New York City Council
Hon. Adrienne Adams, Speaker of the Council
Hon. Julia Won, Chair, Contracts Committee

Report on the Fiscal 2026 Preliminary Plan for the Mayor's Office of Contract Services

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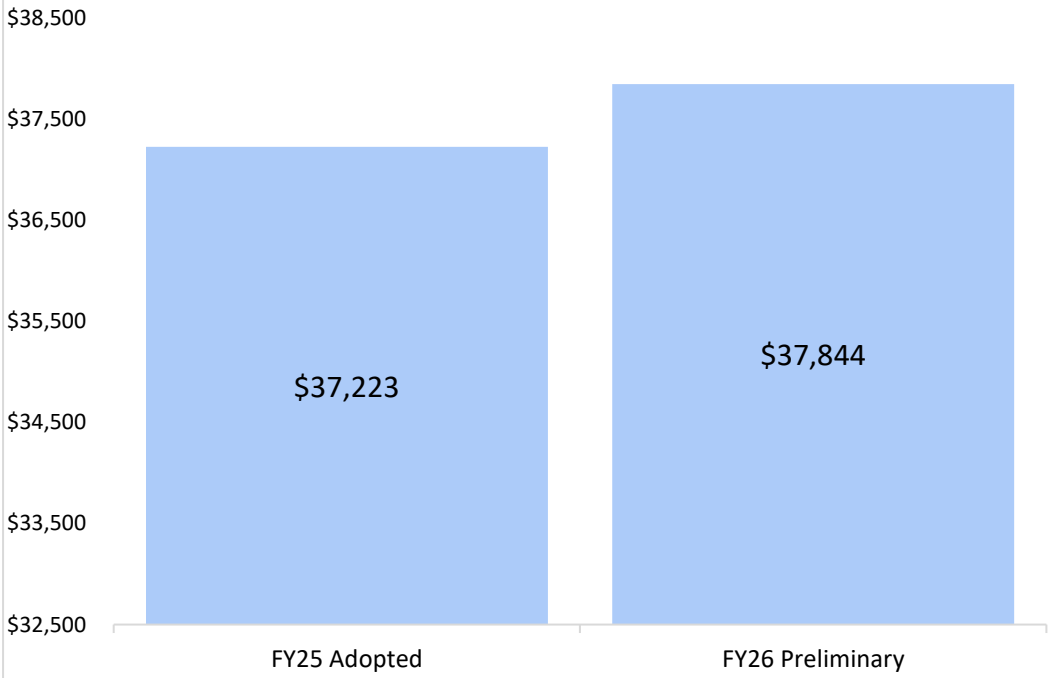
Fiscal 2026 Preliminary Plan

FY25	FY26
$1.2 million since Adopt.	**$2 million since Adopt.**
$14,000 since Nov.	**Unchanged since Nov.**

Mayor's Office of Contract Services Budget Overview

The Preliminary Financial Plan for Fiscal 2025-2029 (Preliminary Plan), includes a proposed Fiscal 2026 budget of $37.8 million for the Mayor's Office of Contract Services (MOCS or the Office). MOCS's Fiscal 2026 budget in the Preliminary Plan is the same as the Fiscal 2026 budget in the November Financial Plan. The Fiscal 2026 Preliminary Budget is unchanged since the November Plan and is $621,146 greater than the Fiscal 2025 Adopted Budget. MOCS is not a city agency, its budget resides within the budget for the mayoralty.

