

Borough Monitoring – Quarterly Report

February 28, 2023 (Period ending 3rd Quarter, 2022)

Executive Summary

The primary objective of the Borough Monitoring team is to report progress NYCHA is making towards achieving commitments set forth in the Transformation and Implementation Plans (together the “Organizational Plan”) including the various initiatives that support the creation of NYCHA’s new operating model. This work also complements areas where NYCHA endeavors to achieve goals set forth in the Organizational Plan, Action Plans, HUD Agreement, and to track progress towards addressing the KPMG recommendations. The team therefore evaluates whether operational components at the borough, neighborhood and development level are adequately supported and achieving broader NYCHA goals and making progress towards accomplishing organizational change and alignment with NYCHA’s new operating model.

Observations reported are based upon accounts and responsive comments by NYCHA operations and procurement staff of various titles, who participated in more than thirty-five interviews. This report identifies issues at a higher level and assesses NYCHA’s transformation from the perspective of front-line development staff.¹ The report provides guidance to the Monitor, NYCHA and other stakeholders by its observations of the operational impact of central office initiatives. NYCHA must consider matters identified in this report as it continues to define the new Neighborhood Operating Model to accomplish long-term sustained change.

Initiatives/Operational Areas Reviewed this reporting period:

Procurement, Property Based Scheduling, Work Order Reform

Procurement - Observations

- Operations staff, including the Borough Office and multiple staff titles at developments, differ in their perceived role related to procurement. Many staff lines are inadequately trained to perform responsibilities required as part of the procurement lifecycle, and KPIs are not used to track performance on development, neighborhood, borough, or enterprise-wide basis. In response to questions about process inefficiencies and delays at the developments, the Monitoring team often hears comments like, “...ask procurement,” or “...we are waiting for procurement, that’s why we don’t have...” when the actual responsibility resides predominantly with Operations.
- Standard procedures have been written in a manner that leaves process and roles open to interpretation, often causing operational inconsistencies impacting accountability. The processes and responsible individuals within Operations accountable for ordering materials are inconsistent across different developments. The lack of consistency impacts accountability for ordering materials and contributes to a high learning curve when staff transfer assignments from one development to another, requiring learning a new process. This is partially attributable to incorrect staffing levels and/or job vacancies.

¹ This report is written at a point in time. Since conducting interviews and compiling data for this report, SMPD has been notified of issues and responded accordingly. In many instances, issues within the control of SMPD have been addressed or are in the process of being evaluated for further improvement.

- Many Neighborhood Administrators earnestly attempt to comply with central office mandates to perform work, address public and resident complaints, and timely address required daily work. Independent decision making by Neighborhood Administrators to identify and address process breakdowns related to procurement often are hampered by other emergencies. Neighborhood Administrators truly have not been afforded an opportunity to manage their developments and have functioned more as a backstop to address emergencies and to fill in for development vacancies.
- NYCHA staff express a desire for guidance and support from leadership to prioritize procurement objectives. Operations staff support standardization of procurement processes across the organization; however, they also require a degree of autonomy to make localized decisions and for flexibility to address changing needs in the field.
- Systems in place for ordering materials (e.g., Oracle, iProcurement) are described as complicated and disorganized. Staff are not easily able to access searchable inventory of some materials, obtain anticipated delivery dates or determine when an out-of-stock item will be available. Staff reported that HA numbers used to identify materials are inconsistent and complicated, and staff must develop an expertise of which resource to use when ordering specific equipment and materials.
- Storerooms provide certain materials to NYCHA staff. Staff indicated challenges acquiring storeroom materials off hours, despite off-hours emergency lockers, and indicated that storeroom staff are not always familiar with required materials/parts. Superintendents and property managers who regularly engaged and communicated with storeroom staff have helped mitigate these challenges.
- NYCHA Operations staff do not take adequate steps to participate in predictively forecasting material and equipment needs. Operations staff incorrectly rely on the Supply Management Procurement Department (“SMPD”) for forecasting certain needs. One superintendent conceded that it is exceedingly difficult for supers, etc., “to inspect every job a vendor does.” He said they feel “forced to sign off on statement of service” since otherwise the vendor will not get paid – resulting in a perpetual cycle of contracting with bad vendors. In his opinion “...more people worry about the paper rather than the quality” of the work done by the vendor.
- NYCHA’s central office special operations initiatives are not held accountable to independently forecast and order required materials to perform their work resulting in unpredictable impacts to developments.
- NYCHA Operations staff do not consistently and competently verify that work is being completed by vendors on a timely basis and to contract specification.
- Micro and small purchases are not uniformly monitored. These contracts are initiated and managed by local development staff.
- The roll-out of the Purchasing, Logistics and Inventory Department occurred in early 2022. Creation of the new department and the designation of a resource assigned to each borough was not widely known by development staff. As the new department was established Procurement staff reported challenges related to training and undefined workflows to accomplish required tasks and workload. Procurement staff indicated a need for additional resources/staff.
- Training on procurement procedure is not consistent throughout the Operations staff. Procurement training is no longer offered at the borough level.

- SMPD has developed the following tools for Operations to execute required steps in procurement actions: Dun & Bradstreet access for NYCHA staff; Monthly Procurement Newsletter to identify expiring contracts and important issues; and a new Procurement Ethics policy. When queried most operations staff were unaware of these SMPD accomplishments. After raising this issue with NYCHA, SMPD focused on improving the means and channel of communication with Operations staff with success.

