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MASSIVE WASTE AT A TIME OF NEED

AN EXAMINATION OF NEW YORK CITY'S
CONTRACTING OUT OF PUBLIC SERVICES
WITH RECOMMENDATIONS FOR SAVINGS



LILLIAN ROBERTS
EXECUTIVE DIRECTOR



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District Council 37 
AFSCME
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All photographs in this report portray DC 37 members at work, with the exception of clipart photos on pages 12 and 20.

WORKING TOGETHER WE CAN CUT THE WASTE



WITH NEW YORK CITY facing a \$4 billion budget gap and planning to raise taxes, cut health, education, police, fire and sanitation services and put 23,000 jobs on the chopping block, it's time for our elected leaders to take a sharp look at the colossal waste in contracting out public services to the private sector.

Today, the city hands over some \$9 billion of its \$60 billion budget to an unelected, unaccountable “shadow government” of private contractors and outside consultants. Giving the city's work to contractors and consultants undermines the transparency and accountability the public deserves from government. And when this process leads to massive overspending at a time of desperate public need, it is time to blow the whistle on the waste.

There is a lesson for City Hall in the sub-prime lending disaster and the collapse of Wall Street: The idea that the private sector does things better and cheaper is a myth. New York City's vast abuse of contracting out is an example of the unregulated fiscal irresponsibility that has left our national economy in need of rescue.

This study shows that, in fact, the private sector often costs a lot more than the work of the city's own employees. While the shadow government uses a parallel work force of more than 100,000 employees — hired without the “merit and fitness” examinations and background checks that the city requires for civil service workers — the city employees are better trained, more responsible and more cost-effective. In ten examples in eight city agencies, **our study identifies about \$130 million in savings** the city can realize by cutting down on outside contracts with over-paid consultants and over-priced contractors — and this is just the tip of the iceberg.

Six years ago, when we brought this waste to light in our white paper, “We Can Do the Work,” the Bloomberg administration cut back on outside contracts and saved the city \$175 million. But since fiscal year 2005, the contract spending has soared by 36% from \$6.7 billion to \$9.2 billion. In the computer field, we have seen an explosion of 147% in contracting costs.

While this study points to specific areas where decisive action can provide immediate savings, I hope that in this era of change, it will also spur public officials and the media to shine light on the shadow government, work with us to identify and cut the waste, and save the taxpayers hundreds of millions of dollars.

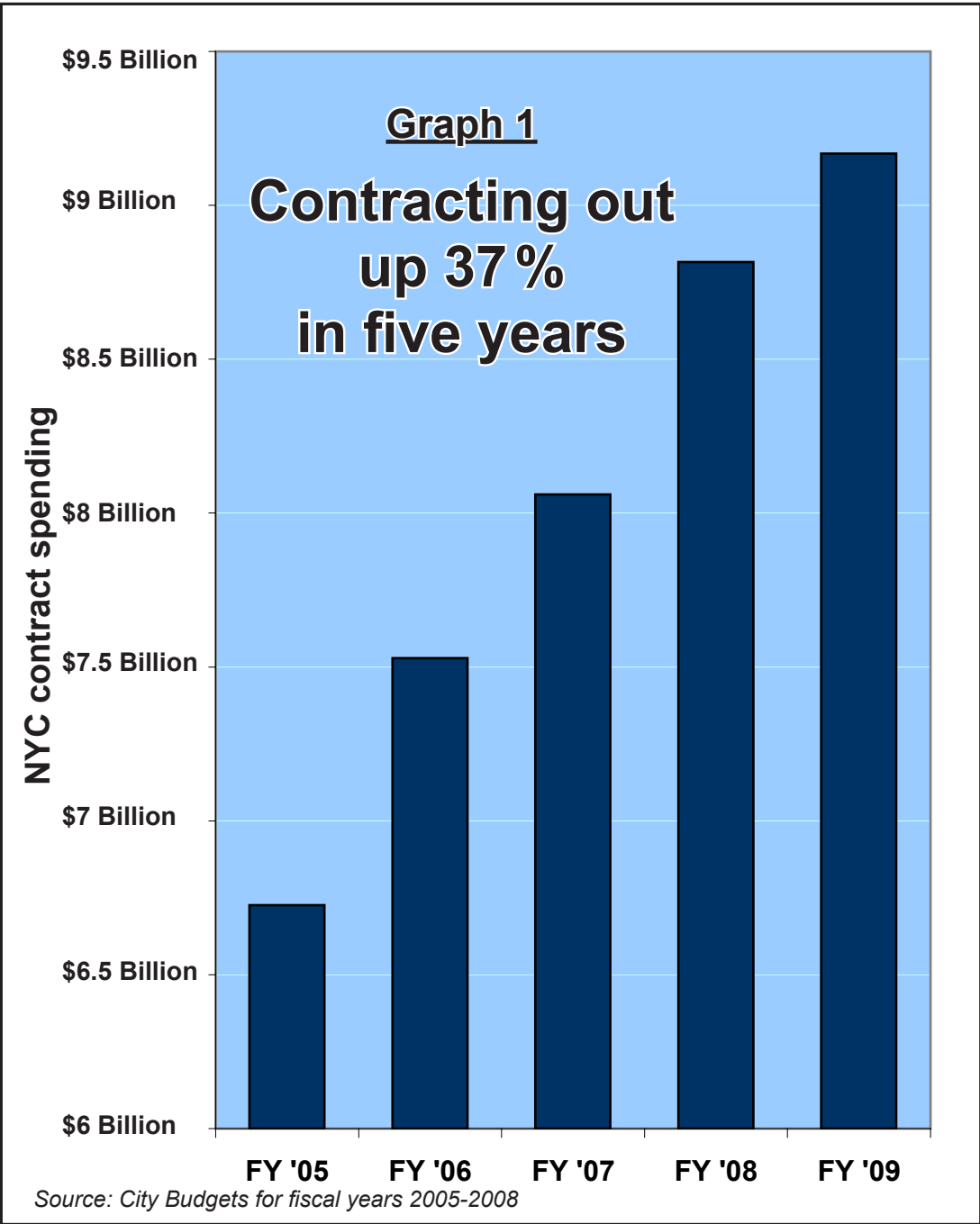
No responsible government can in good conscience cut vital services and lay off hard-working public employees while real savings are within reach.

A handwritten signature in cursive script that reads "Lillian Roberts".

Lillian Roberts

Executive Director, District Council 37, AFSCME, AFL-CIO

THE RISING COST OF CONTRACTING OUT



EXECUTIVE SUMMARY

In the midst of our nation's greatest economic challenge since the Great Depression, New York City's taxpayers are paying twice for many services provided by city government due to contracting out. Millions of dollars are spent for services that city employees can and do perform daily at a lower cost. As the economy of the city and the state continue to deteriorate, every dollar of tax-levy funding spent for discretionary contracting out is wasted, while services such as health, education, police, fire and sanitation are being reduced.

This "white paper" – Massive Waste at a Time of Need – is presented on behalf of the 125,000 members and 50,000 retirees of District Council 37, the city's largest municipal union. It describes the epidemic of contracting out that is draining funds, hurting morale and reducing the reliable civil service workforce in city agencies. The report examines spending for personnel and professional services contracts by New York City over a five-year period, with a close review of contracts for functions that parallel the jobs performed by District Council 37 members. It also analyzes conditions that led to cases of public fraud in the past that still exist in several city agencies. Finally, the white paper presents recommendations on how New York City can save about \$130 million dollars in the next three years by ending the contracting-out of work that can be performed at lower cost and more efficiently by trained civil servants.

A SHADOW GOVERNMENT WITH A PARALLEL WORKFORCE

Since July 2005, funding for the city's contract budget has increased rapidly, climbing to a record cost of \$9.2 billion for more than 18,000 contracts. The amount the city pays for these contracts is equivalent to 15% of the city's tax-levy budget and more than 46% of the city's controllable spending. The amount is larger than the total budgets of 18 states and the budgets of the five largest cities in the United States (excluding New York). The volume of these contracts, many of them no-bid contracts, has created a shadow government of contractors and administrators who are not elected by the citizens, but who enjoy major control over the provision of public services. In addition, these contracts have created a parallel workforce of thousands of employees paid by the taxpayers, but not accountable to them.

Our analysis will focus on only ten contracts spread across eight city agencies to illustrate the potential savings that could be realized if the work were performed, as we propose, by city workers.



“DC 37 serves as a watchdog of the city’s use of its resources. While elected officials hold office for no more than 12 years, many of us devote our working lives to making this city run properly. We love our jobs and we’re ready to serve in any capacity, but we demand to be treated fairly, equally and with respect.”

– Lillian Roberts

FINDINGS OF DISTRICT COUNCIL 37 ANALYSIS: TEN EXAMPLES OF CONTRACTING-OUT BY CITY AGENCIES

1. The **Department of Health and Mental Hygiene's** School Health Program has expanded its contracting out to nursing agencies to perform services that DC 37's Public Health Nurses perform at half the cost. The city could **save more than \$8.8 million** by terminating the contracts and hiring personnel to do the work in-house.
2. The **Human Resources Administration** and the **Department of Education** are using temporary clericals to perform routine daily functions at a higher cost than city workers while exposing themselves to potential fraud by contractors who do not have to meet the merit and fitness requirements of state civil service law. The city could **save about \$2.4 million** by eliminating the contracts with temp agencies and converting the temps into city workers.
3. The **Human Resources Administration** is contracting-out millions of dollars in custodial services, which should be replaced by using the Job Training Participants in the Transitional Workfare Program. This change would produce **savings of more than \$14.5 million** while improving the lives of the families of workers assigned to the Transitional Program.
4. The **Department of Transportation** is hiring contractors to install regulation and enforcement signs on our streets and sidewalks at almost three times the cost of the work done by the city's Traffic Device Maintainers. DC 37 believes the city could **save \$2.9 million** by ending these contracts.
5. The city is increasing its reliance on computer consultants to perform non-specialized technical work that should be done by the computer professionals employed by the **Department of Information Technology and Telecommunications (DoITT)** and other city agencies. Ending these contracts, as the city did in 2003, 2004 and 2005, could **save the city \$21.6 million**.
6. The use of a contractor to provide overflow call-center service for the **311 system** run by DoITT is costing the city **between \$4.3 and \$5 million more** per year than if the services were transferred to its facility at 59 Maiden Lane, which is staffed by civil service workers.
7. The **Department of Homeless Services** is utilizing "per diem" hotels and motels to house an increasing homeless population without a legal contractual relationship as required by the city's procurement rules. Ending this practice and instead referring homeless families to the New York City Housing Authority at the "per diem" rate for privately owned shelters would **save the city well over \$51 million**.
8. The utilization of contracts for landscape architecture and engineering services in the **Department of Parks and Recreation** for eight parks identified for reconstruction under PlaNYC 2030 is wasting millions of dollars. The landscape design should be done by in-house personnel at less than half the cost. The city would **save approximately \$12.6 million** by replacing the expensive consultants.
9. The **Department of Education's** Department of School Food Services has continued its long history of waste in delivering food for student meals. The city could **save over \$3.9 million** by ending the contracts with private school food delivery companies.
10. The **New York City Fire Department** overuses outside contractors to perform bookkeeping and accounting functions. DC 37 believes that the city could **save over \$5.4 million** by terminating this contract and hiring trained civil servants to do the work.

