

Doing Business Certification Report – Phase 1

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New York City Campaign Finance Board

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HISTORY OF THE “DOING BUSINESS” ISSUE AND THE NEW YORK CITY CAMPAIGN FINANCE PROGRAM

The New York City Campaign Finance Board (the “Board”) has been engaged in the subject of regulating contributions from those “doing business” with the City of New York since a 1998 amendment to the New York City Charter required the Board to propose “rules as it deems necessary” for that purpose. In its consideration of possible rules, the Board, as directed by the Charter, balanced factors including “(1) the effectiveness of the voluntary system of campaign finance reform, (2) the costs of such system, [and] (3) the maintenance of a reasonable balance between the burdens of such system and the incentives to candidates to participate in such system.”

The Board conducted an extensive study of the issue, and issued three alternative versions of proposed rules for public comment in the hopes of identifying an effective way to regulate in this area. The Board, however, received a very limited response and no consensus on an approach. Board staff then met with the Mayor’s Office of Contract Services (“MOCS”) and with the Office of the City Clerk to determine the extent to which the information maintained by those agencies, as examples, could assist the Board in the enforcement of such a rule. Unfortunately, the information collected by these agencies was inadequate for the purposes of regulation. In November of 2000, because of the lack of a doing business database, the Board concluded that meaningful and fair regulation could not be accomplished at that time.¹

Nonetheless, beginning in 2005, the Board held a series of four public hearings to re-examine doing business issues.² These hearings were held concurrently with the development of two public databases under the direction of the Mayor’s office: 1) VENDEX, the City’s Vendor Information Exchange System, which contains information about entities and individuals contracting with the City, and 2) a database of lobbyists registered with the City Clerk’s office. The availability of these databases improved transparency in each area and raised the possibility that they could be made compatible with the Board’s systems.

In June of 2006, after the fourth and final public hearing on the subject of doing business, the Board issued a report it had commissioned from a team of graduate students in the Master’s of Public Administration program at New York University’s Robert F. Wagner School of Public Service. The purpose of the report was to analyze available databases and, to the extent possible, quantify contributions to New York City candidates from those who do business with the City of New York. Among the initial findings of the study was the significant role that doing business contributors played in both the 2001 and 2005 election cycles. Specifically, the study indicated that individuals or entities doing business with the City accounted for some 27.5 percent of contributions in the 2001 election cycle (\$15.6 million out of \$56.8 million) and 22.3 percent of contributions in the 2005 election cycle (\$9.4 million out of \$42.3 million). The report emphasized the limitations of the available data sources in the determination of who could be considered “doing business.” The report did not purport to study land use, which many agree is potentially the most important area of influence, in any systematic way.

The Board has long held the position that regulating doing business contributions was better accomplished by legislation than by Board rulemaking. After consulting with the Board and other relevant agencies, and with the strong support of the Mayor and the Speaker of the City Council, the City Council passed Local Law No. 34 of 2007, which was signed into law on July 3, 2007. The law contains specific definitions for what constitutes doing business with the City, as well as specific exclusions. The law requires the cooperation of the responsible agencies in the creation of a single database by the Department of Information Technology and Telecommunications (“DoITT”). The doing business database (the “DBDB”) is to capture all entities and persons who are doing business with the City, with persons being defined as the principal officers, principal owners, and senior managers of

1 Letter to Corporation Counsel Michael Hess from Board Chair Joseph A. O’Hare, S.J., November 30, 2000.

2 Transcripts of those hearings and related testimony are available at http://www.nycfb.info/about/testimony/testimony_doingbusiness.htm.

those entities doing business. Local Law No. 34 takes a phased approach to the different components of the database, taking into account the fact that some records simply do not yet exist in any functional form that can be used to create the DBDB, an issue identified by the Board in its earlier work.³

The Board is required to certify that each component of the DBDB is “reasonably complete and accurate.” The law also requires that the Board “provide to the Mayor and the Council an analysis of the steps taken to ensure and test for reasonable completeness and accuracy. Such report shall also demonstrate the process by which the department of information technology and telecommunications and the campaign finance board shall update the doing business database and ensure the names of persons no longer doing business with the city are removed.”⁴ This report represents the Board’s submission in compliance with Local Law No. 34 for Phase 1 of the DBDB. This report includes, as an appendix, a submission by DoITT that is intended to cover its reporting requirements under the law, in addition to greatly informing the Board’s report.

CERTIFICATION OF PHASE 1 OF THE DBDB

The Board, at its meeting of January 3, 2008, certified the first phase of the DBDB, based on the processes that it reviewed and the test data set it received on December 17, 2007 (the “December 17, 2007 data set” or the “certification data set”).⁵ Phase 1 of the DBDB includes entities holding City contracts, franchises, and concessions, as well as those entities’ principal officers, their equivalents, and owners with more than a 10% interest in the entity as specified by the law.⁶ Phase 1 also includes registered lobbyists.

The law states that “all of the provisions of such sections concerning the holding of contracts for the procurement of goods, services, or construction shall take effect thirty days after the campaign finance board and the department of information technology and telecommunications have certified to the mayor and the council that there is a doing business database that identifies available information...”⁷ Therefore, restrictions on contributions from contributors who are doing business with the City will become effective on February 2, 2008.⁸ The Board notes that the data it reviewed and tested for certification purposes are not entirely the same data that will constitute the DBDB as of February 2, 2008. By virtue of the way the City operates, the contracts, franchises, and concessions that will be in effect on February 2, 2008 are not necessarily the same ones that were active when the certification data set was created. Naturally, the data in the DBDB will be dynamic.