Procurement – Considerations

- Front-line Operations staff, including all titles working at Developments, Neighborhood Administrators, Borough-wide supervisory and support staff, and liaisons or representatives assigned to boroughs from central office business units, must have their functions and responsibilities related to procurement activities clearly defined, with corresponding training, and KPIs to improve accountability of staff performing procurement responsibilities.
- The standard procedures must be easy to comprehend and correspond with the defined roles for each title, limiting inconsistent interpretations by local Operations staff, and identifying accountable individuals to perform procurement related responsibilities.
- Procurement priorities must be identified by leadership at all levels and driven by Neighborhoods and Developments, not by central office emergency. Development staff are subject matter experts who are capable and must be relied upon to forecast material and service needs. They require training to make independent decisions on procurement matters best suited for their specific developments.
- The HA number identification system for ordering materials should be evaluated and simplified.
- The Chief Operating Officer with input from SMPD should develop guidance for development staff regarding their expected responsibilities in connection with procurement processes. This should include suggested meeting cadence and participants to reinforce the neighborhood model concept focused on engaging storeroom caretakers, property superintendents and other staff deemed appropriate; forecasting material needs; and solicitation and oversight obligations in connection with micro-purchasing (including verification that work has been completed timely and to specification).
- The Chief Operating Officer should evaluate and provide guidance to all central office departments regarding the best means to communicate directly with development staff to ensure that notification of centrally run initiatives is received by front-line development staff (e.g., a system of information sharing at morning muster meetings).
- Training provided to staff in connection with roles, responsibilities and procurement processes should be evaluated, updated, redeployed to development staff, and the results should be measured.

Property Based Scheduling – Observations and Considerations

- The roll out of Property Based Scheduling (“PBS”) was successful and supported by NYCHA staff. The initiative rolled-back the unpopular Alternative Work Schedule and encouraged development staff to evaluate and implement schedules based on individual development needs.
- NYCHA should continue monitoring the impact of PBS to ensure local developments are adequately supported and staffing levels correspond with service goals.

Work order Reform – Observations

- The work order backlog, which was not intended by NYCHA to be included in the work order reform initiative, will negatively impact the intended outcomes of work order reform. NYCHA staff have reiterated a need to develop a strategy to address backlog workorders.
- Planners are currently scheduling appointment for new work orders as far out as between two months (Queens) to up to eight months (Bronx). More skilled trades are required to reduce the scheduling gap.
- Despite appointment dates being scheduled months into the future, planners are scheduling appointments quicker in response to work orders.
- Implementation of WOR during 2022 presented variables in each borough that are rapidly changing and are either being addressed or are in the process of being addressed as the program evolves.

Work order Reform - Considerations

- The Borough Monitoring team is deferring assessment and guidance until full enterprise roll-out of Work Order Reform has occurred and meaningful time after enterprise-wide implementation has passed.

Conclusions

There have been significant efforts to improve NYCHA's procurement processes, which are continuing. SMPD developed a three-year strategic plan that coincided with NYCHA's broader Transformation Plan. Many of the planned improvements have been implemented or are in progress. However, as discussed in more detail in this report, the procurement lifecycle, vis-à-vis, the various tasks required to complete a procurement or purchase from start to end, goes far beyond the work of a single NYCHA department. SMPD can certainly develop policies, improve processes, devise training, and support front-line staff with procurement and purchase expertise. SMPD has started to create the framework and develop the tools necessary to improve the procurement and purchase processes; however, they must be socialized to, integrated to ensure that all the tools provided by SMPD are used. For example, Operations units must own forecasting, compliance with procurement policy, scoping, and verification that work has been completed timely and within specifications. Similarly, Finance must own accounts payable, and ensure that vendors are paid timely to help improve the vendor pool. The challenge is for NYCHA as an organization to collaborate horizontally, across central office business units, and horizontally and vertically across boroughs and neighborhoods, down to the developments, to implement and accomplish broader and more consistent procurement support.

Background & Observations

Beginning July 2022 during the third quarter of the year (“Q3”), the Borough Monitoring team conducted over thirty-five interviews of various members of NYCHA’s borough management and development staff to assess progress towards accomplishing organizational change and alignment with NYCHA’s new neighborhood operating model. Key areas undergoing transformation reviewed during the current reporting period include Procurement, Property Based Scheduling and Work Order Reform.² After initial interviews of front-line staff, supplemental meetings were scheduled with Supply Management and Procurement Department personnel.

Procurement at NYCHA

In 2019, NYCHA engaged an independent consultant to conduct a comprehensive assessment of its procurement operation. During the second quarter of 2020, the consultant began a fourteen-week review of procurement culminating in a series of recommendations for enterprise-wide improvements. NYCHA moved quickly in response to recommendations beginning with identifying and hiring a Chief Procurement Officer (“CPO”). Towards the end of 2020, NYCHA hired a new CPO tasked to develop a strategy and lead NYCHA’s improvement in the Supply Management and Procurement Department (“SMPD”).

In March 2021, NYCHA’s Transformation: A Blueprint for Change (“Plan”) highlighted a series of unconstrained solutions to benefit residents and enhance NYCHA’s ability to improve operations. Procurement was one area of focus highlighted by the Office of Strategy and Innovation as offering potential solutions to address system-wide pain points. Among the solutions highlighted in the Plan was the creation of a Chief Administrative Officer (“CAO”), intended to “...oversee key central office functions including Human Resources, Information Technology, General Services, and Supply Chain Management.”³ While the Plan did not provide a rationale for the creation of the position, one would assume that a CAO would serve to integrate the business units’ functionality and “break down silos” within the organization, including those units responsible for contributing to the enterprise-wide process to procure goods and services.⁴ The Plan also proposed Borough Administrative Teams which were to include procurement and designed to “...ensure that property management receives greater support from central office administrative functions as more decision-making power is shifted to the property...” with a vision that “...staff will be co-located at offices within the boroughs and will serve as main points of contact to ... resolve tasks at the borough level or escalate to appropriate contacts at each functional department.”⁵

In support of NYCHA’s broader Transformation Plan, NYCHA’s new CPO concurrently developed a three-year strategic plan for SMPD that encapsulated NYCHA’s broader mission, vision, and values. The strategic plan included broad goals of hiring additional staff and restructuring the department; improving procurement and contract management processes; broadening staff capabilities; improving NYCHA’s vendor pool; implementing modern technology; and, making procurement sourcing more strategic. Over the last two years, SMPD has made significant changes to address several key issues raised in the initial assessment of the division. Key highlights include:

² Property Based Scheduling was previously referred to as “AWS,” Alternative Work Schedule.

³ Transformation Plan, Chapter 4 – Governance Structure, p. 25 (highlighting the CAO function).

⁴ NYCHA identifies breaking down silos as a core value, Transformation Plan, p. 7.

⁵ Transformation Plan, Borough Administration Teams, p. 31.