The proposals listed above add up to about \$130 million in savings for the city. However, the savings could be much greater if the principles described in our proposals were extended to all city and non-mayoral agencies. We urge the city administration to place the interest of the taxpayers first and keep public services public and accountable by ending the contracting-out of our jobs now!

STATE OF PROCUREMENT IN NEW YORK CITY

The Bloomberg administration has shown a tendency to reduce services by implementing cuts at city agencies to address budget gaps. The cuts have resulted in the elimination of many city positions through attrition, hiring freezes and layoffs. At the same time, the administration increases the privatization or contracting out of the services performed by the displaced workforce. This shell game is often followed by the proverbial adage of “doing more with less,” but always falters when the failed economics of contracting-out public services comes to light.

District Council 37 has analyzed the adopted budgets from Fiscal Year 2005 to Fiscal Year 2009 and has found that the contract expenditures increased by 36% — from \$6.8 billion to \$9.2 billion. The allocation for FY '09 funds over 18,000 contracts and represents an increase of \$2.4 billion since FY '05. The increase is almost double the rate of inflation and far exceeds the dollar amount of wage increases the city has given its workforce over the same period. Some of the 18,000 contracts can be justified as legitimate business practices for the purchase of goods and services necessary for the effective functioning of city government, such as the purchase of police vehicles. On the other hand, thousands of other discretionary contracts use contractors and consultants to carry out functions that should be performed by city workers at a considerably lower cost. This problem is found most frequently in a category of contracts designated as “personnel and professional services.” DC 37 believes that potential savings could be maximized in this area. Many of these contracts were obtained through bypassing the competitive bidding process, thus depriving the public of the ability to scrutinize their cost-effectiveness.

In contrast, New York State has adopted a different approach for its agencies. In July 2008, a state executive order took an important step toward regulating agency spending on personnel contract services and ensuring their cost effectiveness. Executive Order No. 6ⁱ established a Task Force on Personnel Services Contracting composed of the Budget Director, the Civil Service Commissioner, and the Deputy Secretary of Labor and Finance, among others. The contracts for personnel services include computer programming, engineering services, health and mental health services, data processing and accounting. Under the executive order, state agencies are required to determine three fundamental factors before entering into a contract with any vendor:

1. The contractor can carry out the task more efficiently or effectively than state employees;
2. The contractor can carry out the task for lower cost than such state employees;
3. The contract is necessary to protect public health or safety or for some other compelling reason.

Executive Order No. 6 reaffirms the need for the state government to provide cost-effective services and promotes transparency and openness for state agencies, private contractors and the public. Since E.O. 6 was issued, state expenditures for personnel and professional services contracts have been reduced by more than \$100 million.

i <http://www.dos.state.ny.us/info/register/2008/jun25/pdfs/executiveorder.pdf>

INCREASE IN CONTRACTING OUT OF PERSONNEL AND PROFESSIONAL SERVICES

The funding for personnel and professional services has increased dramatically since FY '05, especially in areas where the scope of work described in the contracts parallels many of the functions performed by District Council 37 members. The increases in the personnel and professional contracts since FY '05 range from 17% to as high as 147%.

DC 37 has reviewed the expenditures in the contract budget, which are arranged by “Object Codes.” Object Codes are arranged by category of contract and grouped by occupation and general contract descriptions. Our analysis of the funding for six of the object codes starts with Object Code 622 for Temporary Services and ends with Object Code 686 for Professional Services. The bulk of the contracts in Object Code 622 are assigned to temporary clerical individuals throughout the city agencies. As a city-wide representative of all clerical titles, DC 37 contends that the increase in this category of contracts would be of major significance to DC 37 members since the functions described in this category parallel the functions of DC 37 clerical employees. Similarly, the other six Object Codes (624, 676, 681, 683, 684 and 686) are all groups of contracts that parallel the jobs of DC 37 members.

Implications for the Civil Service System

Under legislation enacted to implement the 2007 Long Beach decisionⁱ of the New York State Court of Appeals, the city is required to appoint employees from civil service lists to replace thousands of provisional employees. Temporary and consultant personnel, who are neither provisionals nor civil service employees, have been filling many of the jobs involved in various city agencies, blocking the path to upward mobility through promotional opportunities to many workers who have passed civil service exams and are waiting to be appointed. We interviewed some of these temporary clerical workers and found that many are also waiting to be appointed from civil service lists.

DC 37 estimates that more than 1,200 long-term temporary clerical employees are employed throughout all city agencies. The increase in funding for contracting out these services reverses the policy adopted in 2004, when the city began converting thousands of clerical and consultant workers to permanent city employees in order to save more than \$75 million. In addition to the higher cost, these contracts evade the requirements of screening for criminal records and questionable education credentials that are applied to city employees as well as denying placement and promotional opportunities to those who have qualified through civil service merit and fitness criteria.

**Table 1 - New York City Contract Spending
FY '05 through FY '09 (In Millions)**

	FY '05	FY '06	FY '07	FY '08	FY '09
Adopted Contract Budget	\$6,726	\$7,528	\$8,060	\$8,815	\$9,168
Number of Contracts	17,786	17,402	17,729	18,369	18,062
Increase in budget	-	+11.92%	+19.83%	+31.06%	+36.30%

ⁱ <http://www.nycourts.gov/ctapps/decisions/may07/54opn07.pdf>

**Table 2 - NYC Contract Spending for Personnel and Professional Services
FY '05 through FY '09**

	FY '05	FY '06	FY '07	FY '08	FY '09	Increase FY '05 - FY '09
Temporary Services (Obj. Code 622)	\$ 30,706,029	\$ 38,443,493	\$ 35,944,779	\$ 37,969,622	\$ 43,241,202	41%
Cleaning Services (Obj. Code 624)	\$ 11,516,056	\$ 24,534,508	\$ 26,094,344	\$ 27,761,868	\$ 22,546,786	96%
Prof Serv Acctg & Auditing (Obj. Code 681)	\$ 20,007,024	\$ 22,303,010	\$ 22,603,431	\$ 25,199,501	\$ 23,441,884	17%
Prof Computer Services (Obj. Code 684)	\$ 54,644,003	\$ 95,481,672	\$ 93,540,959	\$ 109,055,367	\$ 134,785,724	147%
Prof Serv Other (Obj. Code 686)	\$ 84,322,898	\$ 106,072,954	\$ 116,149,837	\$ 148,535,891	\$ 164,229,822	95%

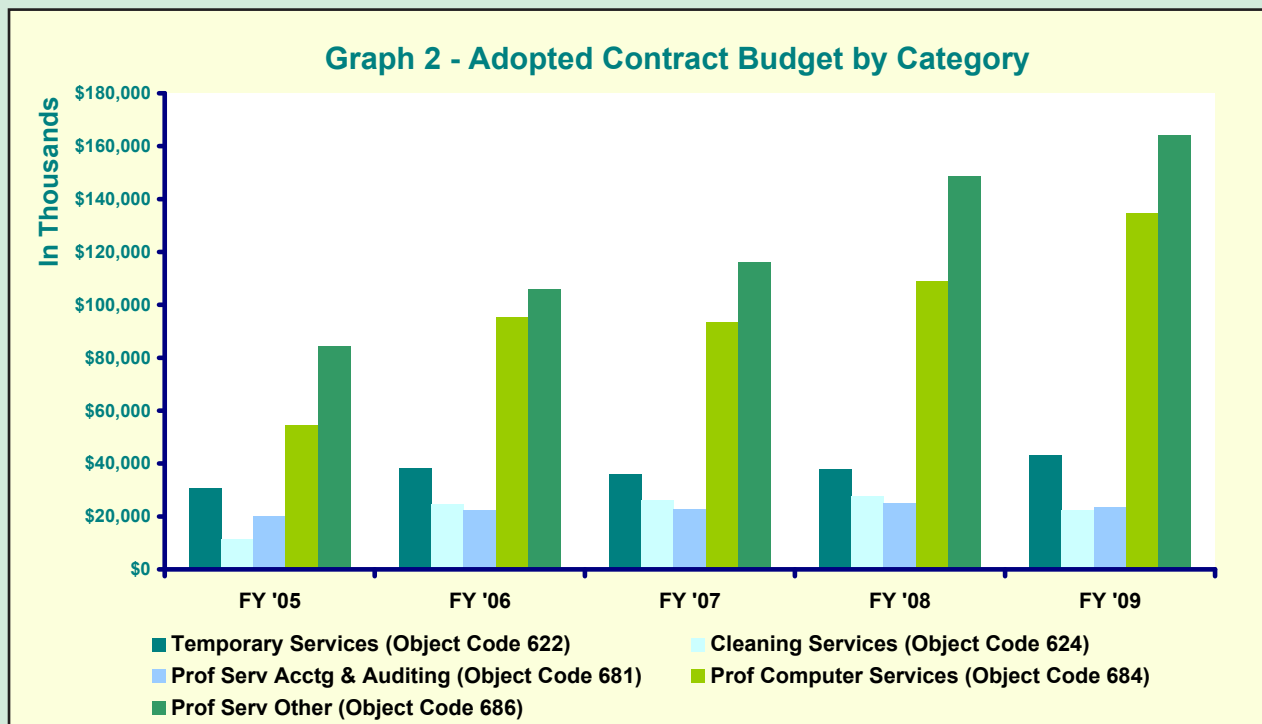


Table 3 - Contract Object Code Definitions

Object Code 622 – Temporary Services
Payments, fees, and commissions associated with outside services for receptionist, secretarial, stenographic, typing clerical, keypunch, messengers (including Wildcat Service Corp.), court reporting and transcribing, handy persons, etc., and any other services of a temporary nature (excluding professional service).
Object Code 624 – Cleaning Services
Costs of cleaning services with outside contractors for rubbish removal, janitorial services, waxing and washing floors, window cleaning, cleaning of curtains, rugs, drapes, disinfecting and exterminating.
Object Code 681 – Professional Services – Accounting & Auditing
Service payments for professional accounting, auditing or actuarial services performed by other than city employees.
Object Code 684 – Professional Computer Services
Payments for professional computer related services performed by other than city employees.
Object Code 686 – Professional Services – Other
Payments for all other professional services performed by other than city employees that are not otherwise classified under a specific professional code.