The timeframe provided by the law to achieve the implementation of the first phase of the DBDB was very short. (Indeed the overall timeframe for all phases of the DBDB is very short.) The accelerated schedule affected the data collection efforts, as well as the systems development of this project, and the Board has taken this into consideration in its understanding of “reasonably complete and accurate.” Given the timeframe for implementation, the Board has also had limited time to review and test the data set and prepare this report. The Board received the data

3 Phase 2 will add data to the DBDB regarding parties to grants, economic development agreements, and pension investment agreements and those seeking or proposing to obtain contracts, franchises, and concessions, as well as the senior manager information for those entities holding contracts, franchises, and concessions already included in Phase 1. Phase 3 will add parties to real property transactions and land use actions to the DBDB.

4 Local Law No. 34 of 2007, §37.

5 While the certification set is not the actual DBDB, the Board presumes that the additional processes outlined in the MOCS memo will only improve the completeness and accuracy of the data when it debuts on February 2, 2008.

6 On December 31, 2007, Mayor Michael Bloomberg signed into law an amendment to Local Law No. 34 delaying the inclusion of senior managers of entities doing business with the City in the DBDB until Phase 2 of the law’s implementation. In anticipation of that amendment, data collected to that time regarding senior managers were not included in the data set of December 17, 2007.

7 Local Law No. 34 of 2007, §37.

8 Contributions from contributors who are doing business will not be eligible to be matched with public funds. In addition, contributors who are doing business may contribute only up to \$400 for mayor, public advocate, and comptroller; \$320 for borough president; and \$250 for city council. For the 2009 elections, the regular contribution limits are: \$4,950 for mayor, public advocate, and comptroller; \$3,850 for borough president; and \$2,750 for city council.

set on December 17, 2007. Because of the compressed timeframe, the Board was supportive of Intro. No. 651-A of 2007, an amendment to Local Law No. 34, which moved the inclusion of senior managers in the DBDB to Phase 2. Since the passage of Local Law No. 34, the Board has worked collaboratively with DoITT and MOCS in the development of the DBDB. The Board's particular focus has been on ensuring the database meets the needs of the Board in fulfilling its mandate under Local Law No. 34 to regulate contributions in the easiest and least burdensome way.

The Board looks forward to continued cooperation with DoITT, MOCS, and other agencies in future phases of the project. This report discusses items that will be addressed prior to the February 2, 2008 effective date, the processes for requests for removal from the DBDB, the schedule for updating the DBDB, as well as a brief discussion of future steps of the project.

BRIEF DESCRIPTION OF THE DBDB

The DBDB is the database produced by DoITT for the Board. It is produced from a larger database at DoITT that contains doing business information. The DBDB contains information about entities and people related to those entities. Both the entities and the people in the database are considered to be "doing business" with the City according to Local Law No. 34. Each entity has an Employer Identification Number (EIN), and every person in the DBDB is linked to a related entity using that EIN. Every person in the database has at least one relationship to at least one entity. Each relationship reflects a reason for that person to be considered "doing business" with the City, e.g., chief executive officer, or more than 10% owner of the related entity.

As of the date of this report, data for entities and people considered "doing business" as lobbyists are not included in the DBDB provided by DoITT to the Board. Those entities and people are provided in a separate file by DoITT as per a previous arrangement.⁹ DoITT's Certification Statement, attached as Appendix I ("DoITT statement"), provides some technical specifications of the DBDB and provides the project methodology. Only non-confidential information will be available in the on-line, public interface of the DBDB.

STEPS TAKEN TO CERTIFY THE DBDB

The Board reviewed the processes employed by MOCS to acquire data on doing business entities and the steps taken by DoITT to create the DBDB. These reviews took the form of many meetings and conversations with MOCS and DoITT staff over the past several months, as well as the review of written materials prepared by both agencies. A MOCS memorandum dated December 31, 2007 describing its data acquisition processes is attached to this report as Appendix II ("MOCS memo"). Familiarity with the MOCS memo is presumed for the purposes of this report. The Board has also reviewed DoITT's technical documentation for the transformation process (use cases) for the initial data load, and DoITT's written description of the monthly process of loading and transforming the MOCS and eLobbyist data into the DBDB. DoITT also performed extensive testing of its processing, as described in the DoITT statement.

Review of Entity Data

MOCS adopted a methodology for the initial data acquisition that tended to be over-inclusive in the cases where the data initially available about the transaction raised doubts about whether the particular transaction was covered. The Board agrees this was the correct approach. The Board reviewed raw data from FMS (the City's Financial Management System) to see the original condition of the initial transaction data. FMS has been used by the City for years, primarily for processing financial transactions, and was never contemplated to be used for the purpose of establishing a doing business database. Initially, the Board considered the feasibility of replicating and verifying the

⁹ The public interface of the DBDB will contain both lobbyist and contract, franchise, and concession data.

process by which MOCS filtered, aggregated, and transformed the raw data from FMS into the database-ready files. However, because of time constraints and the lack of expertise to make case-by-case decisions about the inclusion or exclusion of transactions, the Board chose instead to focus on a narrower set of procedures to test the soundness of the processes employed by MOCS.

First, the Board reviewed the list of non-FMS agencies covered by Local Law No. 34 from which MOCS sought and obtained vendor information. Second, based on the criteria specified in the law, the Board conducted a limited number of systematic checks to verify whether transactions in the source files provided by MOCS were properly incorporated into the certification data set, or, conversely, were properly excluded from it. The Board also reviewed DoITT's comparison of the MOCS source file to the December 17, 2007 data set and was satisfied that any discrepancies were correctly accounted for in the doing business processing.