- Hiring key leadership positions to support transformational change within the department.
- Organizational restructuring and creation of the Purchasing, Logistics, and Inventory group.
- Revisions to the Procurement Policy Manual.
- Developing a path to increase engagement with MWBE vendors and improve Section 3 hiring.
- Assessing and updating standard procedures for procurement thresholds, materials disposal/obsolescence, vendor ethics and responsibility.
- Deploying training on procurement ethics and vendor responsibility.
- Creation of a procurement board comprising NYCHA leadership to address enterprise-wide procurement matters.

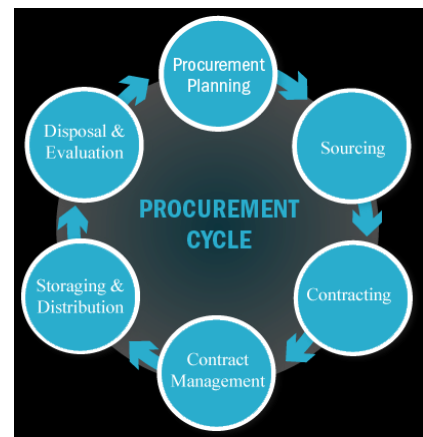
Despite efforts by SMPD to improve NYCHA’s tools to procure, more work remains. In many circumstances, the work that remains sits outside of SMPD. In response to questions about process inefficiencies and delays at the developments, the Monitoring team often hears comments like, “...ask procurement,” or “...we are waiting for procurement, that’s why we don’t have...” when the actual responsibility resides predominantly with Operations. When dealing with the lifecycle of procurement, it is Operations that must be able to forecast need; provide expertise to identify scope; adjust budget lines to pay requisitions; review and approve whether services are delivered properly; or materials are received timely and within specification. Distinguishing the roles and responsibilities of front-line staff from those of the central office will be key to ensuring that long-term changes of SMPD take effect. This is a burdensome culture change in an environment where there is evidence that blame, and deferring responsibility has frequently been the norm. It will be incumbent on managers, supervisors, and administrators (i.e., supervisory staff) to hold Operations staff accountable for responsibilities that must still be defined and will require training and oversight. SMPD and Operations must collaborate and build trust to improve and sustain positive change.

Forecasting, Purchasing and Delivery of Materials and Services

There are varying levels of engagement by property management staff in the procurement life cycle across NYCHA. One of the more complex and cross-functional responsibilities within the organization is to procure goods and services.

Questions considered when an item or service is procured include:⁶

- What needs to be ordered and by when? How many?
- Who provides the technical expertise to scope the correct material/service?
- Is there money in the budget?
- Type of procurement vehicle to use?
- Who orders it?
- Who receives it?
- Who confirms it was delivered to specification?
- Who pays for it? When?
- How are excess materials inventoried/returned/disposed?
- Who is responsible for these processes?



⁶ This is a sample of considerations that impact procurement.

There are ongoing concerns that fall outside of property managements' direct involvement that impact the procurement process. Steps mostly outside of property management's control include:

- Are the procured materials used only at the development that placed the order and is that development charged?
- Are MWBE/HUD 3 goals tracked, reported, and met?
- Is the vendor pool responsive and responsible to deliver the goods or services?⁷
- Are invoices for vendor work verified by development staff and paid on time?

Procurement of goods and services is a complicated process at NYCHA requiring coordination of multiple departments, often driven by the item or service purchased and the NYCHA team-member submitting the order. Without appropriate communication and cooperation *across business units*, staff will not complete procurement actions properly.

There are generally three ways to order supplies – Oracle using iProcurement, solicitation, or development staff using a commercial card.⁸ Each process has restrictions based on dollar value and NYCHA policy. Supplies are stored in skilled trades closets which are (sometimes) secured and isolated by trade or function. Supplies may also be stored in development storerooms managed by SMPD.

When discussing their respective roles related to the procurement cycle, Property Managers' ("PM"), Property Management Superintendents' ("PMS"), Skilled Trades Supervisors' ("STS") and Neighborhood Administrators' ("NA") reports varied significantly. Apparent throughout the organization are inconsistencies at the development level, in part due to staff vacancies, lack of accountability, undefined roles as they relate to the procurement life cycle and "improvisation" required to "get the job done." Staff report that "every development does it different."

The format in which many of NYCHA's standard procedures are written leaves much to interpretation by development staff causing inconsistent business processes. This significantly impacts the organization's ability to execute necessary tasks required in connection with procurement. For example, interspersed through existing procedure is the term "designee."

C. Superintendent

*Under the direction of the Housing Manager, the Superintendent, **or designee**, supervises, directs and is responsible for the work of the paint contractors relating to all painting of a general nature, including all coats, surface preparation, priming, and related work. The Superintendent, **or designee**, also analyzes and responds to paint and plastering work tickets by surveying apartments and exterior surfaces, as appropriate.*

The Superintendent or designee:

- *Inspects completed work performed by contractors, ensures adherence to contract specifications and directs the contractor to conform to contract specifications*
- *Initiates all punch lists for painting contractors and performs punch list inspection*

Standard Procedure 040:05:3, Maintenance Painting, Revised 1/12/09.

⁷ This is a hybrid scenario, where certain procurements (e.g., small, and micro purchases) are currently selected after certain selection procedures are completed by development staff.

⁸ The commercial card has also been referred to as the "emergency card." The card is a credit card with pre-set daily limits used to purchase material at local stores.

In practice, there are several individuals who *may* be accountable to provide oversight of paint vendors and ensure work is done properly. In many cases, the Monitor observed and has been advised that there is no oversight at all. When there is oversight of paint vendors, it *could be* any other staff designated by the Property Manager or the Superintendent, irrespective of whether the designee has adequate training to perform the task.⁹ Variations in the field impact the oversight and supervision of procured vendors, verification of work completed to specification, and ensures timely payment to vendors. This also is a source of confusion for property management staff often transferred between developments.