TEN ILLUSTRATIONS OF WASTE IN CONTRACTING OUT

DEPARTMENT OF HEALTH AND MENTAL HYGIENE: CONTRACT NURSING AGENCIES IN THE SCHOOL HEALTH PROGRAM

The New York City Department of Health and Mental Hygiene (DOHMH) provides health services to the city's school children through its School Health Program. Throughout its 100 year history, the New York City School Health Program has been promoting the health and well-being of our school children. In some cases, it is the sole provider of health care services to many uninsured children. The program provides mandated health services, including new admission examinations, tuberculosis testing, and vision and hearing examinations. The School Health Program is also responsible for monitoring immunization compliance, managing and preventing contagious diseases, and nutrition education. DOHMH currently employs 750 Public Health Nurses, 200 Public Health Assistants and 100 Public Health Advisors, all of whom are represented by District Council 37. These health professionals are at the core of the program. Similarly, the New York City Department of Education (DOE) provides mandated health services to students with special needs. The DOE nurses are represented by the United Federation of Teachers (UFT). The funding for the School Health Program is split between the city (DOE and DOHMH) and the state. The city covers 64% of the funding and the state covers the remaining 36%.

In 2003, DOHMH joined the New York City Department of Education (DOE) to create what is today the Office of School Health. Under the joint venture, DOHMH provides a nurse to elementary schools without a school based health center and a Public Health Advisor to middle schools. DOE provides a nurse for students with an Individualized Education Program and Section 504 mandated nursing services.

Contracts for Nursing Agencies

According to a DOE documentⁱ, 100 out of 650 positions for school health nurses in DOHMH and 130 out of 390 positions in DOE remain vacant. These vacancies remain in large part due to the low salaries the nurses are paid in comparison with the private sector nurses, causing the city a problem with recruitment and retention.

In order to fill most of these vacancies, the School Health Program utilizes the services of ten contract nursing agencies rather than increasing the base pay or the experience differentials of the existing DC 37 school nurses to attract nurses and fill vacancies.



ⁱ <http://schools.nyc.gov/NR/rdonlyres/7F229D72-D9AD-4976-ADB6-68F42F5D7E0C/29665/THE-SCHOOLNURSECharterSchoolPresentation2007.ppt>

In May 2004, DOHMH initiated three five-year contracts, totaling approximately \$22 million, with temporary health agencies to provide year-round temporary nurses for the School Health Program. The three vendors selected were Gotham Services, Temp Health, Inc. and Comprehensive Health Services, Inc. Under the terms and conditions of the contracts, these three vendors are required to provide a minimum of 50 contract nurses daily, for a total of 64,000 hours a year.

The average hourly rate for the contract nurses in the 2004 contracts was about \$40 an hour. The contracts also assigned the cost of training, fingerprinting and background checks to the DOHMH as part of the contingency costs of the contracts.

Similarly, during the same period, DOE also had seven contracts with nursing agencies to supply nurses for the School Health Program. The average hourly cost for these nurses was well over \$50 an hour.

Due to the inability of nursing agencies contracting with DOHMH to supply the minimum number of nurses required by the 2004 contracts, the School Health Program merged the DOHMH and the DOE contracts, creating a pool of ten contracts. The merger was done without any penalties to the three DOHMH contractors for failure to comply with the original contract and without competitively bidding the new contracts. The new pool of contracts simply adopted the higher hourly rate of over \$50 an hour. As a result, the contract cost has risen from \$14 million to \$33 million a year.

Potential Savings for Ending the Contracts with Contract Nursing Agencies

Our analysis compares the cost of the contract nurses with the cost of the DC 37 nurses, plus fringes, then projects this over the 64,000 hours mandated in the contracts. The average hourly rate for a DC 37 nurse is \$38.28 while the average hourly rate for the contract nurses is \$56.60. By using only city nurses, the city could cut the hourly rate and save the fees for background checks and fingerprinting paid to the contractors by the School Health Program, amounting to about \$40,000, since the initial fee is paid by the civil servants when they are hired. We estimate that by replacing the contract nurses with city employees, the city would save about \$8.8 million.

HUMAN RESOURCES ADMINISTRATION AND DEPARTMENT OF EDUCATION: LONG-TERM TEMPORARY CLERICAL CONTRACTS

For the purpose of this discussion, we should start by clarifying the issue of temporary employment. The great majority of the “temporary” workers (“temps”) are actually assigned to work all year, usually 249 days a year, 7 hours a day; therefore, there has been a misclassification of “temporary” contract workers. In reality, some of the temps we interviewed in HRA have been working in the same capacity for nearly 15 years. Even when a new vendor is selected to take over a contract, the workforce of the previous temporary agency generally remains in place. Hiring these workers is relatively easy since they are not required to pass a civil service exam or a background check upon hiring. DC 37 estimates that there are well over 1,200 of these contract clerical workers employed throughout city agencies. Their employment continues to erode the civil service system and deny the path of upward mobility through promotional opportunity to some of the lowest paid city workers.

Problems with Long-term Temporary Clerical Contracts

Good Temps and the Goodwill Industries of New York and New Jersey are members of the New York State Industries for the Disabled (NYSID). Pursuant to Section 162 of the New York State Finance Law, NYSID is a “preferred source contractor.” The preferred source status allows NYSID and its participating agencies to obtain contracts without going through a competitive bidding process. This preferred source status was granted to NYSID and its member agencies to allow the placement of individuals with disabilities throughout city and state government agencies.

NYSID has over \$20 million in contracts spread across several city agencies, including the Department of Education and the Human Resources Administration. Based on the evidence we have seen, it appears that NYSID is not fulfilling its mission to place individuals with disabilities in government jobs. Instead, it seems that NYSID is using its preferred status to obtain contracts with city agencies without competition thereby displacing city employees with clerical temps and consultants, many of whom may not be disabled at all.

In September 2006, the Special Commissioner of Investigation for the New York City School District, Richard Condon, released a reportⁱ on an investigation regarding the placement practices of the Good Temps agency. The report showed that DOE hired 916 temps between January 2004 and June 2006, and 623 consultants between June 2005 and July 2006, from Good Temps. The majority of the workers assigned to the contract were not fingerprinted for the kind of background check required for city workers.



In addition, the investigation found that more than 20 of the temps employed by DOE had falsified medical records in order to gain employment under a special provision of the law that would have classified them as disabled. The investigation found that among the 20 employees, one individual had been arrested at least six times prior to being hired and was convicted of burglary in the third degree, yet was placed by DOE through the temporary agency. We ask: Do these practices endanger our children in school?

According to the report, the temps were aided and abetted by a former DOE employee, who charged the temps \$25 to supply a false medical report. The employee involved had resigned as a city employee in 1999 after being arrested and later convicted of welfare fraud. Ironically, less than a year later, the employee was employed as a supervisor for Tempforce, Inc. and was responsible for the placement of temp workers. In 2005 the Tempforce contract was transferred to Good Temps. Since then, Good Temps has been designated as the contractor responsible for placing consultants and clerical temps at the Department of Education. The Condon report found that Good Temps was aware of the problem with the medical forms but chose to ignore it.

The report recommended terminating the services of all temps involved in the fraud, closely monitoring the method of classifying the temp employees as disabled, and reviewing the personnel files of other temps under the Good Temps contract to ensure that their employment records were authentic. It did not address the issue of penalizing Good Temps for its lack of oversight. Almost two years after the report was sent to the Department of Education, some of the temps identified in the fraudulent medical scheme remained employed by DOE and others had even been promoted to the title of consultant with substantial salary increases.

The use of temporary workers as a parallel workforce is not limited to HRA and DOE; it is a systemic problem throughout city agencies. Both Good Temps and Tempforce, Inc. continue to have contracts with 18 city agencies, including the Sanitation, Aging and Health and Mental Hygiene departments.

DC 37 supports maximizing opportunities for disabled workers, but seeks safeguards to prevent temporary agencies from using those fraudulently classified as disabled from displacing civil service employees and destroying their career paths.

Contracts for Temporary Clerical Services

From July 2007 to June 2008, the city spent about \$40 million for temporary clerical services. The contract budget for FY '09 increased that amount by about \$7 million. The two largest users of temporary clerical contracts are the Human Resources Administration (HRA) with about \$6.4 million in such contracts and the Department of Education (DOE) with about \$24 million. From January 2004 to June 2006, DOE hired 916 temps. The Office of School Food Services alone had approximately 125 temps in September 2008. At the same time, DOE laid off 20 permanent clerical employees and 40 permanent parent support staff, citing budgetary reductions as the fundamental reason for the layoffs, even when the budget for temporary contract services reached \$24 million. Many of these so-called temporary employees had been working for the Department of Education for over 20 years.