Using the December 17, 2007 data set, the Board did general tests for completeness. All 3,649 of the entity records had names and EINs.¹⁰ Less than 1% of the entities were missing significant address information. 17.7%, or 646, of the entities were missing an entity type; however, this is not considered a crucial field for fulfilling the Board's mandate under the law.¹¹

Review of People Data

In its testing, the Board focused more on people than on entities, since people constitute significantly more of the contributors to the campaigns under the Board's jurisdiction. This will particularly be true going forward, as Local Law No. 34 extended the ban on corporate contributions to include those from partnership and limited liability companies. This restriction took effect on January 1, 2008.

The Board acknowledges MOCS' figure of having compiled information on associated person relationships for 90% of entities in the December 17, 2007 data set (and MOCS' expectation that this figure will improve in the future). The Board is concerned about the remaining 10% of entities (375 of 3,649) in the data set without any principal or ownership information.

For the 58% of entities with principal information whose data were confirmed by the MOCS doing business data form,¹² the Board has a reasonable expectation that all associated principal relationships for that entity are included, since the entity has completed the form and certified its contents. However, for the remaining 42% of entities with principal information who have either not yet responded to or received a data form, the Board is unable to measure how complete or accurate the principal information is or, more broadly, even whether all associated relationships for those entities have been captured. MOCS created an algorithm to transfer people information in VENDEX to the categories specified in the law.¹³ Notwithstanding the strenuous effort by MOCS to attain the 90% figure, the Board is concerned that so much of the principal data still rely on VENDEX as its unconfirmed source. VENDEX raises concerns as a source because it was designed for different purposes than compiling the doing business information required by Local Law No. 34. In addition, although VENDEX entities are required to update their responses to VENDEX questionnaires or submit statements confirming no changes every three years, the enforcement of this requirement and levels of compliance are unclear. As of the December 17 data set, only 51%

10 The Board understands that MOCS identified a handful of EINs that could be considered to be doing business based on contract transaction data but absent a name to associate with the EIN, there would be no record to appear in the DBDB. MOCS is continuing to track down these "stray" EINs. Similarly, some agencies apparently have not required EIN information in their contracting procedures and, as a result, there may have been some stray entity names that need to be matched to EINs before they can be included in the DBDB.

11 Nor was entity type (*a.k.a.*, "ownership structure") considered a crucial field by MOCS during its data collection process, and as such little or no follow-up was done to obtain it when it was not available.

12 See table of "Valid Entities by Data Source and Principal Information," MOCS memo at page 10.

13 See MOCS memo at p. 8.

of the principal data derived from VENDEX has been confirmed by the MOCS data form,¹⁴ although attempts to confirm more are ongoing.

For the people records in the December 17, 2007 data set, the Board performed similar general tests for completeness. The Board verified that every person record in the data set was linked to an EIN in an entity record. Every person record in the data set had a relationship code. The address fields for people records were approximately 97% complete (using a weighted average for domestic and foreign addresses). However, 4,775 of the 9,780 records, or almost half, were missing employer information. While not vital, this field is useful to the Board as a secondary source for matching reported contributors to names in the DBDB with greater precision.¹⁵

Once the Board inspected some of these transactions more closely in the context of the random sampling study (see below), two reasons for this incomplete field became apparent. First, VENDEX does not contain a field for employer name, and therefore none of the records for which VENDEX was the source contain data in this field. In addition, the design/instructions of the MOCS data form appear to have resulted in an unintentional oversight. Whereas most of the data form is pre-populated with available information about the principals to encourage ease of response, the field for employer is not, and contains a blank line with the label "Employer (if not vendor)."¹⁶ Judging from the sample results where the Board reviewed data forms, many respondents left this field blank, likely intending the pre-populated name of the vendor from the top of the form to be used in that field. It appears, however, that at least on some forms, the name of the vendor was not entered for this field during data entry. The data form and processes to be used in the future are intended to correct this issue, and the problem in the December 17, 2007 data set could be significantly remedied were MOCS to review people entries with missing employer information whose source was a data form.

In its general review, the Board noted some inconsistencies in the data entry of middle initials and the names of individuals who apparently use their first initials and middle names. Middle initials sometimes appear to be in the first name field, and several first name fields contain first initials with the middle name appearing in the last name field. Similarly, the Board noted a few instances of titles, such as M.D., Dr., Fr., Rev., Ms., and Rabbi that appear in first name fields, either as the entire first name or as part of the first name. While it is completely reasonable to allow for some such errors, these errors could make it more difficult for the Board to match contributor names to the DBDB, or at least reduce the Board's ability to rely on automated processes to do so.¹⁷

Primary Sample

The Board also performed random sampling to test the accuracy of the data set. The Board selected a random sample of 51 unique persons from the December 17, 2007 data set.¹⁸ For each of the selected people, the Board requested and MOCS provided source documentation. Several of the people had more than one record associated

14 See table of "Valid Entities by Data Source and Principal Information," MOCS memo at page 10.

15 Lack of information in this field could result in false positives because, when available, the Board can use it to differentiate between individuals with the same first and last names, thereby potentially eliminating some incorrect matches.

16 See sample data form attached to MOCS memo.

17 In addition, such data entry likely could also affect the ability of a user of the public interface of the DBDB to accurately identify a prospective contributor. The Board has not tested the public interface of the DBDB, which will be available on February 2, 2008.