Interviews revealed a mindset embedded in certain NAs who demonstrate a deep understanding of how they perceive their role related to not just procurement, but the development of a new neighborhood operating model. For example, where NAs described their perceived role as “very involved in procurement activities” staff highlighted the following activities as a key component of their responsibilities:

- “Routinely checking the Operations database for existing IDIQ contracts”
- “Monitoring contract values and communicating with the Operations Administrator [and SMPD] when resources run out”
- “Performing audits of storerooms”
- “Monitoring budgets”
- Anticipating orders and planning for “salt and sand in August, and needs to order stoves and refrigerators in September and October – at least 90 days in advance for the holiday needs”

Staff who demonstrated leadership qualities related to their role in the procurement process hinged on number of years and type of experience with NYCHA; local custom in the borough; training; clarity of expected responsibilities from supervisors; informal performance standards; and the perceived role by the individual in the title. Less engaged NAs who perceive their role as functioning intermediaries who expedite actions by the central office tended to perceive their role in the procurement process as less of a supervisory/managerial position and more as a liaison who would:

- Escalate complaints about POs or IDIQ complaints by sending intervening emails to the Materials Management Division (“MMD”) and SMPD.
- “Enlists the assistance of his Borough VP and between the two of them, they get what they need.”
- “If they have issues with a requisition, we’ll reach out to procurement for assistance.”
- “Approve requisitions over \$10,000.”
- “Principally monitor purchases a little and, if necessary, serve to assist as a middleman between the developments and procurement or vendors.”
- “Get more money if they need it.”

Operations staff descriptions varied concerning their procurement priorities and reported individualized approaches to managing their presumed responsibilities. A PM in Brooklyn emphasized the need to “make sure everything is paid, so there isn’t a 50-page encumbrance report at the end of the year,” and ensure that there is a least “a month’s worth of extra supplies,” acknowledging that the SP “... may require three months of supplies” but defending their decision by declaring “one month of supplies [as] more realistic.” “Some managers will have an agreement with other managers to replace items they’ve taken from another development.” Some will stockpile certain items, explained an NA who said, “I like to have at least three fridges and three stoves on hand at all times.” One manager said, “I like to allow my supervisors to make their own orders and keep track of their own catalog.” There were inconsistencies in priorities and

⁹ Another factor for consideration is whether a particular development has vacancies. For example, there is little contingency planning when a Superintendent or Assistant Superintendent position is vacant. This often results in staff performing work outside of their training and experience.

process across the organization, sometimes contributing to a steep learning curve after staff reassignments between developments.

The PMS¹⁰ will submit orders for materials on behalf of Supervisor of Grounds (“SOG”), Supervisor of Caretakers (“SOC”), and in some instances the Skilled Trades Supervisors. Submissions for the SOC and SOG generally include janitorial supplies, basic maintenance supplies and other materials required to regularly maintain properties. The PMS or the Assistant Superintendent may submit orders for materials on behalf of the Skilled Trades Supervisor, but this depends upon the borough and development. Staff reported that “Skilled Trades Supervisors will submit a list to the Assistant Super to order materials, but often not timely.” An NA reported, when ordering, the trades supervisors will often say, “the item I need is not there” and then ask for the commercial card.¹¹

In some cases, ordering materials for skilled trades work is the responsibility of the Skilled Trades Supervisor. Whether the PMS or the Skilled Trades Supervisor orders materials, the Property Manager must approve all to ensure funds are available. If there are inadequate funds to proceed with an order, then the order will be rejected until funds are transferred for the purchase. There was little consistency citywide between the PMS or the Skilled Trades Supervisor ordering materials. This nuance has led to grey areas of responsibility between the two titles impacting the procurement process.

A Brooklyn Assistant Super described a third layer explaining that “there are certain things that the development orders, and certain things the storeroom orders.” Orders for materials (certain material required by trades) “are mostly made by either the Property Manager Supervisor or the Assistant Super, but some things are ordered through the storeroom clerk making things more difficult and less efficient.” An example of confusion and inefficiency is when equipment is ordered through Oracle, however the batteries required to power the equipment must be obtained through the storeroom. Another Assistant Super explained more generally that, “there is nothing to guide us on the general ordering of supplies. The system is very complicated and disorganized. The system needs to be better organized with an easy way to search for all available items. Oracle doesn’t say when something is out of stock, when it will be delivered, etc.”¹²

SMPD’s Purchasing, Logistics, and Inventory group manages storerooms, an assumption of responsibility from the former Materials Management Department, as part of the SMPD’s strategic plan. Property Management staff and Skilled Trades must communicate and work closely with storeroom Caretakers to ensure materials needs are met. However, storerooms are not always staffed, and availability of supplies is sometimes unpredictable because “not every development has a permanent storeroom clerk and [they] get a lot of floaters” often impacting accessibility to materials, primarily during off-hour emergencies. It was also reported that Caretakers are often unfamiliar with certain products, which results in incorrect items being ordered.¹³ One NA describing the reporting structure said, “it’s not optimal ... it’s difficult to

¹⁰ This task may be delegated to an Assistant Property Management Supervisor, or the PMS position could be vacant. This section refers to both PMS and Assistant PMS interchangeably.

¹¹ Multiple reports by property management staff suggested that skilled trades prefer to use local vendors (small and micro purchases) and the commercial card to avoid other procurement vehicles to save time and maintain relationships with local vendors.

¹² Several steps taken by SMPD, including a recent pilot program with Amazon, are intended to improve ease of use and real-time reporting.

¹³ This has occurred when the skilled trades need a specific brand or part and substitutions result in incompatible and/or unusable parts.

have [the storeroom] managed by another department” because the development’s ability to discipline “only goes so far.”

The Monitor observed differences between PMs in their approach to communicating and working collaboratively with their storeroom staff. In one example a PM in Brooklyn who took a hands-off approach said, “I’m not sure what the storeroom does in terms of knowing how much to keep on hand. Some things we use more than others. When the storeroom runs low on certain supplies, they will order.” On the other extreme, an Assistant Superintendent said he “coordinates regularly with the storeroom clerk and determines when we need to order more supplies.” Receipt of materials, conducting inventory, and maintaining a real-time record of where and what materials are available present similar challenges.

When asked about receiving and payment for materials delivered to the storerooms, one NA said, “the process is a nightmare.” He noted that, “sometimes a PMS will place orders given to them by the skilled trades and the PMS will order the wrong item. The NA questioned why the Skilled Trades Supervisors do not order their own materials: “There are a range of HA Numbers assigned to materials, and development staff don’t know which ones to order.”¹⁴ Another NA speculated that wrong materials are often ordered because “nonskilled trades are making ordering decisions and errors result from a mix of incompetence and apathy.”