Potential Savings for Ending the Contracts with Temporary Agencies

Under the living wage law passed in November 2002, the city is required to pay clerical contract employees an hourly rate comparable to that of city workers in addition to statutory benefits for health insurance. This amount, combined with the profit margin given to the vendor for providing the clerical workers, has raised the cost of the contract above the cost for city workers to do the same job. DC 37 reviewed three of the largest recipients of temporary clerical contracts in HRA and DOE: Adil Business Systems, Tempforce, Inc. and Jennifer Temps. In all three analyses, the cost was higher by about 10%. The savings for terminating the three contracts in HRA and DOE and replacing the contract employees with DC 37 clericals would be \$755,340. The savings for terminating the contracts citywide would be about \$2.4 million.



CUSTODIAN AND CLEANING SERVICES CONTRACTS

City agencies' reliance on contractors to perform the most basic yet essential functions of city government has reached a new height. The cleaning and maintenance of the city's facilities and offices has been contracted out to private vendors who have been proven to be more costly and less reliable. District Council 37 represents approximately 1,800 custodial assistants in various agencies, including the City University of New York. The hiring rate for custodial assistants is less than \$30,000.

Concurrently, thousands of workers who are coming off the welfare rolls and into transitional job programs cannot find permanent jobs. The majority emerging from transitional job training programs, like the Work Experience Program or the Job Training Participants Program, return to the welfare rolls at the taxpayers' expense. These workers are natural candidates for city custodial jobs and could fill the positions at a lower cost than contracting out.

Job Training Participants (JTPs)

District Council 37 represents approximately 3,500 JTPs assigned as part of the Transitional Training Program created by welfare reform. These JTPs are assigned to the Department of Parks and Recreation and to the Department of Sanitation for a six-month training period. At the conclusion of the training period, the Parks Department places about 15% of them into available jobs in city agencies and available vacancies in the private sector. However, the great majority cannot find permanent placement and revert to welfare. The cost of the wages and benefits for these individuals is shared about 50-50 by the city and the state, with food stamps paid by the federal government. In FY '07 the city spent about \$45 million on the JTP program (\$38 million of that amount was used for JTP wages).

Contracts for Custodial and Cleaning Services

From July 2006 to June 2007, the city spent approximately \$79 million for custodial and cleaning services contracts throughout its agencies. The bulk of these contracts (about \$60 million) were found in five city agencies: the Human Resources Administration, the Administration for Children's Services, the New York City Fire Department, the Department of Sanitation and the Department of Environmental Protection. HRA had about one quarter of all the contracts for a total amount of \$17.5 million. As is the case with the temporary clerical contracts, the Living Wage Law establishes comparable hourly wages and statutory benefits for cleaning, janitorial and custodial services, making it wasteful for the city to continue contracting out these services, particularly, since the need for these services is likely to increase over time.

Potential Savings for Ending the Contracts for Custodial and Cleaning Services

District Council 37 believes that if city agencies were to terminate the custodial and cleaning contracts and replace their workers with JTPs, the city would save money while improving the annual income of the participants of the transitional job programs. The savings would be achieved in two ways: First, direct savings would be achieved by not having to continue to pay wages to JTPs in the transitional program who are placed in the permanent jobs. And second, the city would save by eliminating the 15% profit margin given to the contractors that supply the contract workers.



We estimate that the city would save a total of more than \$14.3 million as well as reaping social benefits of immense value. The placement of the JTPs into permanent city jobs would help end the vicious welfare-to-work-to-welfare cycle, and yearly family income for the families of Job Training Participants would increase substantially—by between \$6,000 and \$12,000. In addition, it must be noted that these custodial jobs are among the few entry-level city positions for which many of the JTPs would qualify.

DEPARTMENT OF TRANSPORTATION: INSTALLATION OF STREET SIGNS

The Department of Transportation (DOT) utilizes the services of several contractors to install and replace street enforcement and regulation signs. The signs include stop signs, alternate-side parking and no-parking signs, and others. These signs are integral to our transportation infrastructure and to maintaining the flow of everyday traffic in the streets of New York City. Every year, the fines associated with violations related to traffic enforcement and regulation signs generate millions of dollars in revenue for the city. District Council 37 represents about 41 Traffic Device Maintainers (TDMs) assigned to the Department of Transportation throughout the five boroughs. In FY '08, the TDMs installed and replaced 111,716 enforcement and regulation signs.

When contractors install misspelled street signs (such as “42th Street”) or arrows pointing the wrong way, the city TDMs are responsible for making correct signs and installing them — at additional cost to the taxpayers.

Contracts for Installation of Street Enforcement and Regulation Signs

The contracts for street enforcement and regulation signs can be found under the maintenance and operation infrastructure category of contracts. Since FY '05, the disbursement for this category has increased by \$5 million, reaching a total of \$114 million in FY '09. The funding for these contracts comes primarily in state block grants to the city. The two most commonly used contractors in the DOT are Iberia Road Markings Corp. and United Fence, Inc. Iberia Road Markings Corp. performs about 80% of all contract work for the DOT. State records obtained by District Council 37 show that Iberia Road Markings Corp. has an outstanding balance of more than \$50,000 owed in workers' compensation since 2002. Outstanding workers' compensation balances are automatic disqualifiers under the procurement rules; it's unclear how the Department of Transportation granted the contract to Iberia Road Markings, Corp. without a proper background check on the company. To minimize such situations, a review of all such contractors should be undertaken immediately.



Potential Savings for Ending the Contracts for Installation of Street Signs

Our comparative analysis of the contract costs found that the installation of signs under the Iberia Road Markings Corp. and United Fence, Inc. contracts costs over \$50 for each regulation and enforcement sign. Comparable signs installed by the DC 37 Traffic Device Maintainers cost about \$20 a sign. Given that the contracts call for the installation of about 100,000 signs, we estimate that terminating the contracts with Iberia Road Markings and United Fence, Inc. and using city TDMs to do the work would result in savings of about \$2.9 million to the city. The savings here would be even higher if the city had to assume liability for workers' compensation payments when contractors fail to meet their statutory obligations.

DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS: INFORMATION TECHNOLOGY CONSULTANTS

In 2003, District Council 37 published a white paper documenting the waste in several city agencies due to the contracting out of services that could be done more cost effectively by city employees. The paper included analyses of over-expenditures for information technology services in several city agencies. In 2005, the Department of Information Technology and Telecommunications (DoITT) published “Information and Telecommunications Strategy”ⁱ a report outlining key initiatives that would implement the department’s mission. Among the initiatives described by DoITT was the reduction of the city’s dependence on external consultants in order to save money. According to the document, the city planned to accomplish this goal by creating new civil service titles in collaboration with the Department of Citywide Administrative Services and by enhancing the technical training of IT professionals employed by DoITT. The plan further called for transferring hundreds of IT consultants who were providing technical services to the city into the newly created titles. City officials told the *New York Daily News* in June 2004 that they expected to save about \$75 million by converting over 1,000 computer consultants to city employees. In fact, almost 500 were converted and later budget publications presented by the city included the savings from this conversion as part of the City’s Agency Gap Closing Programs.

Information Technology Contracts

In 2004, the Department of Investigations found a series of improprieties with contracts for Data Industries, Inc and TRS, Incⁱⁱ. The investigation found that the IT contracts overcharged the city by more than \$2 million and had improperly placed computer consultants from a sub-contractor owned by a Department of Education administration official. The investigation presented recommendations to Chancellor Klein to recoup the overpayment and to institute safeguards against subcontracting work without prior consent of DOE. Despite the findings of improprieties against TRS, Inc. and Data Industries, Inc., the city continues to spend millions of dollars on contracts with the two contractors to provide day-to-day help desk and other computer-related services. As recently as February 2008, another investigation related to a contract with DynTek, Corp.ⁱⁱⁱ found that the contractor had inappropriately sub-contracted the work to a third vendor and had passed the additional charges back to the city. The maneuver cost the city an overcharge of \$400,000.

In addition, since DoITT Commissioner Gino P. Menchini left office in early 2006, the city has stopped converting consultants to city employees and has reverted back to depending more and more on outside IT consultants. This reliance is not limited to specialized functions but includes routine functions that should be performed by city employees. Since FY ’05, funding for contracts in the area of IT consultants has more than tripled, from \$55 million to \$135 million.

i http://www.nyc.gov/html/doitt/downloads/pdf/doitt_strategy_cy2005.pdf

ii SCI – Case No. 2003-1981

iii <http://www.nycsci.org/reports/02-08%20DynTek%20Inc%20%20Ltr.pdf>

Potential Savings for Ending Contracts with IT Consultants

Our comparison between the cost of computer consultants and the IT professionals represented by DC 37 reveals a major difference between salaries in the IT consultants' contract and the salaries of DC 37 computer employees. The average hourly rate for a certified consultant for Data Industries, Inc. was \$175 per hour, while the hourly rate for a comparable DC 37 Computer Associate was \$46.55 per hour, including fringes. Similarly, our analysis of the hourly cost of DynTek Corp was about \$115 per hour as compared to a DC 37 Certified Applications Developer/Database Administrator hourly rate of about \$57.02, including fringes. If we project the potential savings from converting these DoITT consultants to city employees across all city agencies, DC 37 estimates that the city could save about \$21.6 million.

311 CALL CENTER OVERFLOW SERVICES

The Department of Information Technology and Telecommunications (DoITT) has operated the city's 311 Call-in Centers since March 2003. The 311 Call-in Centers provide access to non-emergency city services through a central phone service center. Trained customer service representatives from DC 37's Local 1549 handle calls and complaints from callers 24 hours a day, seven days a week. Department of Information Technology and Telecommunications computer personnel, represented by DC 37's Local 2627, provide the technical assistance required to maintain the King Teleservices' computer system. The centers handle close to 40,000 calls daily about issues ranging from noise complaints to sanitation pick-up information. The majority of these calls are received in a city-operated center at 59 Maiden Lane in lower Manhattan; the remaining calls are received by an overflow center in Long Island City, operated by a contractor named King Teleservices, LLC.