18 The Board's intention had been to select a random sample of 50. However, one of the names selected actually had two unique person identification numbers in the December 17, 2007 data set, which is an error (beyond the scope of the scoring criteria) that should be easily corrected. In the course of its general review of the December 17, 2007 data set, the Board noticed a few apparent instances of the same person being assigned more than one unique person identification number. The Board has brought this issue to MOCS' attention and was told that this is often the result of more than one data source where one or more does not contain the person's Social Security number. Where Social Security numbers are not present, it is more difficult for MOCS to identify a unique person in the initial data entry. The Board expects that the number of such duplications will be reduced as the clean-up of data takes place and as the data form becomes the main means of collecting principal information. At no point will Social Security numbers be transmitted to the Board as part of the DBDB, nor will they be made available in the public interface.

with them (*i.e.*, multiple roles with a doing business entity or relationships to multiple doing business entities). For about 59% of the 51, the source documentation was a photocopy of the completed “doing business data form” received by MOCS. For about 39%, the source documentation was from VENDEX, and for one item, the source documentation was a photocopy of a form from a non-VENDEX agency. The Board believes that this sample accurately reflects the data set as a whole, where about 62% of the 9,780 people records were based on information received on the data forms and about 37% of the people records were based on information from VENDEX.

The Board evaluated the sample using the following criteria: missing, omitted, and wrong. Below are the definitions used by the Board for these terms in its evaluation:

Missing	Information that was not in the source document that one would expect to have (<i>e.g.</i> , missing address information on a form that was considered acceptable enough to process)
Omitted	Information noted in the source material but apparently left out (<i>e.g.</i> , failure to data enter the vendor name when the field lists “employer [if not vendor]”)
Wrong	Information in the December 17, 2007 data set does not match source information (<i>e.g.</i> , incorrect relationship, incorrect address, etc.). Includes typographical errors.

For each error identified in these three categories, the Board also judged whether the error constituted a substantive error or a non-substantive error:

Substantive error	Whether the error could result in an erroneous determination about whether a campaign contributor could be matched or not matched to a doing business entry (<i>e.g.</i> , wrong or incomplete name, missing or incorrect relationship to a doing business entity, etc.)
Non-substantive error	An error in a field or of the magnitude that it would not affect the matching of a campaign contributor to a doing business entry (<i>e.g.</i> , a clearly identifiable typographical error in certain address fields, errors in fields such as telephone number)

The Board acknowledges that any criteria used in such an exercise are subjective by definition. The Board believes these criteria fairly describe and characterize its findings.

The Board’s review found four records that had one or more missing items, 14 records that had one or more omitted items, and seven records that had one or more wrong items. Of the sample of 51, the Board found 11 records that it categorized as having one or more substantive errors. The most common substantive errors were related to the data entry issue involving the employer field, as noted above. The Board believes these are easily remedied, as are most of the other substantive errors. The Board’s notable findings from the sample are discussed in Exhibit I.

In addition to the substantive errors, the Board was unable to substantiate some of the relationships established by algorithms applied to the existing data in VENDEX. The Board did not consider these errors, substantive or otherwise, although they underscore the need to continue the work of having entities confirm their principal information. For example, someone listed as a vice president of an entity in VENDEX (with apparently recent information) is listed on the entity’s website as the senior vice president. He is in the certification data set as the chief operating officer of the entity. In the course of looking at the entity’s website to confirm his relationship for the purposes of doing business, it appears that the named “president and chief executive officer” of the entity is not in VENDEX or the certification data set, whereas the entity’s chairman appears as CEO and the treasurer appears as CFO, based on the algorithms described above. The Board has concerns about the translation of titles from VENDEX data for approximately ten members of the sample, based on limited, basic internet searches for these people and the enti-

ties with which they are associated. Therefore the Board is concerned that the data set could be both over-inclusive and under-inclusive. The Board believes this problem will diminish as the reliance on VENDEX substantially decreases as 1) data forms continue to be returned and processed, and 2) vendors are required to provide doing business information about their principals up front and on separate, non-VENDEX forms.

Based on the scoring of the sample of 51, the Board estimates the following for the December 17, 2007 data set as a whole:¹⁹

TABLE 1	Problem with Sample Record			Records with Substantive Errors
	Missing	Omitted	Wrong	
Number of Sample Records	4	14	7	11
Estimated Percentage in Data Set with At Least One Error	9.4	28.3	15.1	22.6
95% Credible Interval on Percent with Error	3.2 to 18.5	17.2 to 41.1	6.8 to 25.6	12.5 to 34.7

While these estimated percentages appear high, many of the errors are data entry problems.²⁰ Thus, because of ongoing review and data collection by MOCS, the Board believes that a far lower estimated percentage of error for the DBDB is attainable by the February 2, 2008 effective date.

Top 100 Contracts

As an additional test for completeness, the Board examined the list of entities holding the “top 100 City contracts” for fiscal years 2007 and 2006 to determine if those entities were captured by the certification data set.²¹ Most of the contracts extend beyond February 2, 2008. While that is not a guarantee that those entities will be doing business when the law is implemented (contracts can be terminated, for example), there is a very reasonable likelihood that they will be, either on the basis of that contract or another one. For the 2006 list, once the non-covered contracts²² are excluded, 41 apparently unique entities are left. Of the 41, only two entities do not appear in the data set. Of the 39 entities that do appear in the data set, only two, or 5%, are completely missing principal information. Two-thirds of the 39 entities have information for the chief executive, financial, and operating officers in the December 17, 2007 data set, and several have records for principal owners as well. For the 2007 list, once the non-covered contracts are excluded, 45 unique entities are left. Of the 45, only two entities do not appear in the certification

19 Sample results were initially analyzed in WinBUGS version 3.0.3 and confirmed using standard Bayesian packages in R version 2.4.1. The analyses employ Markov Chain Monte Carlo techniques to compute intervals that have a 95% probability of containing the predicted rate of error in the entire population of records. The estimates obtained in this way were very close to those calculated on the basis of classical inferential procedures (confidence intervals).