One Property Manager opined that “skilled trades supervisors should be doing their own ordering – some boroughs permit that ... but problems [occur often] running into “failed funds.”¹⁵ When asked, a Skilled Trades Supervisor said that “giving MMD storerooms was the ‘biggest mistake’ it’s a ‘horror story’ dealing with storeroom staff because they will argue with the tradesmen.” One NA said that “storerooms run by MMD have pros and cons – if the storeroom person isn’t there or if he/she is transferred you’re hung out to dry. On the other hand – you don’t have to do the ordering.” Despite all efforts, there was consensus that staff attempt to maintain required material inventories, but emergencies deplete inventory, and there are always emergencies where “... everything gets bumped up to a high level.”

The dynamic described above also impacts forecasting, receipt of material goods and payment. When attempting to identify future needs and forecasting one NA explained that “some trades do it, like plasterers but some, like plumbers and electricians, don’t help.” The situation regarding supplies was described as “catastrophic” by one Skilled Trades Supervisor, citing “that the last apartment door in the borough was just assigned out for use.” Calling into question why Operations staff would not have realized the need for more doors far enough in advance before it presents an issue, a Manhattan NA explained that he tries to “teach property staff to stock in rhythm of the seasons” when it comes to forecasting materials needs. There were multiple examples of staff not having adequate materials, but a reluctance for staff to take actual responsibility for failing to anticipate and/or predict a need. As a result, for example, one PM suggested that “... emergency credit card purchases should not be capped, especially when purchasing materials for skilled trades, most often something required by electricians.” However, the commercial card should not be utilized as an alternative for failure to accurately forecast and purchase material properly.

One variable out of the developments’ control that significantly impacts forecasting materials needs is local work performed by special initiatives or certain central office units. Some examples given include

¹⁴ Housing Authority (“HA”) numbers are uniquely assigned by NYCHA to goods and materials.

¹⁵ Property Managers oversee local property budgets required to purchase materials, not the Skilled Trades Supervisors.

the Technical Services Division (“TSD”) or TEMPO.¹⁶ These and other Operations initiatives perform work at developments, sometime with little or no notice, “removing materials which come out of the development budget.” This makes it difficult to monitor budgets and to anticipate material needs. An NA explained that “...skilled trade staff from different Neighborhoods [have] come into my Neighborhood to get materials, with carpenters being the chief offenders.” He went on to say that he “...has heard that carpenters are secreting materials because of scarcity generally.” A Skilled Trades Supervisor in another borough speaking of TSD and TEMPO, said that “[t]hey will raid our shops and take our supplies despite having their own budgets. If a skilled trades shop is locked, those departments will cut the lock and take our supplies.”

Another challenge is the correlation between attracting reputable quality vendors and the time and skills necessary to confirm that vendor work is done properly. The latter is an essential component required to ensure vendor accountability to achieve an expected standard of performance. One PMS conceded that it is exceedingly difficult for supers, etc., “to inspect every job a vendor does.” He said they feel “forced to sign off on statement of service” since otherwise the vendor will not get paid – resulting in a perpetual cycle of contracting with bad vendors. In his opinion “...more people worry about the paper rather than the quality” of the work done by the vendor. “Paint supervisors used to verify and sign off on work.” The PMS went on to suggest that “... there should be someone hired for every Neighborhood to check on vendors.” In another example, an NA in Manhattan cited a “move-out inspection that occurred eight months after some vendor work had been done” resulting in plasterwork incorrectly applied without the use of a mesh lathe. The NA said, referring to vendors, “you gotta really watch them.”

Small Contracts & Micro Purchases

Vendor response and reliability will influence development staff “to use the same vendors over and over” and “work with a vendor out of habit, because a lot of them are unreliable”; however, this NA went on to explain “... but it is good to try new vendors.” Another NA said some NYCHA staff unfortunately “... fall into a gray area because they get too comfortable with a particular vendor”, confirming that, “kickbacks are still happening.” Over the last year SMPD has developed a procurement ethics policy, recently hired a Senior Director of Procurement Ethics and Vendor Responsibility and has developed and started to deploy training to development staff.

Small contracts and micro-purchasing are functions that happen almost exclusively at a localized level and NAs mostly defer to developments, in some cases providing no oversight. “Some NAs and Supers monitor their micros, but that’s not across the board.” The NA went on to explain how “the field will use different vendors” and will assist by asking his supers for referrals when he is trying to help a development identify a vendor. “It’s important to review work and get a signed statement of work, especially for public space work – for in unit work I trust my Supers who are supposed to perform spot checks.”

One NA said he “... is not involved with micros ... the PM is the final mover for these. I only get involved if funds being authorized are over \$25,000.” He went on to speculate that “he does not think anyone at NYCHA, other than the PM who is directly responsible, is monitoring micros.” Another NA in the same borough said he will “dip in to see how the budget is going” because he feels like “he needs to know what his developments are buying and why.” In one example, he reported discovering that an office refrigerator intended for a development was delivered to a Caretaker. Requests at the development level “come so fast that folks are just clicking approvals” but said there are no controls in place, and no one has told him to monitor those types of procurement activities.

¹⁶ Team for Enhanced Management, Planning, and Outreach oversees inspection and remediation in certain apartments where there is lead-based paint.

Purchasing, Logistics & Inventory – New Buyers

In early 2022, SMPD re-organized and created a new purchasing group under Purchasing, Logistics, and Inventory (“PLI”). Prior to the organizational change, purchasing was performed by specialists who were designated to purchase based upon the type of goods procured. The re-organization resulted in multiple purchasers, assigned by borough, who became generalists whose purchases were not limited to certain types of goods. The change required significant training, which remains mostly ongoing on-the-job, and was intended to align with the Neighborhood Model to broaden the skills of current staff increasing buyers’ capacity.