Contract with King Teleservices, LLC

The nine-year contract with King Teleservices, LLC is worth \$50 million and is scheduled to expire in February 2015. The terms require the contractor to provide a monthly minimum of 110 dedicated seats (customer service representatives). The representatives are required to log a range of service hours between 16,500 and 21,500 hours. Under the terms and conditions of the contract, King Teleservices, LLC receives \$1,475 a month for each dedicated seat. In addition, the contract calls for an hourly rate for services of \$31.19 in the first year of the contract, rising to \$39.51 in the last year of the contract. The city maintains and updates the King Teleservices computer terminals. The city also pays an hourly rate for initial and on-going training for the contractor's representatives. The hourly cost is \$15 per hour for initial training and \$25 per hour for on-going training. Furthermore, the contract requires the city to pay a \$5 million insurance policy premium for the contractor's call-in center. The premium has a maximum payment of \$170,800. Under the terms of contract, the city has a right to terminate the contract with 30 days notice.

Potential Savings for Ending the Contract with King Teleservices, LLC

The 311 facility at 59 Maiden Lane has between 50 and 60 open terminals capable of receiving calls. The center is undergoing an expansion that should accommodate an additional 50 terminals. The combination of the two should be sufficient to allow DoITT to terminate the costly contract with King Teleservices and begin to carry out the work in-house. We estimate that the city would save between \$4.3 million and \$5 million by contracting in this work.

DEPARTMENT OF HOMELESS SERVICES: PRIVATE “PER DIEM” HOMELESS SHELTERS

New York City had a record number of homeless people staying in shelters in 2007. More than 1.5 million people slept in shelters including more than 30,000 families and 15,000 children. In 2004, Mayor Bloomberg outlined a five-year plan to reduce the homeless population. The plan included a substantial increase in funding and the privatization of several city-owned shelters; funding for the initiative increased by more than 75%, according to a report from the city’s nonpartisan Independent Budget Office (IBO). The number of families staying in shelters has increased by 15% since 2005 (from 7,707 in 2005 to 8,848 by March 2008). Spending for homeless shelters increased from \$563 million in 2004 to \$604 million in 2007.

Contracts with Hotels and Motels at “Per Diem” Rates

The city has also significantly increased the funding for hotels and motels to house a major portion of the homeless population without entering into a contractual agreement with the providers. In 2006, Mayor Bloomberg and New York City Comptroller William Thompson jointly announced that the city would minimize the use of these per diem shelters and would enter into a competitive bidding process. Nevertheless, since Mayor Bloomberg’s announcement, the amount of funding for these shelters has increased by over \$40 million, reaching a total of \$160 million. Social services are not included in the per diem rates for hotels and motels as they are in the city owned-shelters. These social services are essential to transition the homeless population into permanent housing.

In 2006, the city eliminated the preference for families and individuals referred by the Department of Homeless Services to the New York City Housing Authority (NYCHA). According to news reports, there are an estimated 10,000 vacant apartments in NYCHA, which is facing a \$169 million budget deficit for FY ’09 and a \$220 million deficit for FY ’10.

Potential Savings for Ending Contracts with “Per Diem” Shelters

The average daily cost per family in the private per diem family shelters ranges from about \$138 to \$161. Based on the IBO report, the average family stay in a per diem shelter is 317 days. The average daily cost in the city-owned family shelters is approximately \$82.28 per person per day. Similarly, the cost of providing shelter in the city-owned shelters for single adults is about \$17.45 per person per day. Our cost estimates use the standard daily per diem rates paid to all private shelters for families and single adults. The rates are \$94.97 for family shelters and \$63.75 for single adult shelters.



The city could save over \$51 million per year by creating an improved system to refer families from these hotels and motels to the New York City Housing Authority (which needs the funds) at rates comparable to privately owned per diem shelters.

DEPARTMENT OF PARKS AND RECREATION: ARCHITECTURAL AND ENGINEERING SERVICES CONSULTANTS

In April 2007, Mayor Michael Bloomberg released a plan to address the impact of a projected population increase of one million New York residents. PlaNYC 2030 is a comprehensive plan introducing 127 initiatives addressing 10 major goals – from congestion pricing to reducing greenhouse emissions to assuring that every New Yorker has access to a park within a 10-minute walk. Among the 127 initiatives, the plan calls for the much needed reconstruction of more than 500 acres of parkland spread across eight different facilities. The eight facilities to be refurbished were:

1. Dreier-Offerman Park (Calvert Vaux Park), Brooklyn
2. Fort Washington Park, Manhattan
3. Highland Park, Queens
4. McCarren Park, Brooklyn
5. Ocean Breeze Park, Staten Island
6. Soundview Park, Bronx
7. The High Bridge, Bronx and Manhattan
8. Rockaway Park, Queens

The approximate cost of reconstructing the eight parks would be about \$400 million, with the amount almost evenly distributed among the facilities, each receiving about \$40 million. Although the work varies from park to park, the landscaped architectural design remains fairly consistent in all the facilities. When the Parks Department planned the execution of the work necessary to complete the landscaping of the eight facilities, only the landscape design of the Dreier-Offerman Park was assigned to in-house architects and engineers. The landscape designs of the remaining seven facilities were contracted out to various architectural firms.

Contracts for Landscape Architecture Services in the Parks Department

The Department of Parks and Recreation has awarded six contracts for as-needed construction management services for \$4 million each. The contracts call for pre-construction services such as review of design drawings and the preparation of construction estimates. According to an analysis by the Mayor's Office of Contracts, change orders for construction services in the Department of Parks and Recreation in FY '08 cost 50% over the original allocation of the contract. In total, there were more than \$20 million in cost overruns due to change orders for contracts totaling \$40 million. The Department of Parks and Recreation has also awarded eight additional outside contracts for the landscape design of the parks identified under PlaNYC 2030.

Potential Savings for Ending Contracts with Outside Architectural and Engineering Firms

Our review of the cost of performing the functions described under the contracts reveals that the city could save money by ending contracts with these firms and hiring professional architects and engineers employed by the City of New York. The average hourly rate for the engineer and architect consultants was \$109 per hour, not including the expense of the change orders often needed because of errors and omissions by the contractors. The average rate for the city employees including fringes was about \$45 per hour. We estimate that by eliminating the contracts for architecture and engineering services in the Parks Department, the city could save over \$12 million.



DEPARTMENT OF EDUCATION: SCHOOL FOOD DELIVERY SERVICES

In December 2002, District Council 37 presented to the Office of Labor Relations and the city a white paper titled “Better Schools for Less — Cost Savings Proposals in the Deliverance of Goods and Services in the New York City Department of Education.” This white paper contained proposals for contracting in services that were being provided by outside vendors at a higher cost and less efficiently. The paper also outlined irregularities in the contracting process and the inconsistent pricing of deliveries by vendors. The city adopted some of the white paper’s recommendations and implemented some changes to better safeguard the dietary health of our school children and control the cost of delivering goods and services to schools.

Among the proposals not implemented was a recommendation to increase in-house delivery services of frozen, dry and donated commodities for the School Lunch Program. Our 2002 analysis showed that the city could save up to \$15 million by utilizing an in-house fleet of idle trucks to replace some of the private school food delivery vendors.

In February 2004, the Special Commissioner of Investigations, Richard S. Condon, released a reportⁱ that validated some of the data presented in our research paper. The commissioner found that the food delivery vendors maintained a system of “low balling” to procure the contracts. The commissioner also found that the savings advertised by contracting out delivery services were consumed by the fraud, costing the system an over-expenditure of \$10 million.

The new administration of School Food Services attempted to revamp the procurement process by consolidating the 13 contracts for food delivery services into three large contracts to achieve economies of scale. The new administration of School Food Services also required that these food purchases adhere to the Consumer Price Index in order to prevent price gouging and inflated food prices.

Under the new school purchasing system, the three selected vendors would purchase, warehouse and deliver the commodities to all city schools. The three vendors would also be required to store and deliver commodities donated by the United States Department of Agriculture (USDA). All new vendors would receive a standard price for their delivery services. The savings would be accomplished through lower food costs achieved by economies of scale.



The vendors selected under the new procurement system were Driscoll, Inc., Louis Food, Inc. and Watermelon Plus, Inc. The cost of the new contracts was estimated at \$35 million a year, plus the cost of purchasing additional commodities in the event of shortages at USDA warehouses.

ⁱ <http://www.nycsci.org/reports/02-04%20Food%20Purchasing%20Procedures%20letter%20to%20klein.pdf>

Beginning in September 2004, city schools began to experience massive delays in the delivery system, causing chaos in the food services program. The newly selected vendors simply could not keep up with the high demand. The Loaders and Handlers of DC 37's Local 372 and the Motor Vehicle Operators of DC 37's Local 983 stepped forward to fill the void created by the new contractors, working on weekends and holidays to ensure that the school children did not go hungry. Making matters worse, the ensuing chaos and lack of supplies prompted School Food Services to enter into 10-month emergency contracts with three new vendors to keep up with demand rather than bring this work in-house. The creation of emergency contracts tremendously increased the cost of the original contracts.

Contracts for School Food Delivery Services

The two vendors named in the scandal uncovered by the 2004 Condon report for overcharging the Office of School Food Services were Chef's Choice and Teri Nichols. The report recommended to the DOE Legal Department that DOE recoup any overpayments made to the vendors and place the report's findings in the vendors' files as a consideration in any future contract award. Two years after the report, Teri Nichols received a three-year contract for \$65 million and Chef's Choice has another three year contract for \$10 million. In total, DOE spends about \$48 million a year for delivery services contracts—an increase of more than \$18 million a year since the changes in the delivery systems were implemented.

In addition, since DC 37's 2002 proposal presented in the union's white paper, School Food Services has auctioned off the 13 city trucks that were sitting idle in a Long Island City warehouse. The sale of these vehicles was shortsighted and did not anticipate the fact that they might be put back into service for permanent or emergency needs.

This new proposal takes into account the changes in the procurement process and the reduced number of trucks in School Food Services, and it renews our request that DOE hire the personnel needed to operate eight trucks to deliver donated frozen goods to the schools. This will require hiring eight new Motor Vehicle Operators, 16 Loaders and Handlers and purchasing eight additional trucks.