20 The Board’s experience is that double data entry, or a system of key verification, has been the most reliable method to ensure data entry accuracy.

21 The Board relied on the lists of top 100 City contracts in fiscal year 2007 and fiscal year 2006, as published in *CityLaw*, November/December 2007 and November/December 2006, respectively. These lists contained the following relevant information: contractor name, revised contract value, duration, award method, and contracting agency.

22 Many of the contracts on the lists are not covered because they are awarded by competitively sealed bid or because they are government-to-government procurement. In this analysis, the Board included any contract with the award method “renewal.” Also, some entities may appear on both years’ lists.

data set and all of the 43 entities in the data set have information for at least one principal officer, with 36 entities of the 43 entities, or 84%, having information for all three principal officers.

Secondary Sample

The Board also selected a secondary random sample of persons in the December 17, 2007 data set. The Board relied on the MOCS source file to identify and select 24 people records whose sources of information were something other than the data form or VENDEX.²³ These records were expected to contain a higher risk for incompleteness or inaccuracy, and therefore were tested separately. The sample was selected from a total of about 135 records, which means the selected sample represents about 18% of a sub-population that constitutes only about 1% of the total number of people records in the data set. Of the 24, the Board identified 13 records with substantive errors, following the same definition of substantive errors used with the broader sample.²⁴ A discussion of these substantive errors is included as Exhibit II.

With this secondary sample, the Board had concerns similar to its concerns with the primary sample regarding the algorithm used to translate job titles from sources to the derived principal relationships in the data set. It appears that for most of the items in this sample, there were generally fewer names and titles associated with the entity that were known to MOCS. How the algorithm worked with fewer available comparisons is unclear.

Based on the scoring of the sample of 24, the Board estimates the following for the portion of the December 17, 2007 data set that is considered to have originated from non-FMS, non-VENDEX sources:

TABLE 2	Problem with Sample Record			Records with Substantive Errors
	Missing	Omitted	Wrong	
Number of Sample Records	0	10	12	13
Estimated Percentage in Data Set Sub-Population with At Least One Error	9.4	42.1	50	54
95% Credible Interval on Percent with Error	0.1 to 13.8	24.4 to 61.3	31.3 to 68.8	35.2 to 72.4

It is imperative to note that this analysis applies only to the very small portion (approximately 1%) of people records originating from non-FMS, non-VENDEX sources. The Board believes a major cause of the problems with the records that originate from the other agency sources is the lack of standardized source material. These source documents vary from agency to agency, and anyone reviewing them cannot systematically be instructed as to where or how to identify the relevant information (assuming it exists at all on the source document). It is expected that some of the entities will receive MOCS data forms asking for confirmation of the collected information for the first time in January, with the hope that many records will be improved by the February debut of the DBDB, or shortly thereafter.

23 Two persons turned out to have completed data forms: one in connection with a relationship that was not technically part of the secondary sample, and the other was someone who apparently has multiple person records (see Footnote 18). As noted in the MOCS memo at p. 7, all entities were researched in VENDEX, even if their source agency does not regularly use VENDEX.

24 MOCS did not provide source documentation for one of the 24 records. This was not considered an error of any type because it was inconsistent with any of the scoring measures used.

The Board is pleased with MOCS' plan to obtain and update doing business information going forward. In addition to discussing these plans with MOCS staff during the discussions of the DBDB, the Board has been able to observe the proactive development of language and the distribution of forms to accompany all covered solicitations for contracts, franchises, and concessions through routine MOCS correspondence sent to agency chief contracting officers, including the Board's own. These were made effective for all covered City agencies on December 1, 2007, to improve compliance with Local Law No. 34. A sample of MOCS' new material is attached as Appendix III. MOCS' efforts to institute new procedures to obtain information from the non-FMS agencies in a standardized manner will also improve the completeness and accuracy of the DBDB. As part of these efforts, MOCS will also be conducting training sessions for the procurement staffs of different agencies. The Board believes these data collection efforts will improve once the force of law is behind them.

Review of Lobbyist Data

For lobbyists, inclusion in the DBDB is based on inclusion in the lobbyist database maintained by the Office of the City Clerk. Lobbyists and their clients are required to file annual registration forms and quarterly reports using the on-line eLobbyist filing system. Because all data are self-reported, the Board has limited ability to verify lobbyist data. Nor does the responsibility for enforcing the lobbyist disclosure requirements lie within the Board's jurisdiction. The Board is concerned about recent newspaper accounts suggesting lobbyist disclosure has been less than complete, and is pleased to see that the Office of the City Clerk, which does have jurisdiction, is looking into this issue.²⁵ The Board selected a random sample of 24 lobbyist transactions from the data it received from DoITT and verified that the information in those transactions matched the information that appears in the City's NYC Lobbyist Search.²⁶ This test ensured that the data are being transmitted to the Board as they are being reported. The Board can only certify that the lobbyist data it receives from DoITT accurately matches the data in the public lobbyist database, based on its limited testing.

As diagramed in the DoITT statement and detailed in the Discussion of Future Steps section below, the Board will continue to receive lobbyist doing business information in a separate data flow from the rest of the DBDB until certain technical work on the eLobbyist application is completed. The Board has received lobbyist information from DoITT and the City Clerk in this manner since late 2006, when lobbyists' contributions ceased to be matchable with public funds.