According to one buyer “the re-organization has been a difficult adjustment for several reasons.” The transition was described as “group training provided beginning May 2022, with some 1-1 training, but mostly train as you go.” Depending on the priority of a particular requisition, despite an effort to assign buyers to borough, a buyer explained that “you may have to do reqs for any borough.”¹⁷ Requests to process requisitions come via direct email from supervisors and will sometimes come directly from developments. One buyer explained that “there are only six buyers and too much work. We need more buyers and more training, and don’t understand [the] need to move to the boroughs, we don’t want to move, and we don’t see the benefit to moving.”

Buyers will “process all requisitions and purchase orders under \$10,000 ... for all boroughs.” One buyer reported that requests keep coming in with no breaks, and although technically no longer her responsibility to work with specified contracts, she still “upholds” her prior obligation because she doesn’t want to “see it all break down.” Work currently in process by the buyers is based on email instructions coming from supervisors, and everything is described as urgent.

Management is “very stern with production.” Buyers are supposed to process purchase orders and requisitions off a report generated weekly. However, one buyer explained that the volume of work is substantial and comes in from multiple sources: weekly reports, priority emails from supervisors, and directly from Oracle.¹⁸ Compounding the volume of work, one buyer explained that there is confusion when work is assigned, citing the uncertainty “when one colleague may have started processing a PO or not, because they don’t sit near each other and can’t communicate well.”¹⁹

Buyers explain that they are “processing email requests, basically only what supervisors are sending to them.” Everything is urgent. Buyers are not “processing what is in the excel report, those requisitions are just sitting in the queue.” One buyer lamented that the volume of work has resulted in mistakes, explaining an attempt to “put through an order without three quotes, just to get it through.” Another buyer explained taking “a lot of pride in my work” but was desperately unhappy with the situation “because current demands don’t allow for the job to be done correctly.” Challenges in hiring to fill

¹⁷ Referring to requisitions.

¹⁸ Prior to the roll out of PLI, buyers were assigned work directly via the procurement platform based on the type of materials procured. In this instance, the buyer indicated that Oracle work continued to be assigned by some developments because of a prior relationship with development staff.

¹⁹ “PO” referenced by staff is a purchase order.

positions resulted from restrictions in titles and job descriptions and delays internally within NYCHA's departments.²⁰

"Skilled trades often bypass the established process for ordering materials," adding to challenges early on during PLI roll-out. For example, a trade supervisor may approve a requisition but instead of submitting it properly, an urgent email request is sent to an NA who will then contact procurement indicating an emergency. One buyer explained that some skilled trades staff "will not include quotes even though they are the experts," know the materials required, and the reasonable costs. Despite an awareness that quotes are required, missing information will always result in a "back and forth with suppliers and trade supervisors causing delays." A buyer from another borough posed the question "if the developments can get multiple quotes for services, shouldn't they be able to get quotes for their materials?"

Regarding the roll-out of borough buyers, some front-line staff said, "I've heard about it, but I'm not aware that it's happening yet. We've only been introduced to the HR person; we haven't been introduced to anyone from Procurement who is supposed to be a liaison." When queried, other development staff had no idea that there was a plan to align a procurement resource with each borough.

One skilled trades supervisor was critical of buyers, saying, "for every item in our system, we have buyers. Buyers buy things they do not know anything about. No one tells me when stuff is shipped or when it will be delivered." Interestingly, skills trade staff have the responsibility to scope what they require with specificity – and to communicate when they have questions about when materials equipment will arrive. The expectation that procurement is Amazon.com, is furthest from reality – and yet we heard exactly that, "it would be great to have something similar to what Amazon provides."²¹ The presumption and subsequent blame on procurement is a culture well indoctrinated in many at the organization, and in this instance, the borough monitoring team have observed consistently that the skilled trades would rather use their own suppliers, buy their own materials, and not be bothered by anyone in procurement. Other complaints included the PO process taking longer by "almost a month or two," and "procurement doesn't call back."

Training

Staff reported receiving training related to procurement at various points during their tenure with NYCHA, either during onboarding or after reaching a milestone promotion.²² Since assuming her new role, one NA said she has mostly "learned on the job" everything was new, and she was unaware of how "staff training in procurement has been done since Covid." Staff across all titles recalled some form of training, in most cases when they first started at NYCHA. In one instance a Brooklyn PM said "I was never trained in procurement. Everything I've learned has been on the job through my supervisors. We don't receive any regular training in procurement."

Staff across titles agreed that they need more training. One Brooklyn manager described the current level of training as "your supervisor showing you something and then practice on the job." One PM explained that if he had a question about procurement the "first person we will speak to is the NA, who has an office in this development – if he doesn't have the answer, he will tell us to reach out to someone in procurement to get an answer." One Brooklyn Assistant Super said, "we definitely need more hands-on

²⁰ Despite substantial delays filling these positions NYCHA's Office of Strategy and Innovation reported completion of this Transformation Plan initiative well before positions were filled.

²¹ See FN 11 *infra*.

²² Training is dependent on the title to which a NYCHA employee is promoted.

training” and “we don’t get training at the Borough level anymore.” As for the procurement manual, a Brooklyn NA said, “no one has ever sat down with me, and it’s something I’ve picked up over time. “All staff can benefit from any and all training on procurement.”

Communication – Dun and Bradstreet, Ethics Policy, SMPD Newsletter and PLI

SMPD developed a new ethics policy in early 2022. SMPD also contracted with Dun and Bradstreet (“D&B”) to provide NYCHA property management staff with access to perform a cursory responsibility check of prospective vendors.²³ This effort supports a shift to engage with staff to take an active role in considering vendor suitability. Development staff consistently reported “that is what procurement is supposed to do”, referring to vendor evaluation. SMPD has also, for well over a year, circulated a monthly newsletter to development staff with document attachments identifying soon to expire contracts and other relevant details for development staff. These three initiatives along with the creation of PLI were NYCHA accomplishments intended to provide Operations staff with additional tools to improve and advance their work at developments.

During Borough Monitoring interviews, it was quickly evident that multiple initiatives, designed to improve authority-wide procurement activities, were not adequately rolled out to front-line staff.

