so, however, would be inconsistent with existing regulations and would expose DYCD and the City to potential liability with regard to procurements.

*
Comment 1

To support Recommendation 1, the Draft Report offers a purported comparison of the cost of a Service Contract for office cleaning with that of "using City employees" to perform that function. Such a comparison is factually inappropriate, however, because the option of using City employees for cleaning is not available to DYCD.

*
Comment 2

The premises occupied by DYCD are privately owned and subject to a lease whose terms make cleaning a responsibility of the landlord. During a dispute over other lease terms, the landlord withdrew the cleaning services it had previously provided, so that DYCD

* See State Comptroller's Comments, page 23

was obliged on short notice to procure the services itself until the dispute could be resolved. Since cleaning had not been done in-house in the past and was not expected to be done in-house in the future, DYCD did not have nor anticipate having personnel lines for custodial staff. Moreover, DYCD took the course of action commonly considered to produce the most cost-effective result: it issued a competitive sealed bid for cleaning services and awarded the contract to the lowest responsive and responsible bidder.

The Service Contract for cleaning expired on April 30, 2010, and was not renewed. On May 1, 2010, the landlord resumed the provision of cleaning services.

Recommendation 2:

Instruct managers to reassess all Service Contracts periodically, identifying opportunities to delay, suspend, postpone or bring them in-house, and to document these determinations.

Recommendation 2 suggests, as Recommendation 1 does, that DYCD independently adopt a practice and documentation not specified in the PPB Rules or prescribed by MOCS. Pursuant to the PPB Rules, however, DYCD does conduct an annual performance evaluation of each Service Contract, which is recorded in the form and manner prescribed by MOCS. The performance evaluation constitutes a regular assessment of each contractor's performance that contributes to a programmatic and fiscal analysis by DYCD as to whether the Service Contract should be maintained, modified, or terminated. Documentation of specific contract actions--renewal, amendment, and termination--is made as prescribed in the PPB Rules and by MOCS. To require additional, nonspecific documentation of the internal analyses from which the contract actions result would create potential liability with respect to those decisions and impose unwarranted obstacles to the provision of necessary services.

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Comment 3

* See State Comptroller's Comments, page 23



OFFICE OF THE MAYOR
OFFICE OF CONTRACT SERVICES

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MARLA G. SIMPSON
Director

March 31, 2010

Joan Williams
Examiner-in-Charge
Office of the State Comptroller
Division of State Government Accountability
123 William Street
New York, NY 10038-3804

*

Comment 4

Re: Report Number 2009-N-12

Dear Ms. Williams:

As the City's procurement oversight agency, the Mayor's Office of Contract Services (MOCS) hereby submits this letter for your consideration. As per your invitation last week to the Department of Youth and Community Development (DYCD) to submit any relevant "additional information or documentation," we believe that it is important to correct certain misinterpretations as to the applicability of specific Procurement Policy Board (PPB) rules that are described in your preliminary draft report.

Pursuant to Executive Order 121 (copy attached), MOCS exercises the Mayoral approval powers set forth in the City Charter, local law and PPB rules, and also provides staffing and administrative coordination to the PPB.

With respect to your review of DYCD, you obtained documentation concerning 23 procurement actions through which DYCD obtained services valued at more than \$11.4 million, all of which were in effect during at least part of the period July 1, 2008 through November 30, 2009. Your preliminary draft report correctly describes those actions as "generally for technical assistance, accounting, and cleaning services." However, not all of the 23 procurement actions were actually subject to the classifications set forth in the referenced rules and regulations. Rather, some of the actions were simply task orders under contracts procured by other agencies, and some are services contracts that do not contemplate personal service and are not covered by rules or procedures pertaining to consultant services. As described below, these distinctions have a material consequence on the applicability of some of the PPB rules that your preliminary draft report goes on to reference.