SCHEDULING OF DBDB UPDATES

The DBDB will be updated monthly following the effective date of February 2, 2008. Thus the first update will take place in March 2008. Testing of the update process by MOCS, DoITT, and the Board will continue through the remainder of January 2008. In 2008, DoITT and the Board will work out a schedule for more frequent updates during 2009, based on the accelerated disclosure schedule of the election year. In the event of a special election, if additional updates to the DBDB need to be implemented, the Board anticipates full cooperation from MOCS and DoITT.

REMOVAL FROM THE DBDB

Questions from a person or a campaign regarding the potential removal of a person or entity from the DBDB will be directed to MOCS or the City Clerk, respectively. The Board will rely fully on the information in the DBDB at the time of its reviews, and has no authority to add or remove names from the DBDB. The MOCS memo anticipates the development of a request for removal form that will be available on the MOCS website.²⁷ The DoITT

25 See, e.g., Greg B. Smith, "Probe Puts Heat on Lobbyists," *Daily News*, November 18, 2007, 19.

26 NYC Lobbyist Search is located at www.nyc.gov/lobbyistsearch.

27 See MOCS memo at p. 11.

statement includes the steps that will be employed by the City Clerk's office in the event that a registered lobbyist believes s/he appears in the DBDB incorrectly.²⁸ Any requests for removal that are found to be valid by MOCS or the City Clerk will be reflected in the next regular update to the DBDB.

DISCUSSION OF FUTURE STEPS

The Board anticipates that when the DBDB debuts on February 2, 2008, it will be more complete and accurate than the certification data set tested in anticipation of this report. The Board understands that MOCS' data collection efforts will continue on an ongoing basis. These efforts include: following up on mailings that have been returned as undeliverable and on incomplete data forms, sending first mailings to newly identified doing business entities to confirm existing data and obtain principal information, and sending additional mailings to entities that have not responded to initial attempts to obtain information. The Board still has concerns about the reliance on entity principal data from the VENDEX system, but each additional response received to a data form to confirm or update VENDEX data gives the Board and the public a greater confidence in the completeness and accuracy of the DBDB.

The Board also anticipates improvements in lobbyist information in several areas. When the DBDB goes into effect on February 2, 2008, it will include updated information as of the lobbyists' January 2008 registrations. In addition, over the coming months, the Board is hopeful that DoITT will complete technical work on the eLobbyist system that will enable the Board to receive lobbyist data in the same data flow as the rest of the DBDB, instead of having to engage in extensive processing to remove duplicate entries before use in the Board's reviews.

Phase 2 of the DBDB is slated for certification in July 2008, and Phase 3 is slated for certification in November 2008. Phase 2 will add data to the DBDB regarding parties to grants, economic development agreements, and pension investment agreements and those seeking or proposing to obtain contracts, franchises, and concessions, as well as the senior manager information for those entities holding contracts, franchises, and concessions already included in Phase 1. Phase 3 will add parties to real property transactions and land use actions to the DBDB. The Board was pleased to hear that preliminary discussions have been held between DoITT and the Department of City Planning regarding the land use component, as this component has long appeared to the Board to be the most complicated and likely to be the most important. The Board looks forward to assisting in the development of both future phases of the DBDB.

In the next month, the Board will continue to work with DoITT to finalize the technical arrangements necessary to ensure a secure and seamless transfer of data between agencies on February 2, 2008 and going forward. Precautions have been taken by each agency to ensure that confidential information remains private and secure.

The Board is working on enhancements to its own internal systems in anticipation of the July 2008 semi-annual disclosure statement, which will be the first disclosure statement following the implementation of the doing business provisions of Local Law No. 34. The Board has already created a new application in CFIS, its internal Campaign Finance Information System, to accommodate the DBDB, and will continue to improve it and test it in the coming months. The Board will be developing its audit procedures for doing business reviews and will develop reports that it will use to identify and communicate doing business findings to campaigns following the July 2008 and all future filings. The Board will also be adding a new invalid matching claims code to indicate contributions that are invalid for matching funds purposes because the contributor is in the DBDB.

As required by the law, the Board will issue a form for campaigns to inquire of contributors whether they are doing business with the City. The form will contain the different categories of doing business, as well as the language required in the law: "If a contributor has business dealings with the City as defined in the campaign finance act, such contributor may contribute only up to two hundred fifty dollars for city council, three hundred twenty dol-

28 See DoITT statement at p. 5.

lars for borough president and four hundred dollars for mayor, comptroller or public advocate.” Campaigns will also be able to use the public interface of the DBDB to determine whether a contributor is doing business with the City, and as such will have a definitive way to verify a contributor’s status regardless of whether that contributor submits the form. Once the public interface is made available, the Board will add a link to the public DBDB from its website, www.nycfb.info.

In addition, the Board is incorporating information about the doing business requirements into its training materials for campaigns, including the upcoming edition of the *Campaign Finance Handbook* (both print and web versions), its training seminars, and version 9.0 of C-SMART, the Board’s Campaign Software for Managing and Reporting Transactions. As always, the Board’s staff will be available to respond to any questions from campaigns seeking guidance.

Board staff will continue a schedule of regular weekly meetings with MOCS and DoITT in anticipation of the February 2, 2008 effective date, and looks forward to continued cooperation in all aspects of the DBDB project. As mandated by Local Law No. 34, the Board will issue reports as it certifies each phase of the DBDB, and will issue a complete analysis of the effect of the doing business regulations in conjunction with its post-election report following the 2009 elections.

CONCLUSIONS

The Board concludes the processes for compiling the December 17, 2007 data set were sound and the data set is reasonably complete and accurate.

