



GovGrader Report Card
Spring 2019

NARRATIVE

Background

Nonprofit human services providers across New York are essential partners to government agencies in creating and delivering programs to our communities. They provide billions of dollars in services to New Yorkers through contracts with the government in areas such as child welfare, mental health, housing, employment and training, and senior care. However, difficulties relating to New York's procurement and contract management processes have made government partnership in providing essential services challenging to nonprofit contractors.

The consistent delays in government procurement, late payments, unattainable programmatic goals, and lack of collaboration with providers on program design and budget have a detrimental effect on the nonprofits and the communities they serve. These issues create additional administrative and financial burdens, which affect the operational and financial sustainability of the human services sector.

To help address these challenges, the Human Services Council has created GovGrader, the country's first online scorecard for human services providers to share their feedback on government procurement and contract management processes. This scorecard captures the business experience of nonprofit organizations that hold human services contracts with New York City and New York State agencies and give providers and their Boards insight into the issues involved with working with various government partners so that they can make informed decisions about contracting opportunities. GovGrader also informs government contracting agencies of the various areas that need improvement in the contract management process that cause nonprofits to have a deficient experience. It examines four different categories: responsiveness, proficiency, information management, and overall user experience.

This is the second year of implementing GovGrader and the results show that overall, the City scored a lower grade than last year, while the State remained the same. Nonprofits are mission-driven organizations that provide essential services to the communities that they serve and they should not be undermined by the government procurement process. Yet, government contracting agencies continue to provide substandard contract management experiences for vendors. This is shown in the overall user experience category of GovGrader where both the City and State scored a C+. The City and State should work in collaboration with providers to develop best practices and procedures and create a streamlined process to mitigate the financial, administrative and operational burdens of the procurement process.

[You can find the full survey on our website.](#)

Results

74 nonprofits throughout the State filled out the survey for a total of 353 individual program ratings across New York City and State human services agencies. Please note that there were fewer responses this year compared to last year. The scale of grading was also changed from a 1-5 scale to a 1-7 scale. Both the number of respondents and change in the scale may impact the results of the survey. There were instances where there were a sufficient amount of responses for the agencies as a whole and an inadequate amount of responses for individual programs. Since program responses were aggregated into the overall agency scores, this may have also impacted the results of the survey. This is only the second year of the survey, and we look forward to better analyzing trends over time.

- The State received a C+ overall while the City received a C.
- Agencies scored grades from B- to C-.
- Program areas within agencies ranged from B- to D+.

Overall, in comparison to last year, the State remained the same with a grade of C+ while the City fared worse from a B- to a C. The results show that many human services providers had an inadequate experience working with City and State agencies. Over the last year, providers have reported more issues in delays and confusing practices at the City level, which is reflected in the decrease in the City grade. The grades overall are average and combined with the comments from respondents, show that nonprofits struggle in engaging with government. However, because nonprofit funding consists mostly of government contracts, nonprofits have no alternative but to work with government agencies to deliver essential services to New Yorkers.

Key Findings

Human services providers continue to face late contracting issues, which have a detrimental effect on both the organizations themselves and the communities that they serve. According to NYC Comptroller Scott Stringer's analysis of NYC Agency contracts, in Fiscal Year 2018, 81% of human services contracts arrived at the Comptroller's Office after the start date. This is important because providers are paid once the contracts are registered, creating a risky situation where they have to start the work without a registered contract and payment, or delay in starting the contract, which affect the communities dependent on the services of providers.

According to the survey responses, there is a lack of collaboration between contracting agencies and nonprofit organizations. Although providers have the expertise in how to best serve their communities, agencies are not reaching out to providers on how to design the best programs. When providers have questions about the programmatic requirements, staff within agencies provide incorrect information or inconsistent responses because programmatic staff do not understand the issues, which are shown in the GovGrader scores for responsiveness and proficiency. The City scored a C while the State scored a C+ in responsiveness and the City scored a C+ while the State scored a B- in proficiency. These issues delay the procurement process and create administrative burdens for providers. Contracting agencies have been unclear with the program requirements and protocols and City and State agencies are at times not aligned in their expectations and communication.

Comparably to last year's ratings, the GovGrader responses show that contracting agencies performed poorly in the area of information management. The City scored a C- and the State scored a C in the information management category. Providers have to use multiple systems or archaic databases that do not streamline data reporting or reduce redundancies. There are also issues where State and City agencies do not coordinate their data with each other, which frustrate providers on tracking information in separate systems with different information. Agency staff ask for information in email form that is readily available to them in their systems, which wastes many hours of staff time.

Takeaways

By using the GovGrader survey results in tandem with RFP Rater, a procurement evaluation tool designed to aid nonprofit human services organizations and government agencies in understanding the risks and challenges inherent in government funding opportunities, we hope to engage both the government and providers on how to improve the procurement process while developing high quality programs.

By providing feedback from nonprofit human services organizations about their experiences on government procurement and contract management processes, we can create a space for both parties to discuss the issues stated above and also engage nonprofits to consider how to attain financial and operational sustainability for their organizations.

As a sector, it is imperative that we engage the government about the underfunding of contracts, unattainable program expectations, and underdeveloped program designs. We must continue to collaborate with contracting agencies to create solutions in investing in nonprofits and ensuring their sustainability.

Recommendations

1. The City should mandate the regular reporting of contract retroactivity. The State Comptroller releases a report each year under the Prompt Payment Law, and HSC has put forward a recommendation to the New York City Charter Revision Commission to require yearly reporting of retroactivity at each government agency. The development of PASSPort will also be a key indicator in tracking contracts, but mandatory reporting is imperative to ensure public access to this information.
2. Both the City and State should strengthen existing legislation for paying interest on late payments, particularly when payment is made late due to delays in contract registration. Both the City and State have existing rules regarding interest, but loopholes should be eliminated so that interest is mandatory, and HSC supports new legislation at the City level to more clearly require the payment of interest.
3. Government technology systems should not add additional burdens to providers, but streamline processes and eliminate archaic systems to improve the reporting requirements for nonprofit organizations. When the City and State build new systems, those systems should be able to link up with or replace existing systems, and should ensure that providers can access the information they input without having to do dual data entry.

4. The City and State should work together to build systems in coordination and synchronize their data instead of requiring providers to use multiple systems, which does not reduce redundancies or streamline data reporting.
5. At the City level, the PASSPort system, once fully operational, will have the ability to show where contracts are in the registration process. This transparency creates an opportunity to clearly identify the bottlenecks in the process, and the next crucial step will be to address the policy or procedural issues that slow down registration and eliminate unnecessary or duplicate processes.

Acknowledgments

HSC wishes to thank the nonprofit organizations and individuals who completed the survey. We thank you for devoting your time and resources to provide your experiences on government procurement, which help us open up a dialogue with contracting agencies on how to improve the process.

Jason Wu, HSC's Director of Operations, has driven the making of GovGrader, which is the first tool of this kind anywhere.

Gloria Kim, Senior Policy Analyst, has written this narrative and analyzed the results of the GovGrader.

Iona Tan, Content Coordinator, created the visuals and helped make the results clear to a larger audience.

Nolte designed our website, including our Rating tools and has been an excellent and patient partner in helping us develop dynamic content.

HSC wants to thank our funders, The Clark Foundation, The New York Community Trust, and our membership for their continuous support in our efforts.

We greatly thank the HSC Board and Executive team for their visionary and bold leadership.

REPORT CARD

STATE - OVERALL GRADE

FY18	FY19
C+	C+

CITY - OVERALL GRADE

FY18	FY19
B-	C

STATE AGENCIES

NYS DEPARTMENT OF HEALTH

FY18	FY19
C+	C

NYS OFFICE OF MENTAL HEALTH

FY18	FY19
B-	B-

OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

FY18	FY19
C-	C-

OFFICE OF CHILDREN AND FAMILY SERVICES

FY18	FY19
C+	B-

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

FY18	FY19
B-	B-

OFFICE OF VICTIM SERVICES

FY18	FY19
C+	C+

CITY AGENCIES

ADMINISTRATION FOR CHILDREN'S SERVICES

FY18	FY19
B-	B-

DEPARTMENT FOR THE AGING

FY18	FY19
B-	C-

DEPARTMENT OF EDUCATION

FY18	FY19
B-	C

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

FY18	FY19
B-	C

DEPARTMENT OF PROBATION

FY18	FY19
B	C

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

FY18	FY19
B	C+

MAYOR'S OFFICE OF CRIMINAL JUSTICE

FY18	FY19
B+	B-

DEPARTMENT OF SOCIAL SERVICES

DEPARTMENT OF HOMELESS SERVICES

FY18	FY19
C	C-

HUMAN RESOURCES ADMINISTRATION

FY18	FY19
B-	C

Human Services Council of New York
130 East 59th Street
New York, NY 10022

humanservicescouncil.org