Potential Savings for Ending Contracts with Food Delivery Companies

Since the donated commodities are provided and warehoused by the USDA at no charge to DOE, there is no possibility of savings through bulk purchases or on storage and, therefore, very little financial incentive for the vendors to provide the deliveries. In fact, vendors have often used this as a justification to obtain a higher price for delivering the donated items.

The implementation of our new proposal would save about \$4 million dollars.

NEW YORK CITY FIRE DEPARTMENT: ACCOUNTING AND BOOKKEEPING SERVICES

The New York City Fire Department has been relying on vendors and contractors to perform accounting, auditing and bookkeeping services. As previously presented in our long-term Clerical Temp Contract narrative, the contractors provided through temporary employment agencies work year-round. The contract employees are not required to pass the merit and fitness requirements mandated under law for the civil servants.

Potential Savings for Ending Contracts with Accounting and Bookkeeping Firms

The contract for professional accounting services in the New York City Fire Department with Adil Services Corp. has a total value of \$7 million. This contract is expensive and inefficient, since the vendor is unfamiliar with the institutional requirements of the Fire Department. DC 37 Local 1407's accountants and bookkeepers have been performing superior accounting services in the Fire Department for over 30 years. If given the opportunity, they would be able to perform the same job functions at less than half the price. This would represent savings of about \$988,260 a year. If applied through the length of the five-year contract, the savings at FDNY alone would reach \$4.9 million. We estimate that by replacing the contracts for bookkeeping and accounting in all city agencies and contracting in the work, the city could save approximately \$5.5 million a year.

SUMMARY OF SAVINGS

DEPARTMENT OF HEALTH AND MENTAL HYGIENE	
SCHOOL HEALTH NURSE PROGRAM	\$ 8.8 MILLION
HUMAN RESOURCES ADMINISTRATION AND THE DEPARTMENT OF EDUCATION	
LONG-TERM TEMPORARY CLERICAL SERVICES	\$ 2.4 MILLION
CUSTODIAL AND CLEANING SERVICES CONTRACTS	\$14.3 MILLION
DEPARTMENT OF TRANSPORTATION	
INSTALLATION OF STREET SIGNS	\$2.9 MILLION
DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS	
INFORMATION TECHNOLOGY CONSULTANTS	\$21.6 MILLION
311 CALL CENTER OVERFLOW SERVICE	\$4.3 – \$5 MILLION
DEPARTMENT OF HOMELESS SERVICES	
PRIVATE “PER DIEM” HOMELESS SHELTERS	\$51 MILLION
DEPARTMENT OF PARKS AND RECREATION	
ARCHITECTURAL AND ENGINEERING SERVICES CONSULTANTS	\$12.6 MILLION
DEPARTMENT OF EDUCATION	
SCHOOL FOOD DELIVERY SERVICES	\$3.95 MILLION
NEW YORK CITY FIRE DEPARTMENT	
ACCOUNTING AND BOOKKEEPING SERVICES	\$5.5 MILLION

POTENTIAL SAVINGS: \$127.35 – 128 MILLION

School Health Nurses Contracts

Comparative Cost Estimate

1

DC 37 Public Health Nurses					Gotham Per Diem, Inc.					
Fiscal Year	Hourly Rate + Fringes	Average # of Hours	Number of Nurses	Cost per Year	Hourly Rate	Average # of Hours	Number of Nurses	Cost per Year	Savings	
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 48.00	64,000	50	\$3,072,000	\$524,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$594,083	
DC 37 Public Health Nurses					Comprehensive Resources, Inc					
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 50.00	64,000	50	\$3,200,000	\$652,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$722,083	
DC 37 Public Health Nurses					TempPosition Health Care, Inc.					
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 50.00	64,000	50	\$3,200,000	\$652,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$722,083	
DC 37 Public Health Nurses					Theracare, Inc.					
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 52.00	64,000	50	\$3,328,000	\$780,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$850,083	
DC 37 Public Health Nurses					RCM Healthcare Services					
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 47.00	64,000	50	\$3,008,000	\$460,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$530,083	
DC 37 Public Health Nurses					VTA Management					
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 67.00	64,000	50	\$4,288,000	\$1,740,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$1,810,083	
DC 37 Public Health Nurses					Unique					
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 56.00	64,000	50	\$3,584,000	\$1,036,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$1,106,083	
DC 37 Public Health Nurses					Horizon					
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 51.00	64,000	50	\$3,264,000	\$716,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$786,083	
DC 37 Public Health Nurses					Carenet					
FY 09*	\$ 39.81	64,000	50	\$2,547,917	\$ 45.00	64,000	50	\$2,880,000	\$332,083	
					COST OF FINGERPRINTING			50X\$80	\$4,000	
					CONTRACT ADMINISTRATION				\$66,000	
									\$402,083	
DC 37 Public Health Nurses					Related Services Authorization (R.S.A.)					
FY 09*	\$ 39.81	22,000	13	\$875,846	\$ 100.00	22,000	13	\$2,200,000	\$1,324,154	
DC 37 Public Health Nurses					\$23,807,098			Contract Nurses		\$32,654,000
									\$8,846,902	
TOTAL SAVINGS									\$8,846,902	

* Includes new collective bargaining agreement increases reached on 10/30/08

Long-term Temporary Clerical Services

2

Comparative Cost Estimate

Number of Temp Agencies Contracts					401
Value of Contracts					\$43,241,202
ADIL BUSINESS SYSTEMS, INC					POTENTIAL SAVINGS
\$5 Million Contract					
Hourly Rate	Hours/Year	Yearly Cost/ Temps*	# Temps	Total Cost	
\$19.20	1743	\$33,466	130	\$4,350,528	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Serv.**	# Positions	Total Cost	
\$17.40	1827	\$31,790	130	\$4,132,656	
DESCRIPTION: Clerical Administrative					Comparable DC 37 Title: Clerical Assoc.
TEMPFORCE					POTENTIAL SAVINGS
\$4.7 Million Contract					
Hourly Rate	Hours/Year	Yearly Cost/ Temps*	# Temps	Total Cost	
\$18.75	1743	\$32,681	148	\$4,831,819	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Serv.**	# Positions	Total Cost	
\$17.40	1827	\$31,790	148	4,700,000	
DESCRIPTION: Temporary Labor Services					Comparable DC 37 Title: Clerical Aide
JENNIFER TEMPS					POTENTIAL SAVINGS
\$4.2 Million Contract					
Hourly Rate	Hours/Year	Yearly Cost/ Temps*	# Temps	Total Cost	
\$20	1743	\$34,860	132	\$4,605,649	
Hourly Rate**	Hours/Year	Yearly Cost/ Civil Serv.**	# Positions	Total Cost	
\$17.40	1827	\$31,790	132	\$4,200,000	
DESCRIPTION: Professional Temporary Services					Comparable DC 37 Title: Clerical Assoc.
ALL LONG-TERM CLERICAL CONTRACTS					POTENTIAL SAVINGS
Number of Contracts	Approximate Number of Temps	Aver. Yearly Cost/Consultant	Agencies	Total Cost	
525	1292	\$33,669	All	\$43,503,952	
Affected DC 37 Locals	Number of DC 37 Clerks	Yearly Cost/ Civil Serv.**	Agencies	Total Cost	
1113 & 1549	1292	\$31,790	All	\$41,075,705	
Total Savings					\$2,428,247

* Includes profit margin and statutory benefits under the Living Wage Law.

** Includes increases in new collective bargaining agreement reached on 10/30/08 and fringes.

Custodial and Cleaning Services Contracts

3

Comparative Cost Estimate

Number of Custodial and Cleaning Services Contracts					109
Value of Contracts (over 3 Years)					\$ 79 million
NYSID/AMRC					POTENTIAL SAVINGS
Hourly Rate (Mon-Fri)	Hours/Year	Yearly Cost/Contract wkr	# Custodian/Cleaners	Total Cost	
\$27	1743	\$47,234	20	\$944,671	
Hourly Rate (Mon-Fri)	Hours/Year	Yearly Cost/Contract wkr	# Custodian/Cleaners	Total Cost	
\$37	1743	\$64,135	10	\$641,354	
Hourly Rate (All Week)	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$21.00	1827	\$38,376	30	\$1,151,280	
DESCRIPTION: Porter - NYC Transit Facilities			Comparable DC 37 Title: Custodial Assist.		\$434,745
MAIDAY-MAYDAY CLEANING SERVICES, INC.					POTENTIAL SAVINGS
Hourly Rate Cleaner	Hours/Year	Yearly Cost/Contract wkr	# Custodian/Cleaners	Total Cost	
\$23.73	1743	\$41,361	25	\$1,034,035	
Hourly Rate Porter	Hours/Year	Yearly Cost/Contract wkr	# Custodian/Cleaners	Total Cost	
\$28	1743	\$47,967	10	\$479,674	
Hourly Rate (All Week)	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$21.00	1827	\$38,376	35	\$1,343,160	
DESCRIPTION: Cleaners/Porter DEP Facilities			Comparable DC 37 Title: Custodial Assist.		\$170,548
URBAN BUILDING MAINTENANCE, INC					POTENTIAL SAVINGS
Hourly Rate	Hours/Year	Yearly Cost/Contract wkr	# Positions	Total Cost	
\$30.05	1743	\$52,377	20	\$1,047,543	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$21.00	1827	\$38,376	20	\$728,640	
DESCRIPTION: Cleaners/ Fire Dept. Facilities			Comparable DC 37 Title: Custodial Assist.		\$318,903
ALL CUSTODIAN AND CLEANING SERVICES					POTENTIAL SAVINGS
Number of Contracts	App. Number of Contract wkr.	Aver. Yearly Cost/Cont wkr	Hours/Year	Total Cost	
109	625	\$29.04	1743	\$31,634,361	
Affected DC 37 Local	App. Number of Civil Serv.	Aver. Yearly Cost/Civil Serv.*	Hours/Year	Total Cost	
2627	625	\$21.00	1827	\$23,985,000	\$7,649,361
NUMBER OF JOB TRAINING PARTICIPANTS (JTPTS)					3,500
JTPTS					POTENTIAL SAVINGS
		Cost Distribution for JTPTS			
		Federal	State	NYC	
Wages			\$6,219	\$10,421	
Food Stamps		\$1,991			
Federal EITC		\$4,716			
State EITC			\$1,415		
City EITC				\$236	
		Totals	\$6,707	\$7,634	\$236
				\$10,657	Total
				\$	24,997
Estimated City Cost per JTP		\$10,657	Number of Positions		625
Savings for filling 625 custodial positions with JTPTS		\$6,660,500	Total Savings		\$14,309,861