Address information for entity and people records appearing in the test data set was complete for 99 percent and 97 percent of records, respectively. While employer data is missing for half of the people records in the data set, MOCS has revised its data forms and processes to remedy this issue. In a spot check of the top 100 City contracts for fiscal years 2006 and 2007, approximately 95% of the entities were included in the data set and the vast majority of those had at least some principal information. This indicates the DBDB should be reasonably complete and accurate in its initial form on February 2, 2008.

The vast majority of errors discovered while testing for accuracy are correctable and avoidable.

Substantive errors were found in approximately 22 percent of the records in the Board’s random sample. Most of these are due to data entry mistakes. However, with improved procedures already in place, including additional reviews and a revised data form, the Board believes a far lower estimated percentage of error is attainable by the time the DBDB goes into effect and is made available to the public on the February 2, 2008 effective date.

Many of the errors in the December 17, 2007 data set originated with non-standardized or flawed source material.

VENDEX, the City’s Vendor Information Exchange System, was not designed or intended to collect data from City contractors for the purposes of regulating contributions subject to Local Law No. 34. Similarly, source documents from agencies not using FMS, the City’s Financial Management System, are not standardized.

The reliability of the data will be improved through MOCS’ continued data collection efforts.

Within the limited timeframe allowed by law to complete and certify Phase 1 of the DBDB, MOCS has independently confirmed half of the data derived from VENDEX. After the February 2, 2008 effective date, as MOCS’ data collection efforts are given the force of law, reliance on VENDEX or original agency source data will decrease, and the accuracy of the data will improve significantly. Efforts to follow up on undeliverable, unreturned, and incomplete data forms are continuing.

Data comprising lobbyist information is—to the best of the Board’s ability to verify—reasonably complete and accurate.

The Board has verified that information on lobbyist transactions provided by DoITT matches the information that appears in the City’s NYC Lobbyist Search. The Office of the City Clerk, which maintains the lobbyist registry, is looking into reports suggesting that lobbyist disclosure has been less than complete.

Finally, the Board believes that Phase 1 represents a significant accomplishment but much more needs to be done to achieve the goals of the legislation.

EXHIBIT I

Substantive Errors Identified by the Board in the Primary Sample

1. **Incorrect relationship resulting in incorrect inclusion in the data set:** A senior manager, based on the data form, was entered as an owner of her related entity. Therefore, this person is not considered to be doing business until Phase 2 of the DBDB and therefore should not be in the DBDB until 30 days after the anticipated certification of Phase 2 in July 2008. To the extent that people were entered with the wrong relationship code, they could prematurely be considered doing business, or they could be incorrectly excluded for Phase 1.
2. **Omitted relationships:** One person's chief operating officer relationship was not in the data set, although the other relationships listed on the data form for this person were correctly indicated. To the extent that this particular data form was for an entity where one individual filled all the potential relationship roles, this individual was captured in the data set. However, similar errors could be made on other data forms listing multiple individuals with different relationships leading to those individuals being left out of the DBDB in error.
3. **Missing address information:** One person is completely missing address information even though the source was a data form.
4. **Wrong last name:** One person's last name contains an error compared to the source data form. Although the error is likely attributable to the handwriting on the form, the result is a different last name.
5. **Incomplete first name:** One person only has a first initial instead of a full name (the first name is missing from the VENDEX source material).
6. **Inaccurate address information:** One person's address information was entirely different from the information provided in the VENDEX source material. It appeared that VENDEX was updated after the person's earlier VENDEX information was made part of the December 17, 2007 data set.

EXHIBIT II

Substantive Errors Identified by the Board in the Secondary Sample

1. **Incorrect relationships:** A record shows an individual as an owner when the source documentation indicates he should be a chief executive officer and another individual is listed as a chief operating officer when the source documentation indicates he should be a chief financial officer.
2. **Non-existent relationship:** There is a record for an owner when a source document indicates that no person holds a 10% or more share of the entity.
3. **Incorrect last names:** There were two persons with incorrect last names. One case appears to be a typographical error; the second case appears to be a misreading of a last name that contains spaces.
4. **Missing employer information:** Information on a source document was not entered.
5. **Non-matching EINs:** EINs on source documents for two persons did not match the EINs to which they were linked in the data set.

Doing Business Certification Report – Phase 1

APPENDIX I

DoITT Doing Business Certification Statement

Local Law 34 of 2007 (or the "Local Law") sets forth that the Office of the Mayor shall develop, maintain and update a "doing business database" (the "DBDB") that identifies lobbyists and persons doing business with the City of New York. Section 37 of the Local Law requires that the Department of Information Technology and Telecommunications ("DoITT") and the Campaign Finance Board ("CFB") certify that there is such a database and provide a report describing the process for establishing that the components in the DBDB identify persons doing business with the city with "reasonable completeness and accuracy" by January 3, 2008.

... the department of information technology and telecommunications shall provide to the Mayor and the Council an analysis of the steps taken to compile the component of the database certified and the campaign finance board shall provide to the Mayor and the Council an analysis of the steps taken to ensure and test for reasonable completeness and accuracy. Such report shall also demonstrate the process by which the department of information technology and telecommunications and the campaign finance board shall update the doing business database and ensure that names of persons no longer doing business with the city are removed.

The report and certification statement below pertains solely to the deliverables that, in accordance with the Local Law, are to be provided by January 3, 2008, specifically: that part of the DBDB that includes data concerning Lobbyists, and persons whose business dealings with the City relate to the holding of Contracts (for Construction and Goods & Services) and Concessions or Franchises. The Public Interface Search will be operational on or before February 2, 2008 per the Local Law requirement to have it live 30 days following the January 3, 2008, certification of the Doing Business Database.

