STATE OF NEW YORK

9800

IN SENATE

May 30, 2024

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the public housing law, in relation to requirements for certain contracts for materials, supplies, or services

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public housing law is amended by adding a new section 151-b to read as follows:

§ 151-b. Additional requirements for contracts below a certain threshold. 1. Contracts for materials, supplies, or services which are not required by section one hundred fifty-one of this article to be made on sealed bids shall be procured in a manner so as to assure the prudent and economical use of public moneys in the best interests of the taxpayers, to facilitate the acquisition of materials, supplies, and services of maximum quality at the lowest possible cost under the circumstances, and to guard against favoritism, improvidence, extravagance, fraud, and corruption. To further such objectives, an authority shall adopt internal policies and procedures governing all procurements of materials, supplies, and services which are not required to be made pursuant to the sealed bid requirements of section one hundred fifty-one of this article or of any other general or special law.

2. Such policies and procedures shall contain provisions which, among other things:

a. prescribe a procedure for determining whether a procurement of materials, supplies, and services is subject to a sealed bid and documenting the basis for any determination that a sealed bid is not required by law;

b. set forth when each such method of procurement will be utilized, taking into account which method will best further the purposes of this section and the cost-effectiveness of the method;

c. require adequate documentation of actions taken in connection with each such method of procurement; and

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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d. identify the respective titles responsible for purchasing. Such information shall be updated biennially.

3. An authority in a city with a population over one million shall consult with the department of investigation of the city of New York and develop a procurement corruption prevention training program.

a. Such procurement corruption prevention training program shall be interactive and include:

i. information concerning the federal, state, and local statues and regulations related to gratuities and bribes;

ii. information concerning criminal liabilities related to gratuities and bribes;

iii. examples of conduct that would constitute gratuities and bribes; and

iv. information concerning employees' duties to report allegations of bribery and corruption to the department of investigation of the city of New York.

b. Such procurement corruption prevention training shall be provided to all individuals with the respective titles identified in paragraph d of subdivision two of this section on an annual basis.

4. An authority shall provide the individuals with the respective titles identified in paragraph d of subdivision two of this section, in writing in English and in the language identified by each individual as the primary language of such individual, at the time of hiring and at every annual procurement corruption prevention training provided pursuant to subdivision three of this section, a compliant advisory alert containing the information presented at such authority's procurement corruption prevention training program and an acknowledgement form for such individuals to sign stating that they have read, understood, and agree to comply with the compliance advisory alert.

5. Every officer employee of an authority in a city with a population over one million shall have an affirmative obligation to report, directly and without undue delay, to the department of investigation of the city of New York any and all information concerning conduct which they know or should reasonably know to involve corrupt or other criminal activity or conflict of interest:

a. by another authority officer or employee, which concerns their office or employment; or

b. by persons dealing with the authority, which concerns their dealings with the authority. The knowing failure of any officer or employee to report as required in this subdivision shall constitute cause for removal from office or employment or other appropriate penalty.

6. An authority in a city with a population over one million utilizing a pre-qualified list of bidders for contracts subject to this section shall require all vendors on the pre-qualified list to attend a training program developed in consultation with the department of investigation of the city of New York prior to being placed on the pre-qualified list.

a. Such training program shall be interactive and include:

i. information about the authority's internal policies and procedures governing all procurements of materials, supplies, and services which are not required to be made pursuant to the sealed bid requirements of section one hundred fifty-one of this article or of any other general or special law;

ii. information concerning the federal, state, and local statues and regulations related to gratuities and bribes;

iii. information concerning criminal liabilities related to gratuities and bribes;

iv. examples of conduct that would constitute gratuities and bribes; and

v. information regarding the vendor's responsibilities related to a contract.

b. Upon completion of the training program in paragraph a of this subdivision, vendors shall submit to the authority a signed acknowledgement form stating: "I acknowledge and understand that offering, giving, and/or accepting bribes, gratuities, and/or gifts is a criminal offence under federal and New York state law".

7. Within ninety days of the effective date of this section, an authority shall establish a schedule of reasonable costs for the fifteen most common service requests, inclusive of related materials, which are not required by section one hundred fifty-one of this article to be made on sealed bids. Such schedule of reasonable costs shall be based on the type of services and related materials. Any contract subject to this subdivision where the cost exceeds the schedule of reasonable costs shall include a written explanation for the additional cost. Such schedule of reasonable costs shall be updated annually.

8. An authority shall display signage at developments and offices in a conspicuous place accessible to employees stating the following: "Offering, giving, and/or accepting bribes, gratuities, and/or gifts is a criminal offence under federal and New York state law".

9. The quality assurance and compliance departments of an authority shall conduct semiannual audits of the contracts subject to this section. Such audits shall include but not be limited to the total number of transactions, the average contract cost, the frequency with which specific vendors perform work, recordkeeping, and compliance with this section. The findings of such audits shall be posted publicly on the website of the authority.

10. An authority in a city with a population over one million shall report any irregularities related to contracts for materials, supplies, or services to the department of investigation of the city of New York.

11. This section shall apply to any authority located in a city with a population over one million.

§ 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.