* Includes new collective bargaining agreement increases reached on 10/30/08 plus fringes

Installation of Street Signs Contracts

4

Comparative Cost Estimate

Number of Consultant Contracts				450
Value of Contracts				\$114 million
Number of Signs Installed in FY '08	Aver. Yearly Cost/TDM*	Number of TDMs	Cost Per Unit	
111,716	\$55,167	41	\$20.25	
IBERIA ROAD MARKINGS CORP.				POTENTIAL SAVINGS
TYPE OF SIGN	Approximate Quantity	Unit Cost	Total Cost	
INSTALLATION OF SIGNS/SIGNPOST	27,000	\$50.00	\$1,350,000	
DC 37 TRAFFIC DEVICE MAINTAINERS				
TYPE OF SIGN	Approximate Quantity	Unit Cost	Total Cost	
INSTALLATION OF SIGNS/SIGNPOST	27,000	\$20.25	\$546,750	
DESCRIPTION: Enforcement Signs			TOTAL	\$803,250
IBERIA ROAD MARKINGS CORP.				POTENTIAL SAVINGS
TYPE OF SIGN	Approximate Quantity	Unit Cost	Total Cost	
INSTALLATION OF SIGNS	40,000	\$50.00	\$2,000,000	
DC 37 TRAFFIC DEVICE MAINTAINERS				
TYPE OF SIGN	Approximate Quantity	Unit Cost	Total Cost	
INSTALLATION OF SIGNS	40,000	\$20.25	\$810,000	
DESCRIPTION: School Crossings and Supports			TOTAL	\$1,190,000
UNITED FENCE, INC.				POTENTIAL SAVINGS
TYPE OF SIGN	Approximate Quantity	Unit Cost	Total Cost	
INSTALLATION OF ENFORC. SIGNS/SIGNPOST	30,000	\$50.00	\$1,500,000	
DC 37 TRAFFIC DEVICE MAINTAINERS				
TYPE OF SIGN	Approximate Quantity	Unit Cost	Total Cost	
INSTALLATION OF SIGNS	30,000	\$20.25	\$607,500	
DESCRIPTION: Regulations Signs			TOTAL	\$892,500
Total Savings				\$ 2,885,750

* Includes new collective bargaining agreement increases reached on 10/30/08 plus fringes

Information Technology Consultants

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Comparative Cost Estimate

Number of Computer Consultant Contracts					288
Value of Contracts					\$134,785,724
ADIL BUSINESS SYSTEMS, INC					POTENTIAL SAVINGS
Hourly Rate	Hours/Year	Yearly Cost/ Consultant	# Consultants	Total Cost	
\$150	1743	\$261,450	25	\$6,536,250	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$51.17	1827	\$93,494	25	\$2,337,350	
DESCRIPTION: Help Desk/Fire Dept.			Comparable DC 37 Title: Computer Specialist		\$4,198,900
DATA INDUSTRIES					POTENTIAL SAVINGS
Hourly Rate	Hours/Year	Yearly Cost/ Consultant	# Consultants	Total Cost	
\$120	1743	\$209,160	40	\$8,366,400	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$42.60	1827	\$77,832	40	\$1,471,110	
DESCRIPTION: Progr. Analyst HRA/MIS Project			Comparable DC 37 Title: Comp. Assoc. Softwr		\$6,895,290
DYNTEK					POTENTIAL SAVINGS
Hourly Rate	Hours/Year	Yearly Cost/ Consultant	# Positions	Total Cost	
\$115	1743	\$200,445	20	\$4,008,900	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$75.59	1827	\$138,111	20	\$728,640	
DESCRIPTION: DOE Food Service Consultants			Comparable DC 37 Title: Cert. LAN		\$3,280,260
TRS CONSULTING					POTENTIAL SAVINGS
Hourly Rate	Hours/Year	Yearly Cost/ Consultant	# Positions	Total Cost	
\$130	1743	\$226,590	35	\$7,930,650	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
	1827	\$ 88,064	35	\$728,640	
DESCRIPTION: ACS Help Desk			Comparable DC 37 Title: Computer Operator		\$7,202,010
ALL COMPUTER CONSULTANTS					POTENTIAL SAVINGS
Number of Contracts	Number of Consultants	Aver. Yearly Cost/Consultant	Hours/Year	Total Cost	
525	400	\$ 223,685	1743	\$89,474,000	
Affected DC 37 Local	Number of Civil Serv.	Aver. Yearly Cost/Civil Serv.*	Hours/Year	Total Cost	
2627	400	\$ 99,375	1827	\$39,750,100	
Total Savings					\$21,576,460

* Includes new collective bargaining agreement increases reached on 10/30/08 plus fringes

311 Call Center Overflow Services

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Comparative Cost Estimate

Lowest Number of hours under the contract

Minimum number of logged hours (18,000)

DC 37 Call Center Representatives				King Teleservices LLC				Savings
Fiscal Year	Hourly Rate + Fringe	Number of Hours	Cost per Year	Hourly Rate	Number of Hours	Number of Seats	Cost per Year	
FY '07	\$ 23.10	16,500	\$381,150	\$ 31.19	16,500	114	\$514,635	\$133,485
FY '08*	\$ 24.02	16,500	\$396,396	\$ 32.13	16,500	114	\$530,145	\$133,749
FY '09*	\$ 24.98	16,500	\$412,252	\$ 33.09	16,500	114	\$545,985	\$133,733
FY '10*	\$ 25.73	16,500	\$424,619	\$ 34.08	16,500	114	\$562,320	\$137,701
FY '11*	\$ 26.51	16,500	\$437,358	\$ 35.10	16,500	114	\$579,150	\$141,792
FY '12*	\$ 27.30	16,500	\$450,479	\$ 36.16	16,500	114	\$596,640	\$146,161
FY '13*	\$ 28.12	16,500	\$463,993	\$ 37.24	16,500	114	\$614,460	\$150,467
FY '14*	\$ 28.96	16,500	\$477,913	\$ 38.36	16,500	114	\$632,940	\$155,027
FY '15*	\$ 29.83	16,500	\$492,250	\$ 39.51	16,500	114	\$651,915	\$1,132,115
				Dedicated Seats	Yearly Cost	Yearly Cost/Seat	Total Cost	
				114	\$ 1,475	\$ 17,700	\$ 2,017,800	\$2,017,800
								\$4,282,030

Highest Number of hours under the contract

Maximum number of logged hours (21,500)

DC 37 Call Center Representatives				King Teleservices LLC				Savings
Fiscal Year	Hourly Rate + Fringe	Number of Hours	Cost per Year	Hourly Rate	Number of Hours	Number of Seats	Cost per Year	
FY '07	\$ 23.10	21,500	\$496,650	\$ 31.19	21,500	114	\$670,585	\$173,935
FY '08*	\$ 24.02	21,500	\$516,516	\$ 32.13	21,500	114	\$690,795	\$174,279
FY '09*	\$ 24.98	21,500	\$537,177	\$ 33.09	21,500	114	\$711,435	\$174,258
FY '10*	\$ 25.73	21,500	\$553,292	\$ 34.08	21,500	114	\$732,720	\$179,428
FY '11*	\$ 26.51	21,500	\$569,891	\$ 35.10	21,500	114	\$754,650	\$184,759
FY '12*	\$ 27.30	21,500	\$586,987	\$ 36.16	21,500	114	\$777,440	\$190,453
FY '13*	\$ 28.12	21,500	\$604,597	\$ 37.24	21,500	114	\$800,660	\$196,063
FY '14*	\$ 28.96	21,500	\$622,735	\$ 38.36	21,500	114	\$824,740	\$202,005
FY '15*	\$ 29.83	21,500	\$641,417	\$ 39.51	21,500	114	\$849,465	\$1,475,180
				Dedicated Seats	Yearly Cost	Yearly Cost/Seat	Total Cost	
				114	\$ 1,475	\$ 17,700	\$ 2,017,800	\$2,017,800
								\$4,968,161
TOTAL SAVINGS								Bet. \$4.3 - \$5 Million

* Assumes 4 % yearly increase

District Council 37 - White Paper V

Massive Waste at a Time of Need

Comparative Cost Estimate

Value of Contracts

\$160 Million

Cost Calculation for City-Owned Shelters in Fiscal Year 2007

NAME OF SHELTER	TYPE OF SHELTER	COST OF OPERATION	POTENTIAL SAVINGS
Kathrine	Family Shelter	\$933,681	
151st EAU	Family Shelter	\$2,680,348	
Auburn	Family Shelter	\$2,316,203	
Powers	Family Shelter	\$1,249,595	
Flatland	Family Shelter	\$1,241,307	
Jamaica	Family Shelter	\$1,231,599	
Lend-a-Hand	Family Shelter	\$4,402,337	
Total Cost for Family Shelters		\$14,055,070	468

NUMBER OF CLIENTS

468

AVERAGE YEARLY COST/FAMILY

\$30,032

AVERAGE DAILY COST/FAMILY

\$82

NAME OF SHELTER	TYPE OF SHELTER	COST OF OPERATION	NUMBER OF CLIENTS
Bellevue	Single Adult	\$3,845,300	1,609
Kingsboro	Single Adult	\$2,053,068	
Greenpoint	Single Adult	\$1,745,847	
Atlantic	Single Adult	\$2,601,051	
Total Cost for Single Adult Shelters		\$10,245,266	\$17