Front-line staff commented:

- *“I receive the procurement newsletter. It’s useful. I read them occasionally when I have time. Some of my managers and supers probably have time to read this, but other locations don’t have a lot of down time and wouldn’t have time to read this. We have a lot of stuff going on, OCC complaints, section 8, etc. On average, most managers and supers are probably not reviewing this.” Neighborhood Administrator.*
- *“Did not thoroughly read it. Just skimmed it. I’m sure the Assistant Super has not read it, not sure if he gets it.” Property Manager.*
- *“Aware of changes, the Borough told us to read it, then I tell my Assistant Supers and Assistant Managers to read it. Certain people will read it, certain won’t.” Assistant Superintendent.*
- *“Aware of newsletter but don’t open it use it or read it.” Superintendent.*
- *“Looked at the procurement newsletter, not familiar with the Procurement Policy Manual or the Procurement Ethics Policy, but it might be useful to mention the newsletter to development management.” Neighborhood Administrator.*
- *“Not familiar with the Procurement Ethics Policy, but heard there was a Procurement Policy Manual, but don’t consult it.” Neighborhood Administrator.*

Staff were unaware of initiatives and had not received training months after implementation. Initial efforts by SMPD were to announce and communicate departmental changes, improvements etc., via the

²³ Dun and Bradstreet is a company that provides products and services to help assess risk and determine whether vendors are capable and demonstrate the business integrity and reliability to assure contract performance.

primary communication channel most often used to at NYCHA – office email. Unfortunately, email only reaches a limited number of staff, and the assumption is that staff read emails.²⁴

“NYCHA sends a lot of information out, and it’s tough to read everything. NYCHA doesn’t always communicate everything that’s important. They send things out because they want to hold people accountable. When they send attachments, I always print them and keep them, but I rarely have time to go over everything in detail.”

- Property Manager

This Property Manager was unaware of the procurement newsletter and attempted to pull it up from his email during his conversation while speaking with a field examiner. The manager finally located the announcement **amongst the other 3000 unread emails**. Effectively communicating and training staff on initiatives and new policies requires more thoughtful consideration of channels used, and some level of standardization across business units.²⁵

A Manhattan NA said he has “no familiarity with D&B and never ever heard of the Borough Purchasing group and PLI - what is it and how is it supposed to help me.” He went on to acknowledge the monthly procurement newsletter but said he “was not familiar with its content.”

Another NA in Manhattan said, “I’m aware of the newsletter, never seen ethics policy.” He was “not really aware of the borough purchasing group initiative, or if [his] developments interacted with it. He wondered “if it had actually been rolled out yet for Manhattan.” In Brooklyn, one PM said, “I have not heard anything about this.” However, one NA in Manhattan recalled, “at one point when the borough office signed a contract, they would print the cover sheet and circulate,” but that hasn’t occurred recently.

While most staff interviewed were unaware of new initiatives, there were outliers. One Manhattan NA “heard that a new person had been hired to work at the Borough and was very positive about the prospect of having her own liaison,” but she “didn’t know anything more about the initiative.” A Brooklyn PM said, “there was an online meeting about this around 3-4 months ago, NYCHA told us about the changes, and I think my staff use it on a regular basis if they have questions.”²⁶ Another Superintendent reported, “Procurement Policy Manual changes, and attending a three-hour meeting in June.”

Early in the reporting period, the Borough Monitoring Team quickly validated the communications vacuum as a systemic issue. The Monitor reported the concern to NYCHA’s CPO, who immediately responded by focusing efforts to evaluate and improve internal communication vertically down to developments and horizontally across the organization. NYCHA has since developed and began deploying training on the procurement ethics policy and the use of Dun & Bradstreet.

Property Based Scheduling

NYCHA rolled out the Alternative Work Schedule (“AWS”) in 2018. It was intended to increase caretaker staff coverage at developments. Spearheaded by the former General Manager, the initiative resulted in uneven coverage impacting employee morale and leaving developments understaffed. AWS did not accomplish its intended purpose due to insufficient staffing levels.²⁷ Since the inception of the

²⁴ Email access is generally determined by title and role.

²⁵ This issue will be highlighted in next quarter’s report on the progression of the Neighborhood Model.

²⁶ Referring to the monthly procurement newsletter.

²⁷ In 2020 NYCHA revised its bylaws and converted the title of General Manager to Chief Operating Officer.

monitorship, NYCHA sought to remediate the negative impact of AWS, to address staff concerns and to improve deteriorating conditions at developments. NYCHA rolled-out Property Based Scheduling (“PBS”) during Q2 2022, which eliminated AWS with some modification. PBS provided minimal guidelines and vested development management with the responsibility to determine the schedules that individually fit their developments best. This empowered staff to make local decisions around staffing, based on development size, number of staff and localized necessity. The feedback provided by Operations staff has been resoundingly positive. Demonstrated in some of the comments from staff below, the roll-back of AWS has been a success that considered the needs of residents and improved conditions for staff who endured the imposition of AWS.

- “Accountability has also improved because Supers and SOC’s can assign the same Caretaker to be responsible for each building or section as opposed to multiple Caretakers on various days. One Super noted that some less motivated/diligent workers wanted to remain on AWS, but in general, all are just happy that AWS is gone.” *Bronx Property Manager.*
- “The biggest difference is in the cleanliness of the buildings and grounds. You need people here every day if you want to keep the development clean. During AWS, no one had an assigned building, so it was a mess. Everyone was happy to go back to a regular schedule.” *Brooklyn Property Manager*
- “Overall, its better, we are getting more done, staff are more comfortable. We still have the same number of call outs.” *Brooklyn Assistant Superintendent.*
- “Basically, there is more accountability.” *Manhattan Neighborhood Administrator.*
- “People are showing up. There is better attendance. The development is cleaner than before, but I still see garbage in the mornings. There has been some positive feedback from residents. But some staff do miss the overtime.” *Manhattan Superintendent.*
- “It has been a blessing. We see it at the development level, and we can get to things faster. Also, we aren’t burning out our staff who are covering too many things. Now the basics are expected, and additional work can happen.” *Brooklyn Property Manager.*
- There is “a lot of improvement” in the buildings and grounds and “I’m especially pleased to have staff in full force.” Buildings look “much cleaner” and “supers report that their oversight is much easier with a full staff on a regular schedule.” *Manhattan Neighborhood Administrator.*
- “It was a good idea to let us choose the schedule to fit each development.” *Brooklyn Property Manager*
- “Staff is happier, seems like the residents like seeing the same people.” *Skilled Trades Supervisor.*
- “One benefit to the traditional schedule is that accountability is better now. During AWS, a caretaker might have 4-5 buildings. If they were out, those buildings had to be split among the other caretakers. It was tough to know who was responsible for cleaning a building last and easy to leave something for the next person.” *Brooklyn Property Manager.*
- “I’m hearing that my staff are 100% happy now. They like the traditional schedule, and they can accomplish things now that they weren’t able to under AWS.” *Brooklyn Neighborhood Administrator.*

