

## Unions: Must Enforce Safeguard Against Farming Out City Jobs

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By DAVID SIMS |

Municipal Labor Committee leaders urged revision and enforcement of Local Law 35, a provision that is supposed to guard against public employees' jobs being lost to private contracts, at an April 11 City Council hearing.

The law applies to any technical, consultant or personal-services contract valued at more than \$100,000. Agencies must determine whether the contract will directly result in the displacement of city workers.

### Sees Evasive Action

MLC Chairman Harry Nespoli said in a phone interview that unions are pressing to "tighten" the law in the wake of disastrous private contracts like CityTime, the cost of which ballooned by more than \$700 million and led to the arrests of six people charged with stealing \$80 million from the city.

"Right now, how they get away with it is they don't hire, they don't displace, and through attrition the workforce gets lower," he said. "Then, they go out and they hire a contractor to come in. Whereas it might be better for city workers to turn around and do that work."

By allowing the workforce to decline rather than displacing employees directly with private contractors, the city is getting around a 1993 law, Mr. Nespoli charged.

### 'In-House Often Best Way'

At the hearing, the Director of the Mayor's Office of Contract Services, Marla G. Simpson, said that the city was making an effort to reduce outsourcing, and insisted that none of the contracts pointed to by the MLC and the Council had violated Local Law 35.

"The city is well aware that in many instances, the most cost-effective way to deliver the high-quality services New Yorkers depend on is by giving that work to city employees to perform," she said.

The project management and quality assurance work of the city's new consolidated data center was insourced to the Department of Information Technology and Telecommunications, she said, saving \$25 million; in another example, the Department of Finance is hiring 45 city employees to replace outside consultants in its technology department.

The Council highlighted several contracts it thought might have violated the law, but Ms. Simpson denied there were any conflicts. A DOITT contract providing overflow services for its 311 call center was set up concurrently with the initial hiring of 311 workers, she said, meaning the deals run parallel. An HRA contract for clerical-administrative temporary workers does not fall under the "technical, consulting or personal services" part of the law, she said. And a DOC contract for maintenance of gates and doors also does not provide such services.

Mr. Nespoli was highly skeptical, saying that at a previous Council hearing, Ms. Simpson had admitted that she was unaware of the law ever being applied since she took office.

### 'A Reason It's on the Books'

"They said they'd never triggered it; as long as Marla Simpson was the director there, they never did it," he said. "You can't turn around and never look to institute it. Why is it on the books at all? It was put on the books so that the public and the unions had a better way of looking at contracting out."

He added, "After 18 years, I think it's time to look at how we can improve it and how we can also service the public the best way we can. If they're going to totally look to do away with civil service, that's the way they're going to do it."

United Federation of Teachers President Michael Mulgrew also testified at the hearing, saying that as the city plans to lay off some 4,658 Teachers, the Department of Education should be examining its outside contracts.

“The idea that Teachers could lose their jobs while the DOE continues to spend lavishly on outside vendors and consultants is deeply disturbing,” he said. “In difficult times like these, all possible dollars should be going to the classroom.”

### **‘Why Contract When Layoffs Loom?’**

He pointed to the recently-rejected \$20-million New Teacher Project contract, issued to hire new Teachers even though a job freeze is in place citywide for most subjects. City Comptroller John C. Liu turned the contract down, although the DOE has resubmitted it.

“What’s more, even as layoffs still loom, Tweed is moving forward with hiring 218 new people into the central bureaucracy, while also lining up \$40 million in outside management consultants and another \$36 million for outside computer consultants,” he said, pegging the grand total for DOE contracts at \$4.6 billion.

Other examples he cited included a pest-control contractor that soaked teaching materials with pesticides at a bedbug-infested Brooklyn school, ruining them; and 70 elementary school students at P.S. 20 in Queens who were taken to the hospital when an outside contractor accidentally put antifreeze in the drinking water supply.

“The current rules and regulations around contracting and procurement don’t go nearly far enough to provide the transparency and oversight needed to weed out bad contractors, alleviate unnecessary services or prevent abuses,” Mr. Mulgrew said.

He proposed that Local Law 35 be amended to apply to all new, renewed or extended contracts, because “the city’s narrow interpretation of the law has exempted many contracts from falling under [its] purview.”