Difference between FY25 Adopted and FY26 Preliminary

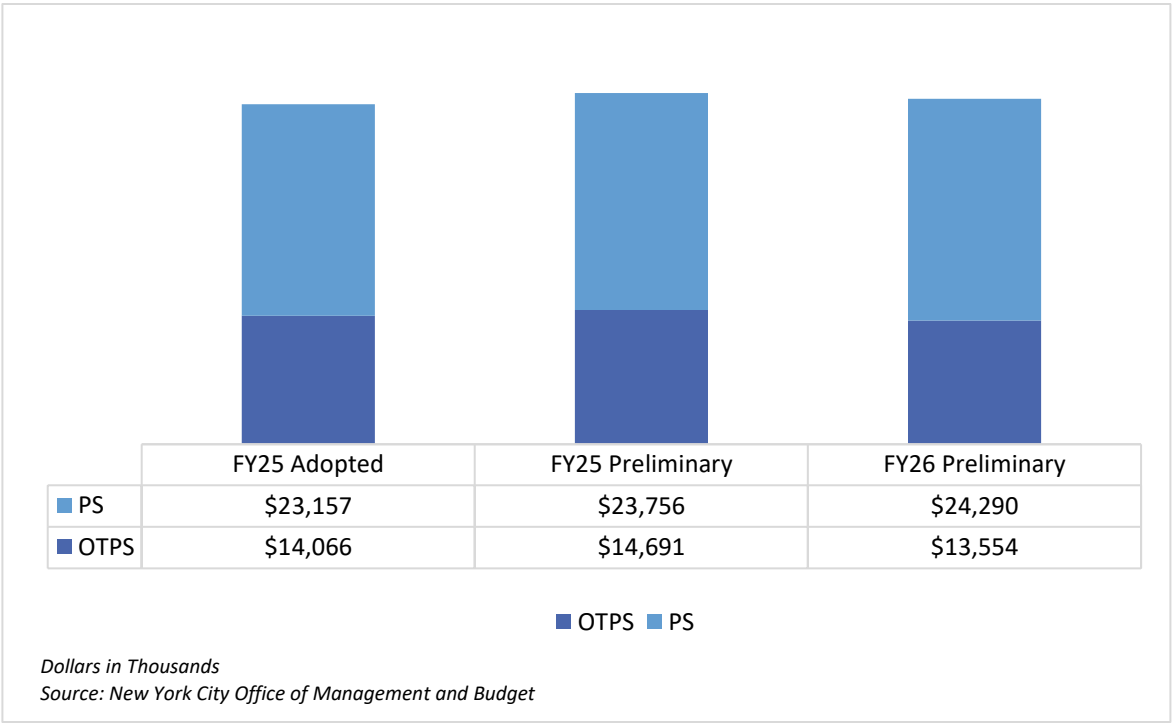


Dollars in Thousands
Source: New York City Office of Management and Budget

PS and OTPS:

PS:
$24.3 million

OTPS:
$13.6 million



Dollars in Thousands
Source: New York City Office of Management and Budget

Agency Financial Summary

Dollars in Thousands	FY23 Actual	FY24 Actual	FY25 Adopted	Preliminary Plan FY25	Preliminary Plan FY26	*Difference FY26 - FY25
Budget by Program Area						
Mayor's Office of Contract Services - PS	$17,223	$21,319	$23,157	$23,756	$24,290	$1,133
Mayor's Office of Contract Services - OTPS	32,217	23,287	14,066	14,691	13,554	(512)
TOTAL	**$49,440**	**$44,606**	**$37,223**	**$38,447**	**$37,844**	**$621**
Funding						
City Funds			$29,311	$30,328	$29,704	$393
Capital - IFA			2,901	2,901	2,987	87
Intra-city			5,011	5,218	5,153	142
TOTAL	**$49,440**	**$44,606**	**$37,223**	**$38,447**	**$37,844**	**$621**
Budgeted Headcount						
Full-Time Positions - Civilian	182	184	216	225	222	6
TOTAL	**182**	**184**	**216**	**225**	**222**	**6**

**The difference of Fiscal 2026 Preliminary Budget compared to Fiscal 2025 Adopted Budget.*
Source: New York City Office of Management and Budget

Agency Contract Budget:

FY26 Contract Budget:
$9.4 million

Number of Contracts in FY26: 6

Dollars in Thousands

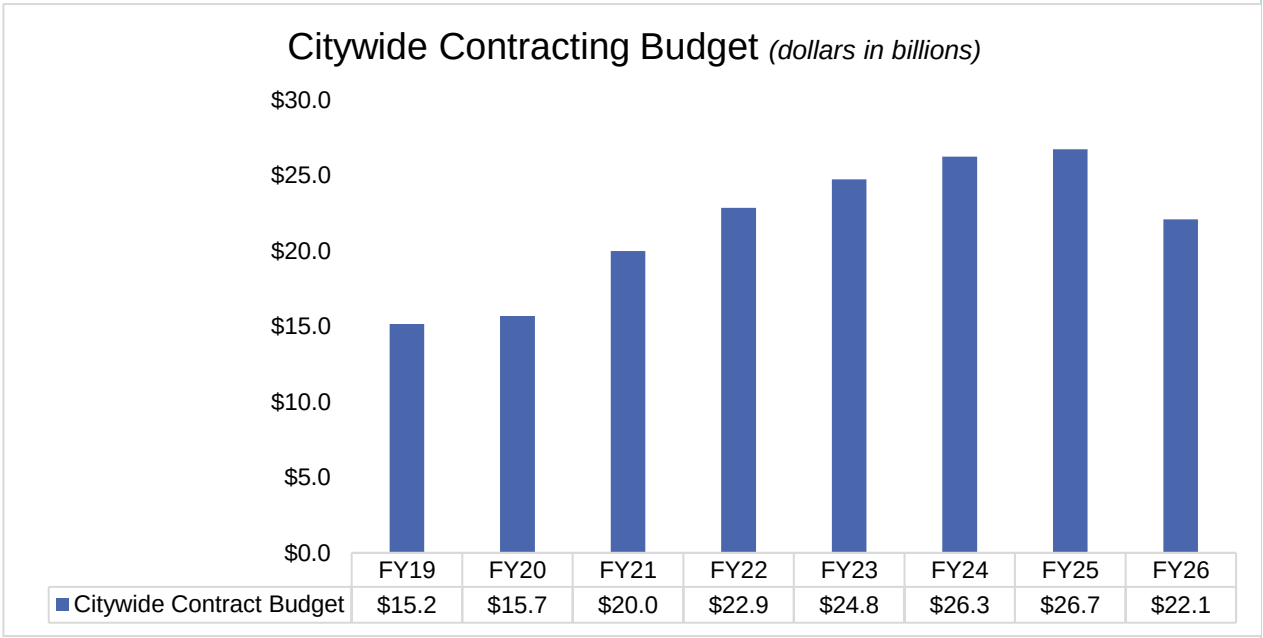
Category	FY25 Adopted	Number of Contracts	FY26 Preliminary	Number of Contracts
Contractual Services - General	$3,589	1	$3,589	1
Prof. Services - Computer Services	6,052	1	5,771	1
Prof. Services - Other	8	4	8	4
TOTAL	**$9,648**	**6**	**$9,368**	**6**

Source: New York City Office of Management and Budget

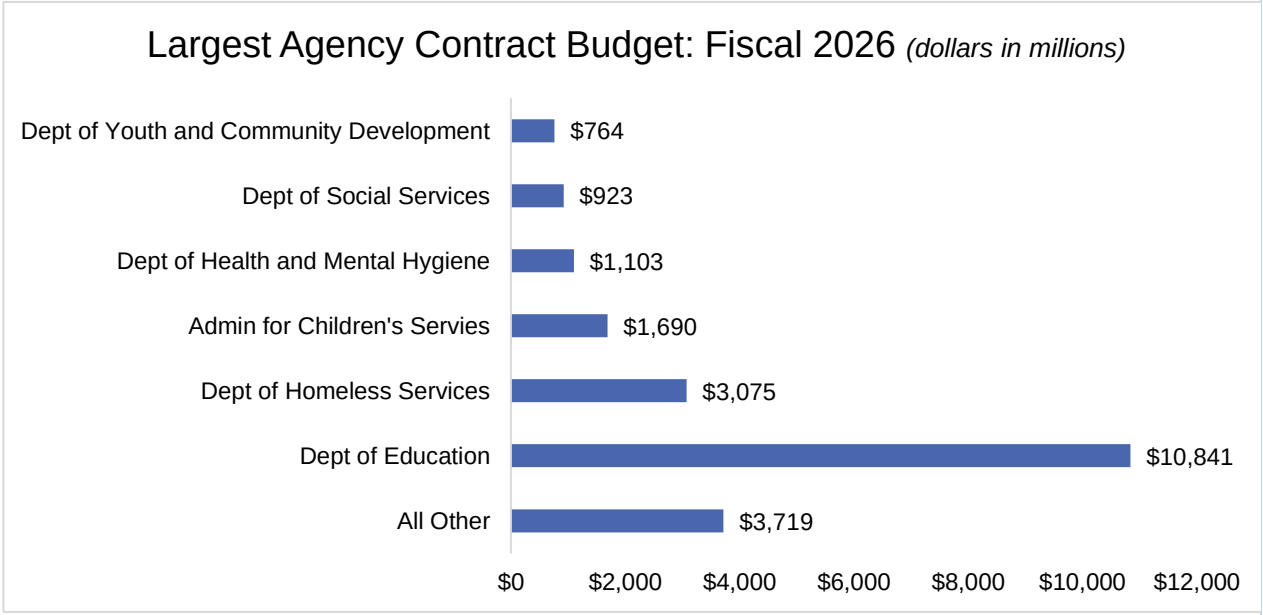
Citywide Contract Budget:

FY26 Citywide Contract Budget: $22.1 billion

Number of Citywide Contracts in FY26: 17,593



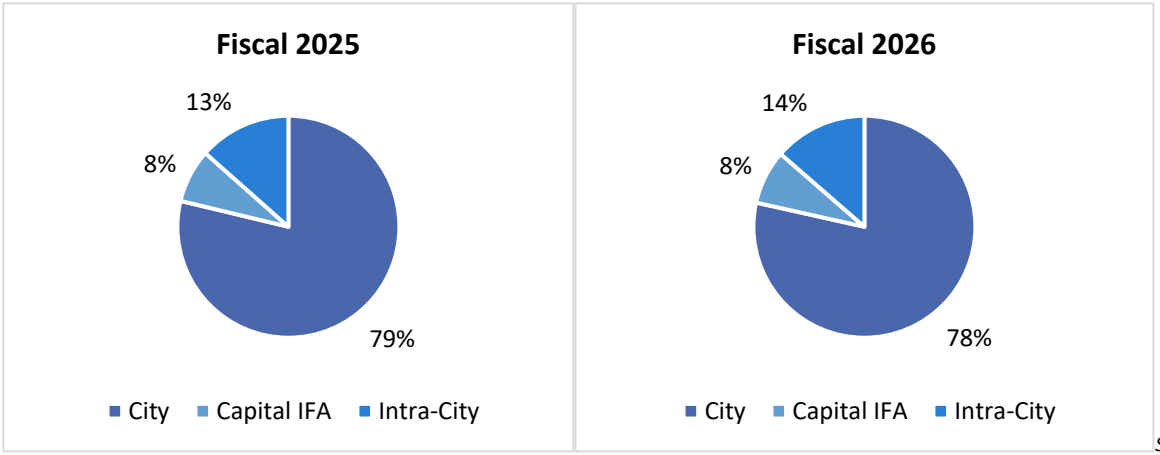
The Citywide Contracting Budget chart shows the actual contract spending for Fiscal 2019 through Fiscal 2024, and the Fiscal 2025 and Fiscal 2026 contract budget in the Preliminary Plan. Actual citywide contract spending increased by 73 percent from Fiscal 2019 through Fiscal 2024. This increase was mainly driven by contracting needs related to COVID and the influx of asylum seekers to the City. The Fiscal 2026 projected contract budget is $4.6 billion less than the current Fiscal 2025 budget. However, since adoption the Fiscal 2025 contract budget has grown by $3.5 billion, so it is likely that the Fiscal 2026 contract will increase over the course of the fiscal year to better align with the current year's budget. The Fiscal 2026 contract budget of $22.1 billion represents approximately 19 percent of the total Fiscal 2026 budget, while the Fiscal 2025 contract budget makes up 23 percent of the current Fiscal 2025 budget. This highlights the city's procurement needs and the importance of the work MOCS does in registering and managing the city's central procurement system.



The Fiscal 2026 contract budget supports 17,593 contracts which provide vital services to all New Yorkers. The Fiscal 2026 contract budget is approximately $1.1 billion less than the Fiscal 2025 adopted budget of $23.2 billion. The is primarily the result of $737.6 million less funding in the Department of Homeless Services budget for contracts for asylum seeker shelters for individuals and families.

The majority of the Fiscal 2026 contract budget, $18.4 billion, is administered by six agencies presented in the chart above. The Department of Education's (DOE) $10.8 billion contract budget comprises nearly 49 percent of the Fiscal 2026 contract budget, supporting a vast array of services including; Charter schools, payments to contract schools for students with disabilities, and pupil transportation. For more information on specific agency budgets and agency contracts, please see https://council.nyc.gov/budget/fy2026/.

Agency Budget by Funding Source



Source: New York City Office of Management and Budget

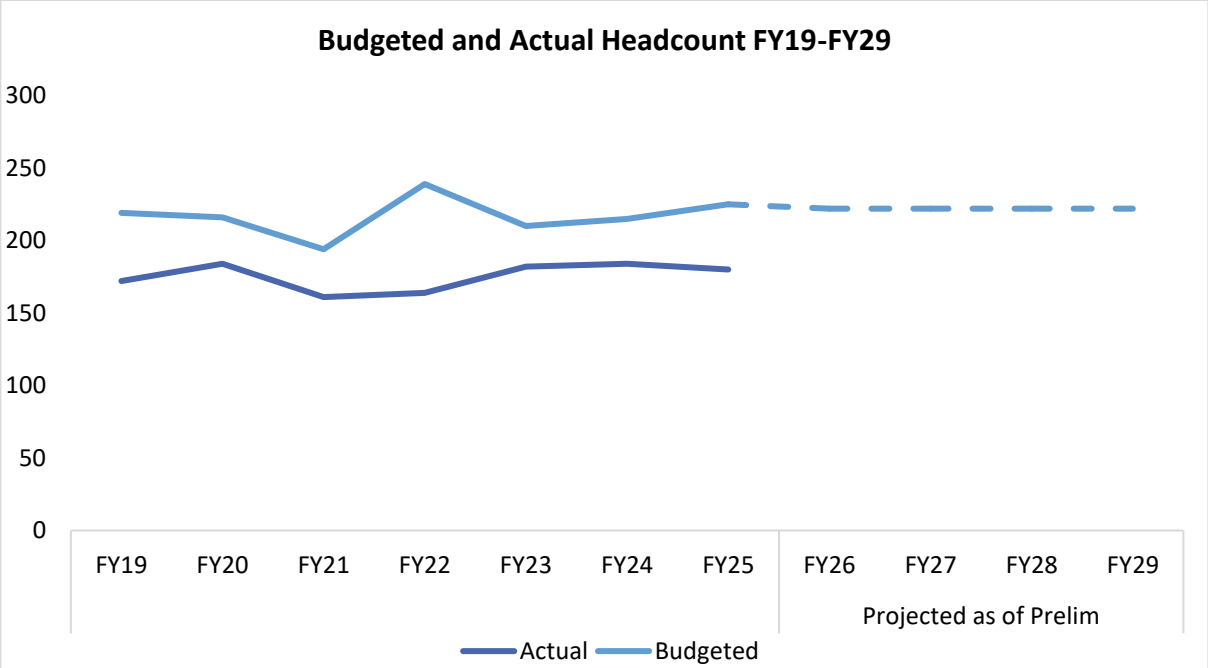
Budgeted Headcount:

FY26 225 full-time positions

FY25 225 full-time positions

Actual Headcount as of January: 180

Vacancies as of January: 45



Source: New York City Office of Management and Budget

<u>Note:</u> Budgeted and actual headcounts are as of the end of the fiscal year, except for FY26 where budgeted headcount is as of the Preliminary Plan and actual headcount is as of January 2025.

Preliminary Plan Changes

FY25 = $14	FY26 = $0	FY27 = $0	FY28 = $0	FY29 = $0
New Needs = $0	New Needs = $0	New Needs = $0	New Needs = $0	New Needs = $0
Other Adjustments = $14	Other Adjustments = $0	Other Adjustments = $0	Other Adjustments = $0	Other Adjustments = $0
Savings = $0	Savings = $0	Savings = $0	Savings = $0	Savings = $0

Dollars in Thousands

Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings.

FY26 Changes in Preliminary Plan:

Total: $0

New Needs: $0

Significant Preliminary Plan Changes

No New Needs

No Other Adjustments

Other Adjustments: $14,000	
Budget Issues and Concerns	• The Council continues to advocate for increased funding and headcount to help the MOCS process contracts more efficiently. Delays or outstanding contract payments from the City jeopardize organizations' sustainability and their ability to provide services to New Yorkers. The City Comptroller's January 2024 report revealed that two-thirds of City contracts were submitted late for registration, indicating a deteriorating trend. The Council is concerned that organizations are suffering from year- long delays in the contracting and reimbursement process. Last year the Council called for the administration to provide additional funding for MOCS to enable the Office to meet its mandate. The Council appreciates that an additional $1.1 million for 10 positions was included at adoption. However, the office needs additional headcount and an exemption from the 2 for 1 hiring freeze to fill all vacancies. Additional funding is necessary to enhance the office to process contracts and reimbursements in a timely manner.
Federal and State Budget Risks	• **Federal Funding Freeze.** On January 27th, 2025, the Trump administration issued a directive to pause spending on federal loans and grants. The directive was quickly rescinded two days later, but an executive order issued by the President to review funding remains in effect. The outcome of the executive order at this time is unknown. Many of the City's 17,593 city contracts rely on federal funding. A freeze or cut of federal funds could have a devastating impact on services and the organizations who rely on those city contracts.

Budget Actions in the November and Preliminary Plans

Dollars in Thousands	FY25 City	FY25 Non-City	FY25 Total	FY26 City	FY26 Non-City	FY26 Total
MOCS Budget as of the Adopted FY25 Plan	**$29,311**	**$7,911**	**$37,223**	**$27,699**	**$8,140**	**$35,839**
Changes Introduced in the November 2024 Plan						
New Needs						
OMWBE Staffing - MOCS	$165	$0	$165	$330	$0	$330
PASSPort Quality Assurance - MOCS	500	0	500	1,000	0	1,000
Payment Monitoring Task Force - MOCS	213	0	213	425	0	425
Vendor Financials Training - MOCS	125	0	125	250	0	250
Subtotal, New Needs	**$1,003**	**$0**	**$1,003**	**$2,005**	**$0**	**$2,005**
Other Adjustments						
FY25 MOCS-CECMS	$0	$207	$207	$0	$0	$0
Subtotal, Other Adjustments	**$0**	**$207**	**$207**	**$0**	**$0**	**$0**
Savings						
Subtotal, Savings	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL, All Changes in November 2024 Plan	**$1,003**	**$207**	**$1,210**	**$2,005**	**$0**	**$2,005**
MOCS Budget as of the November 2024 Plan	**$30,314**	**$8,119**	**$38,433**	**$29,704**	**$8,140**	**$37,844**
Changes Introduced in the FY26 Preliminary Plan						
New Needs						
Subtotal, New Needs	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Other Adjustments						
OEO Funding Adjustment - MOCS	14	0	14	0	0	0
Subtotal, Other Adjustments	**$14**	**$0**	**$14**	**$0**	**$0**	**$0**
Savings						
Subtotal, Savings	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL, All Changes in the FY26 Preliminary Plan	**$14**	**$0**	**$14**	**$0**	**$0**	**$0**
MOCS Budget as of the FY26 Preliminary Plan	**$30,328**	**$8,119**	**$38,447**	**$29,704**	**$8,140**	**$37,844**

Source: New York City Office of Management and Budget

Budget Unit of Appropriation

090 & 091 - Mayor's Office of Contract Services - PS & OTPS
Dollars in Thousands

	FY23 Actual	FY24 Actual	FY25 Adopted	Preliminary Plan FY25	Preliminary Plan FY26	*Difference FY26-FY25
Spending						
Personal Services						
Full-Time Salaried - Civilian	$16,792	$19,647	$23,108	$23,707	$24,241	$1,133
Unsalaried	17	93	2	2	2	0
Additional Gross Pay	398	1,033	0	0	0	0
Additional Gross Pay - Labor Reserve	15	546	0	0	0	0
Overtime - Civilian	0	0	48	48	48	0
P.S. Other	0	0	0	0	0	0
Subtotal	**$17,223**	**$21,319**	**$23,157**	**$23,756**	**$24,290**	**$1,133**
Other Than Personal Services						
Contractual Services	$19,648	$7,657	$3,589	$2,437	$3,589	$0
Contractual Services - Professional Services	9,893	13,982	6,059	6,859	5,779	(281)
Contractual Services - Waste Export	0	0	0	0	0	0
Supplies & Materials	1,119	1,391	2,216	2,479	1,976	(240)
Fixed & Misc. Charges	21	14	0	0	0	0
Property & Equipment	91	18	0	72	0	0
Other Services & Charges	1,446	225	2,202	2,843	2,210	8
Subtotal	**$32,217**	**$23,287**	**$14,066**	**$14,691**	**$13,554**	**($512)**
TOTAL	**$49,440**	**$44,606**	**$37,223**	**$38,447**	**$37,844**	**$621**
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