Doing Business Project Methodology

DoITT certifies that a standard System Software Development Methodology was followed in the planning, development and deployment of the Doing Business with New York City Database ("Project") as defined in Local Law 34.

The Project consisted of the following phases:

1. **Project Definition:** Overall DBDB and Public Interface Search requirements defined, staff responsibilities outlined, and the ongoing communication strategy between the Mayors Office of Contract Services ("MOCS"), CFB, City Clerk and DoITT agreed upon.
2. **Project Plan:** Definition of the Project deliverables and timeline associated with delivery of the Doing Business database and an accompanying Public Search Interface.
3. **System Analysis:** Project requirements detailed in a Business Requirements document and each 1.3.08 deliverable for Local Law 34 detailed in the Use Case document.
4. **System Design:** Technical design detailing the Doing Business DB, Public Interface Search, internal processes and all integration with other systems (MOCS, e-Lobbyist and CFB).
5. **Development:** All components of the Doing Business DB (including MOCS and e-Lobbyist data feeds, data transformation, business rules, Public Interface Search, and output file to CFB) are fully developed and unit tested.
6. **System Testing:** Full database functionality, security and performance testing objectives have been met. The Public Interface Search testing is ongoing. Please see the testing section below for an analysis of testing done to date.
7. **Deployment:** The DBDB has been deployed to a DoITT hosted environment. The Public Interface Search will be placed on the DoITT Production Portal on or before February 2, 2008, as required by Local Law 34.

Testing of DBDB for Certification of the Database

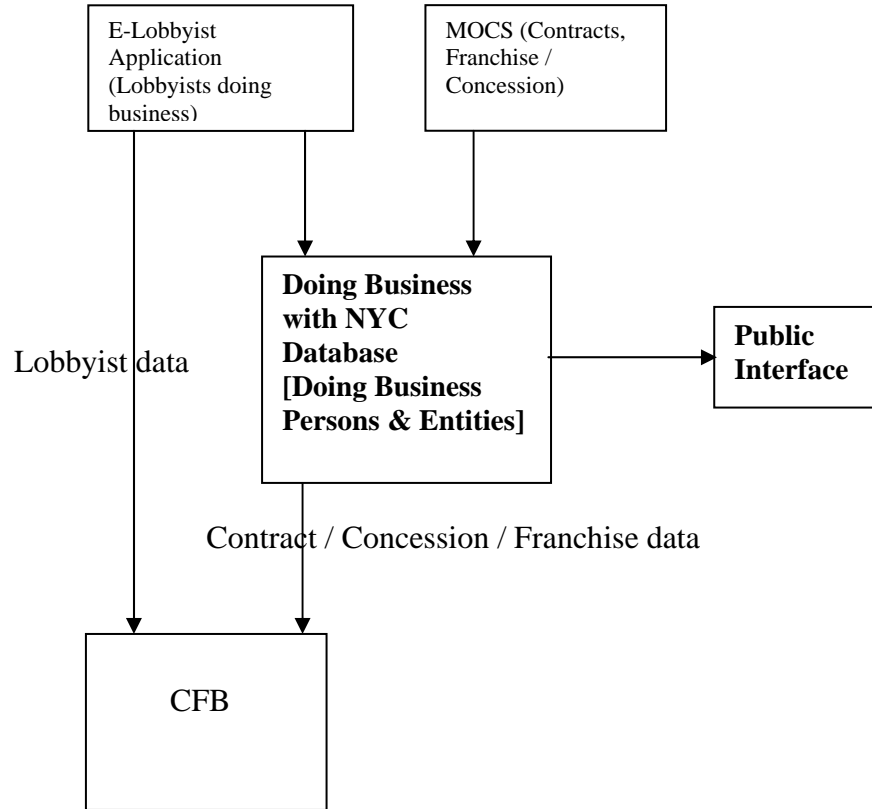
In order to verify the completeness and accuracy of the DBDB system, testing included: Database testing, testing of the feeds from MOCS and e-Lobbyist, and testing of the logic encapsulated in the transformation and business rules. The table below details the testing methods and their results.

	Testing Component	Description	Outcome
1	Database verification	The structural integrity of the database was verified	Database is 100% compliant with Database Specifications
2	MOCS data load testing	The data moved from MOCS to DBDB staging tables is verified as complete	The test of the data load is successful, confirming that a complete data set has been transferred from MOCS.
3	e-Lobbyist data load testing	The data moved from e-Lobbyist to DBDB staging tables is verified as complete	The test of the data load is successful, confirming that a complete data set has been transferred from e-Lobbyist.
4	Initial Load scenario testing with engineered data	Scenarios and matching test data were created to test functionality of the initial load where all data represented additions to the initial DBDB	100% of the cases were fully compliant with the expected outcomes
5	Updating scenario, including additions, modifications and removals from the database. with engineered data	Scenarios and matching test data were created to test functionality of the Add, Modify and Removal processes.	In progress. This testing will complete prior to February 2, 2008.
6	Testing of the MOCS Certification data set	The MOCS Certification data set was fully vetted for completeness and accuracy	100% of the data performed as expected.
7	Testing of the e-Lobbyist Certification data set	The e-Lobbyist Certification data set was verified for completeness and accuracy compared to the e-Lobbyist system's database, which is dependent on self-reported data by lobbyists.	100% of the data performed as expected.

Doing Business Project Staffing

DoITT staff dedicated to the project consists of: Project Owner, Project Manager, Business Analysts (2), Database Architect, Database Administrator, Integration Specialists (2), System Developers (3) and Quality Assurance Staff (2).

Doing Business Data Flow



1. Doing Business with NYC database is populated with data from:
 - a. