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Jacquelyn Schell
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SchellJ@ballardspahr.com

May 22, 2020

Via U.S. Mail & E-mail to (BKallos@BenKallos.com)

Ben Kallos
New York City Council Member
New York City Council
250 Broadway, Suite 1807
New York, NY 10007

Re: Oversight and Investigation into New York City's
eProcurement Contract with Ivalua

Dear Mr. Kallos:

On behalf of Checks & Balances Project (C&BP), I write to direct your office's attention to ongoing difficulties with New York City's transition to a single eProcurement platform and to request your help in obtaining information sought by C&BP under New York's Freedom of Information Law (FOIL), regarding this City's multi-million dollar contract with technology provider Ivalua.

Background

In May 2016, the New York City Department of Information Technology & Telecommunications (DoITT) awarded a \$30,500,000 contract to Ivalua, a relatively unknown French technology company. Through this contract, the City would implement a new, city-wide eProcurement system that would help city agencies better manage business with vendors and save money.

Now, four years later, the eProcurement system *still* is not functioning as promised. The contract with Ivalua has ballooned to \$47,000,000; the original sub-contractor, KPMG, has been replaced; and the Mayor's Office of Contract Services (MOCS) has taken control of the project. But the City is still using two vendor management systems, causing confusion for vendors.

As the *New York Post* reported in a March exclusive, the City's "bureaucratic red tape" has led to delays in securing orders for COVID-19 medical supplies from vendors. *See* Julia Marsh, *DiBlasio Didn't Secure 1st Order of COVID-19 Supplies for NYC until March 6*, March 20, 2020, <https://nypost.com/2020/03/20/city-hall-didnt-order-covid-19-supplies-for-nyc-until->

march-6/. My client heard from an anonymous source that had a similar experience getting paid by a City agency.

The City has not explained these delays or the substantial cost surrounding the project. This is particularly concerning at a time when City budgets are over-extended and many vendors (and companies across the City) are struggling financially as a result of the COVID-19 pandemic.

C&BP FOIL Requests During the Past Two Years

C&BP, an investigative watchdog blog that has been monitoring this project for years, is trying to determine the causes for the delays and expenditures that still have not generated the central platform promised in 2016. In August 2018, C&BP submitted FOIL requests to both DoITT and MOCS, seeking documents related to the Ivalua contract.

In June 2019, DoITT identified 4,294 emails, but refused to produce them, claiming it would be too burdensome to do so. C&BP narrowed its request to DoITT, which in turn produced 127 of those emails. The documents produced were largely irrelevant or duplicative of one another, but one email was relevant.

On January 8, 2018, former Chief Procurement Officer Michael Owh asked several key DoITT officials to review a draft letter to Ivalua. DoITT did not produce the attached letter, and when asked, argued that the letter was a working document and therefore exempt. When we requested the final letter instead, DoITT declared that the letter could not be found. We continue to work with DoITT, but, to date, we have not received any additional documents or information on the Ivalua contract.

MOCS, in contrast, has completely stonewalled C&BP in its attempts to investigate the contract between the City and Ivalua. In June 2019, MOCS denied C&BP's original request, unbelievably claiming that it had no responsive documents. C&BP submitted a revised request in August 2019; to date, MOCS has failed to produce documents or even to acknowledge whether it has any responsive documents, despite repeated follow-up by C&BP, narrowing its request further still and providing helpful information.

MOCS ultimately promised to produce documents on March 26, 2020, but then unilaterally continued that date another three months, until June 19, 2020. We recognize that MOCS is under additional strain from the pandemic, but the request has been pending since August, long before the current health situation arose.

Your Assistance Requested

We write to bring this issue to your attention and urge that your office use the investigate powers at your disposal to find out what is going on. C&BP is concerned about the lack of oversight from the City and hope that this letter will prompt a fulsome investigation into this concerning contract.

Ben Kallos
May 22, 2020
Page 3

We also ask for your assistance in obtaining meaningful, prompt responses to the FOIL requests currently pending with DoITT and MOCS. Any assistance you could provide in encouraging MOCS and DoITT to comply with their legal obligations would be greatly appreciated.

If you have any questions or we can provide any additional information, please let us know.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'JS', is written over a light blue rectangular background.

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May 22, 2020

Via U.S. Mail & E-mail to (SpeakerJohnson@council.nyc.gov)

Corey Johnson
New York City Council Speaker
New York City Council
City Hall Office
New York, NY 10007

Re: Oversight and Investigation into New York City's
eProcurement Contract with Ivalua

Dear Mr. Johnson:

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Corey Johnson
May 22, 2020
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May 22, 2020

Via U.S. Mail & E-mail to (reception@advocate.nyc.gov)

Jumaane Williams
New York City Public Advocate
David Dinkins Municipal Building
1 Centre Street
15th Floor North
New York, NY 10007

Re: Oversight and Investigation into New York City's
eProcurement Contract with Ivalua

Dear Mr. Williams:

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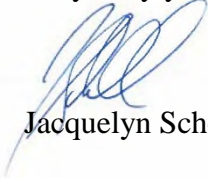
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Jumaane Williams
May 22, 2020
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May 22, 2020

Via U.S. Mail & E-mail to (action@comptroller.nyc.gov)

Scott M. Stringer
New York City Comptroller
One Centre Street
New York, NY 10007

Re: Oversight and Investigation into New York City's
eProcurement Contract with Ivalua

Dear Mr. Stringer:

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Scott M. Stringer
May 22, 2020
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