Your preliminary draft report cites Section 2-01 of the PPB rules. By its terms, Rule 2-01 applies only to the procurement of "technical, consultant and personal services." This phrase is a term of art in City procurement practice, and refers to contracts for which the City selects the vendor based upon an evaluation of the specific employees who will render the services and in some sense contracts



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* See State Comptroller's Comments, page 23

for the expertise or skilled judgment of those employees. Contracts that are not of this type are not governed by Rule 2-01 in any respect. Within the group of contracts that you examined (see table appended to this letter), nos. 1, 21, 22 and 23 fall outside (entirely) the purview of Rule 2-01. No. 21 is for the purchase of use of a proprietary records system owned by that non-profit vendor; as per the sole source documentation provided with that contract, DYCD had no other means for obtaining this software. Such purchases do not trigger any analysis pursuant to Rule 2-01. No. 1 on the spreadsheet is what the City terms as a “standardized services” contract; it is for payroll processing services, and does not contemplate personal services. Likewise, nos. 22 and 23 are standardized services contracts for janitorial/cleaning services. Again, in no sense are these treated as personal services. Thus, in none of these cases would City rules or procedures have required an analysis pursuant to Rule 2-01.

Your preliminary draft report correctly recognizes that agencies such as DYCD are required to submit Pre-solicitation Review Reports and/or Recommendations for Renewal to MOCS for approval. Indeed, it is the responsibility of my office to prescribe the specific pre-solicitation forms and procedures to be used by DYCD and all Mayoral agencies; a copy of the applicable form is attached hereto. This form is a mandatory part of all contract registration packages for new services contracts, and at no time has my office ever required the Rule 2-01 compliance section to be completed for the types of contracts referenced above – nor has any such interpretation been made by the Office of the City Comptroller, at any time since this rule took effect.

The preliminary draft report cites Rule 2-01 as the basis for the Pre-solicitation Review Report requirement. However, that requirement is not in Rule 2-01. It is in fact set forth in Rule 2-02. As shown in the text of Rule 2-02, except in limited (specified) circumstances, the Pre-solicitation Review Report does *not* require the inclusion of any cost benefit analysis or justification for agency decisions to continue outsourcing particular services. As noted above, when Rule 2-01 applies, there is a cost effectiveness determination for technical, consultant or personal services, but this does not apply with respect to other types of services. This is also consistent with City Charter Section 312, which requires a cost benefit analysis whenever City employees are to be *directly* displaced as a result of a proposed procurement of technical, consultant, or personal services. But this analysis is not required when there are no City employees currently performing the same (exact) services as are proposed to be included in the contract, nor when the services are of a different nature (not personal services). And it is certainly not required when agencies decide to continue to outsource services that may once have been performed by City employees, but are no longer so performed at the time of the contract action in question. The requirement in Rule 2-02(d)(4) for a statement “of the basis for the decision to contract out for services (if applicable)” thus refers to the very limited circumstances when these other provisions are triggered. Such a statement would not be applicable where the services had been previously outsourced, which is the case, for example, with the auditing services reviewed here.

The preliminary draft report refers to DYCD’s representations concerning seven (7) of the procurement actions as being “piggy-back” actions, and states that PPB Rules nonetheless require that a Pre-solicitation Review Report or Recommendation for Renewal Report be completed for each Service Contract, including these seven actions. That is not correct. I have confirmed that Nos. 4 and 5 on the table are intergovernmental procurements, wherein DYCD purchased services off contracts that DYCD does not itself hold, i.e., contracts procured by the New York State Office of General Services (OGS), and that Nos. 16 through 20 are merely task orders that DYCD processed, under City contracts that are held *not* by DYCD, but rather by the Department of Information Technology and Telecommunications (DoITT).



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Ms. Joan Williams
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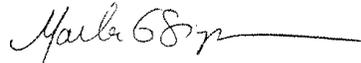
With respect to intergovernmental (OGS) procurements, Section 316 of the Charter provides that the procurement provisions of the City Charter (i.e., Chapter 13), including the PPB rules, which are authorized by Charter Section 311, do not apply. PPB Rule 3-09 sets forth very limited submission requirements for intergovernmental procurements, and those do not include the submission of either a Pre-solicitation Review Report or Recommendation for Renewal within the meaning of Rules 2-02 or 4-04. Copies of the relevant submission forms, fully setting forth all of the legal requisites for agencies' decisions to use OGS contracts, are attached hereto.

Similarly, for Nos. 16 through 20, an agency's use of a task order, which is a document that allows it to draw down services on a citywide procurement contract held by DoITT, does not trigger any submissions under Rule 2-02 or 4-04. Such procurement actions by the user agencies, such as DYCD here, are governed instead by Rule 3-14 and, if applicable Rule 3-03(j). These actions (task order submissions) have never been treated as requiring the types of analyses referenced in your preliminary draft report, either by MOCS or by the City Comptroller.

The remaining eleven procurement actions listed in the table (Nos. 2, 3 and 6 through 15), are governed by Rule 2-01, as your preliminary draft report indicates. However, it is incorrect to treat them as governed by Rule 2-04. That rule applies, by its terms, only to contracts for "client services." Under this definition, for example, DYCD's contracts with non-profit entities for the direct provision of after-school programming to New York City children are covered by Rule 2-04. But DYCD's contracts for the evaluation of those programs (nos. 2 and 3) or for technical assistance to non-profit providers (nos. 16 through 20) are *not* client services contracts, and as such, are not governed by Rule 2-04; thus there is no specific legal requirement for an annual or pre-renewal evaluation of those contracts under that rule. The only applicable evaluation provision for such contracts is set forth in Rule 4-01.

I appreciate the opportunity to present this information to your office, in order to clarify the procedural requisites applicable to the DYCD contracts that your office is reviewing. MOCS has certified the compliance with those procedural requisites pursuant to City Charter Section 327(a) and Executive Order 102. My staff and I stand ready to assist you in any manner you may wish as you complete your review of the DYCD contracts, as well as the similar reviews now underway with respect to other City agencies.

Very truly yours,



Marla G. Simpson

Cc: William M. Kamen, DYCD
Russell Ann Nobles, DYCD
George Davis, III, Mayor's Office of Operations
Howard Friedman, NYC Law Department



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Count	Vendor Name	Contract #	Amount	Purpose
1	Corporate Staff Services, Inc	20070029487	\$2,234,000	Payroll processing services
2	Policy Studies Associate	20090027076	\$1,497,000	OST evaluation services
3	Policy Studies Associate	20060008383	\$1,496,770	OST evaluation services
4	Information Builders, Inc	20080003708	\$872,448	Technology services
5	Information Builders, Inc	20060023244	\$315,364	Technology services
6	TATC Consulting Inc	20080017392	\$645,475	OST technical assistance
7	Dadia Valles Vendiola, LLP	20090019065	\$585,192	Audit services
8	Wei Wei & CO., LLP	20090009381	\$503,907	Audit services
9	Partnership for After School Education	20100017757	\$400,000	OST technical assistance services - training for front-line staff
10	Partnership for After School Education	20090005944	\$330,047	OST technical assistance services for elementary school providers
11	Partnership for After School Education	20090006048	\$168,732	OST technical assistance services for middle/high school providers
12	Partnership for After School Education	20080011045	\$100,000	Technical assistance for service learning providers
13	The After School Corporation	20080011124	\$300,000	Technical assistance for service learning providers
14	The After School Corporation	20090029777	\$285,000	Technical assistance for service learning providers
15	The After School Corporation	20100017797	\$270,000	Technical assistance for service learning providers
16	Spherion Atlantic Enterprises	20080024129	\$249,308	Technology services
17	Spherion Atlantic Enterprises	20080024098	\$199,620	Technology services
18	Spherion Atlantic Enterprises	20080012154	\$198,368	Technology services
19	Modis, Inc	20080024153	\$181,504	Technology services
20	Modis, Inc	20080024147	\$172,650	Technology services
21	Literacy Assistant Ctr	20090035998	\$135,000	Web-based adult student record system
22	Maiday - Maiday Cleaning Svcs	20080041562	\$121,487	Cleaning services
23	Maiday - Maiday Cleaning Svcs	20090034200	\$121,486	Cleaning services

State Comptroller's Comments

1. Section 1-04 of the PPB Rules requires agency contract files to contain all documentation pertaining to the solicitation, award, and management of each of its contracts, purchase orders, including all amendments, renewals and change orders. This documentation should include a written copy of each report, record, justification, approval, determination, or filing that is required by law or the PPB Rules. Further, the New York City Comptroller's Internal Control and Accountability Directive 24, Section 8, states that agencies should document major procurement decisions such as material from vendor presentations, agency discussions and memoranda, and any other paper and/or electronic records supporting the purchase decision.
2. We disagree. We saw no provision in the lease that prevented DYCD officials from using City employees to perform cleaning services.
3. We stand by our conclusion in the report. We believe a comprehensive review of each service contract may reveal additional opportunities for savings, especially in light of the City's Office of Management and Budget's call to reduce expenditures by 8 percent.
4. The points made by the Mayor's Office of Contract Services, in response to a preliminary report, were taken into consideration in preparing the draft and final reports.