AVERAGE YEARLY COST/SINGLE

\$6,367

AVERAGE DAILY COST/FAMILY

\$17

Cost Comparison

POTENTIAL SAVINGS

Daily Cost of City Owned Shelters (Family)	Number of Families in Shelters (Hotels/Motels Only)	Aver. Number of Days a Year	Total	\$9,741,443
\$82	2,311	325	\$61,588,150	
Daily "Per Diem" Private Shelter Rate (Family)	Shelters (Hotels/Motels Only)	Aver. Number of Days a Year	Total	\$41,407,410
\$94.97	2,311	325	\$71,329,593	
Daily Cost of City Owned Shelters (Single Adult)	Number of Single Adults in Shelters (Hotels Only)	Aver. Number of Days a Year	Total	\$51,148,853
\$17	7,260	122	\$15,057,240	
Daily "Per Diem" Private Shelter Rate (Single Adult)	Number of Single Adults in Shelters (Hotels Only)	Aver. Number of Days a Year	Total	Total Savings
\$63.75	7,260	122	\$56,464,650	
Total Savings				\$51,148,853

Comparative Cost Estimate

Number of Consultant Contracts					8
Value of Contracts					\$32 million
Mark K. Morrison Associates					POTENTIAL SAVINGS
Hourly Rate	Hours/Year	Yearly Cost/ Contractor	# Consultants	Total Cost	
\$108	1743	\$188,244	5	\$941,220	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$43.19	1827	\$78,913	5	\$394,565	
DESCRIPTION: DPR Capital Proj. Comparable DC 37 Title: Landscape Architect					\$546,655
Thomas Basley and Associates					POTENTIAL SAVINGS
Hourly Rate	Hours/Year	Yearly Cost/ Contractor	# Consultants	Total Cost	
\$127	1743	\$221,361	5	\$1,106,805	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$49.73	1827	\$90,848	5	\$454,240	
DESCRIPTION: DPR Capital Proj. Comparable DC 37 Title: Project Engineer					\$652,565
Nancy Owens Studios					POTENTIAL SAVINGS
Hourly Rate	Hours/Year	Yearly Cost/ Contractor	# Positions	Total Cost	
\$91	1743	\$158,613	8	\$1,268,904	
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost	
\$45.39	1827	\$82,928	8	\$663,424	
DESCRIPTION: DPR Capital Proj. Comparable DC 37 Title: Licensed Surveyor					\$605,480
All Landscape Architecture and Engineer Services Contracts					POTENTIAL SAVINGS
Number of Contracts	Number of Contract wks	Aver. Yearly Cost/contractor	Hours/Year	Total Cost	
8	120	\$189,406	1743	\$22,728,720	
Affected DC 37 Local	Number of Civil Serv.	Aver. Yearly Cost/Civil Serv.*	Hours/Year	Total Cost	
Local 375	120	\$84,230	1827	\$10,107,560	
Total Savings					\$12,621,160

* Includes new collective bargaining agreement increases reached on 10/30/08 plus fringes

School Food Delivery Services Contracts

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Comparative Cost Estimate

DRISCOLL WEEK ENDING 10/17/08				Average Price/Case		<u>Potential Savings</u> \$6.33-\$2.21=\$4.12 Savings per week 16026 X \$4.12 = \$ 66,027 Total Savings/year(52.2 wks) \$3,446,616
NUMBER OF CASES DELIVERED		PRICE	TOTAL			
PRODUCE	1,042	\$ 10.00	\$10,420			
FISH & CHEESE	1,304	\$ 2.00	\$2,608			
FROZEN PIZZA	13,680	\$ 7.00	\$95,760			
	16,026	\$ 6.33	\$108,788	\$	6.33	
TERI NICHOLS WEEK ENDING 10/17/08				Average Price/Case		<u>Potential Savings</u> \$5.33-\$2.21=\$3.12 Savings per week 3,998 X \$3.12 = \$ 12,473 Total Savings/year(52.2 wks) \$651,080
NUMBER OF CASES DELIVERED		PRICE	TOTAL			
PRODUCE	1,200	\$ 10.00	\$12,000			
FISH & CHEESE	157	\$ 2.00	\$314			
FROZEN PIZZA	3,841	\$ 4.00	\$15,364			
	3,998	\$ 5.33	\$ 15,678	\$	5.33	
CHEFS CHOICE WEEK ENDING 10/17/08				Average Price/Case		<u>Potential Savings</u> \$4.83-\$2.21=\$2.62 Savings per week 1104 X \$2.62= \$ 2,892 Total Savings/year(52.2 wks) \$150,974
NUMBER OF CASES DELIVERED		PRICE	TOTAL			
PRODUCE	1,100	\$ 10.00	\$11,000			
FISH & CHEESE	30	\$ 1.00	\$30			
FROZEN PIZZA	1,074	\$ 3.50	\$3,759			
	1,104	\$ 4.83	\$3,789	\$	4.83	
DC 37 DELIVERIES WEEK ENDING 10/17/08				Average Price/Case		\$4,585,306 Minus cost of vehicles 8 NEW TRUCKS \$ (800,000) \$3,785,306 (\$166,621) \$3,951,927
	Salary/year*	Fringes	Weekly Cost			
1 MVO	\$ 37,259	\$ 13,408.00	\$971			
2 LOADERS & HANDLERS	\$39647 x 2	\$13,633 x2	\$2,041			
<u>Other Expenses</u>						
8 TRUCKS (NEW)	\$100,000	\$800,000				
		Gal/wk				
	Diese Fuel	60 @ 3.00	\$180			
	Total Cost/Week		\$3,192			
	Price/casre= \$3191.97/1442 or \$2.21/case			Minus cost of vehicles		
CASES DELIVERED				Average Price/Case		
WEEK ENDING 10/17/08 BY 17 TRUCKS						
TOTAL # of Cases Del.	AV. WEEKLY DELIVERY/TRUCK			\$	2.21	
FROZEN 5,500	FROZEN		324	Yearly Cost of		
DRY 19,000	DRY		1,118	DC 37 Deliveries		
TOTAL 24,500	TOTAL		1,442	Total Savings		

* Includes new collective bargaining agreement increases reached on 10/30/08 plus fringes

Accounting and Bookkeeping Services Contracts

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Comparative Cost Estimate

Number of Accounting and Bookkeeping Contracts

128

Value of Contracts

\$23.4 million

ADIL BUSINESS SERVICES, INC.

POTENTIAL SAVINGS

Hourly Rate	Hours/Year	Yearly Cost/ Contractor	# Consultants	Total Cost
\$60	1743	\$104,580	20	\$2,091,600
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost
\$30.20	1827	\$55,167	20	\$1,103,340

DESCRIPTION: Fire Department

Comparable DC 37 Title: Auditor

\$988,260

TEMPFORCE (ACCUSTAFF)

POTENTIAL SAVINGS

Hourly Rate	Hours/Year	Yearly Cost/ Contractor	# Consultants	Total Cost
\$26.23	1743	\$45,719	10	\$457,189
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost
\$24.04	1827	\$43,930	10	\$439,300

DESCRIPTION: Office of People with Disability

Comparable DC 37 Title: Bookkeeper

\$17,889

ADIL BUSINESS SERVICES, INC.

POTENTIAL SAVINGS

Hourly Rate	Hours/Year	Yearly Cost/ Contractor	# Positions	Total Cost
\$49.50	1743	\$86,279	10	\$862,785
Hourly Rate	Hours/Year	Yearly Cost/ Civil Servant*	# Positions	Total Cost
\$30.20	1827	\$55,167	10	\$551,670

DESCRIPTION: HRA

Comparable DC 37 Title: Accountant

\$311,115

ALL ACCOUNTING AND BOOKKEEPING SERVICES CONTRACTS

POTENTIAL SAVINGS

Number of Contracts	App. Number of Contract wks	Aver. Yearly Cost/contractor	Hours/ Year	Total Cost
128	200	\$78,859	1743	\$15,771,826
Affected DC 37 Local	App. Number of Civil Serv.	Aver. Yearly Cost/Civil Serv.*	Hours/ Year	Total Cost
Local 1407	200	\$51,421	1827	\$10,284,267

Total Savings

\$5,487,559

* Includes new collective bargaining agreement increases reached on 10/30/08 plus fringes

REFERENCES AND NOTES

LINKS

1. Executive Order #6
<http://www.dos.state.ny.us/info/register/2008/jun25/pdfs/executiveorder.pdf>
1. New York City's Budget Publications
<http://www.nyc.gov/html/omb/html/budpubs.html>
1. Long Beach Decision
<http://www.nycourts.gov/ctapps/decisions/may07/54opn07.pdf>
1. Contract Nurses
<http://schools.nyc.gov/NR/rdonlyres/7F229D72-D9AD-4976-ADB6-68F42F5D7E0C/29665/THESCHOOLNURSECharterSchoolPresentation2007.ppt>
1. Good temps
<http://www.nycsci.org/reports/09-06%20GoodTemps%20letter%20to%20klein.pdf>
1. DoITT Strategy
http://www.nyc.gov/html/doitt/downloads/pdf/doitt_strategy_cy2005.pdf
1. Data Industries and TRS consulting
SCI – Case No. 2003-1981
1. Dyntek
<http://www.nycsci.org/reports/02-08%20DynTek%20Inc%20%20Ltr.pdf>
1. Food Delivery Services
<http://www.nycsci.org/reports/02-04%20Food%20Purchasing%20Procedures%20letter%20to%20klein.pdf>

METHODOLOGY

The salaries used for our comparative cost estimates are all at the incumbent rate. The cost for the civil service positions include the most recent collective bargaining increases achieved during the latest round of negotiations, which concluded on 10/30/08. The calculations also include fringes calculated for DC 37 members, including FICA (7.65% of salary), Medicare (1.75 % of salary), health benefits contributions (\$8,266) for single coverage and Health & Welfare Fund contributions for full timers (\$1,640). The number of hours per year for civil servants was calculated based on contractual provisions for full timers at 261 days a year times 7 hours a day (1827 hours/year).

The salaries for the contract employees were obtained from payment schedules included in the contracts registered with the New York City's Comptroller's office. The cost for the contract positions includes profit margins and statutory benefits under the Living Wage laws, where applicable. The number of hours per year for contractors were calculated based on contractual language. In most cases the yearly hours were calculated at 249 days a year times 7 hours a day (1743 hours/year).

All calculations are presented for illustration purposes.

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