Despite the positive response from staff, there are some issues with the operational change. Staff begin at 7 a.m. picking up garbage but their day ends at 3:30 p.m., a time when foot traffic increases (e.g., students return home from school). Truck drivers are available only during regular work hours. One property manager said, “with staff leaving earlier, in the evenings we don’t always have someone on site

who is able to create emergency work order tickets.” Overall, isolated issues should be addressed by developments through schedule and staffing adjustments.

Work Order Reform

In 2019, NYCHA engaged a consultant to evaluate how to improve the organization’s response to work orders. The initiative entitled Work Order Reform (“WOR”) was designed to tackle new work orders and not the existing backlog of unaddressed work orders. NYCHA’s strategy was to improve its responsiveness to resident complaints. As of Q3, WOR has been implemented in Queens, Staten Island, Brooklyn, and Bronx. It was rolled out in Manhattan during the latter part of 2022.²⁸

The Borough Monitoring team review of WOR continued to evolve during the third quarter of the year to account for nuances occurring during implementation. For example, staff reports in Brooklyn reflect issues reported in real-time, without an opportunity for course-correction. Items discussed below reflect observations at a point in time, as the Borough Monitoring Team has previously reported the evolving implantation of WOR since inception. In the upcoming year during 2023 we will report on the impact of WOR after full city-wide implementation.

In Queens, the first borough to implement WOR, staff reported that “appointments are getting scheduled faster, and residents were getting more consistency by being able to speak with the same personnel” but highlighted that the “backlog is unrealistic.” Despite some reported improvements, “plasterers and painters are still getting scheduled 2-3 months out” and in the Bronx, there were reports of wait times up to 6-8 months. Staff continue to express concern about WOR’s goal of tackling new work orders without developing a plan to address the backlog. NYCHA staff continue to insist that additional skilled trades are required to tackle the work order backlog.

Human Resources (“HR”) Business Representatives have helped onboard new staff supporting the roll-out of WOR.²⁹ The new HR Business Representative works with the office manager and was described as “helpful” to expedite the HR process; but suggested that new responsibilities required of local staff are “ridiculous.” In one example, a supervisor was required to review a total 278 resumes to fill one single position. Requiring a pre-screening of applicant resumes has created an added burden on Operations staff.

Prior to implementation, WOR in Brooklyn was met with optimism from staff with a sense that “increased support for scheduling, will be better.” Staff had varied conceptual ideas of what WOR meant for their developments. One staff member reported that “... each planner will have one or two secretaries. I think the volume of work will be a lot and ideally, they would have two teams of planners and secretaries. We’ll see what happens. It has a lot of moving parts and starts with maintenance workers. Everyone has to do their job for it to be successful.” One Superintendent reported, “... there have been multiple meetings. NYCHA came to our development and gave an overview presentation with maintenance workers.” And

²⁸ Implementation in Brooklyn was originally scheduled to occur in July but delayed until August 2022. Reporting in connection with Brooklyn WOR pre-dated implementation. Interviews with staff were completed prior to the implementation of WOR in Manhattan.

²⁹ One HR Business Representative is assigned to each borough, including one for Queens and Staten Island. The position was created as a core component of the neighborhood model and originally intended to be a participatory role that comprised borough-based administrative support teams.

one Property Manager said, “I’ve heard they are hiring 30 additional skilled trades workers; plumbers are something we need badly.”

After August, when WOR was implemented in Brooklyn one NA recounted, “... it’s been only 3 weeks, what I’ve seen is a slowdown in productivity for our maintenance men. They are spending more time inside the units which is a negative.” “The good thing is that we are addressing every issue within an apartment. The communication process and what they need to do is still a learning process. Maintenance workers are trying to learn what they have to do.” Recognizing that a change in process requires a period of transition, one NA said, “I would expect we’ll have a better idea of whether or not one planner and one secretary will work within 2-3 months.” A Brooklyn Property Manager criticized NYCHA’s preparedness for WOR explaining “... we haven’t been given any forms or slips. I’m hoping to get more information. I have heard they are hiring more staff, plumbers, and painters, but not 100% sure. I do not think we are ready for this. I am hopeful but skeptical. There are lots of challenges.” One Superintendent confirming earlier reports said, “we have the full count for plasterers and carpenters but there is still a shortage of painters, and they are still hiring plumbers.”

Some Brooklyn staff speculated whether WOR planned for adequate resources. A Property Manager said referring to the number of Planners expected to support Brooklyn, “... you need to double that if you want to keep up with the work. Two of each per neighborhood. If one is out, the other can pick up the slack. If the planner is out, and the secretary is out, who is going to plan?” Another borough staff member reported, “I don’t think a single planner and secretary is sufficient to handle the workload. It’s too early to provide a report card on work order reform in Brooklyn. Personally, I liked it better when there was one planner for one trade. I don’t think this is going to work. They should not have started this before they had more tools in the toolbox.” Over the next few months, Brooklyn will have an opportunity to overcome logistical hurdles and the Borough Monitoring Team will be able to report on improvements and results over the next several months.

Finally, leading up to implementation of WOR in Manhattan in late 2022, property management staff work was “optimistic and anxious for WOR to begin.” An NA said she knew who her planner and secretary were going to be and “thinks that this new process will be better for the development – to come together as a team to work between developments and residents.” Another Manhattan NA reported, “I just want it to start.” Property management staff reported a general understanding of WOR and consistently provided details supporting NYCHA’s effort to communicate and prepare staff for implementation. Some staff reported reviewing interim guidance provided by the WOR team. NAs were engaged to participate in the interview process to hire Neighborhood Planners and property staff anticipated training on the WOR program in preparation for implementation prior to its rollout.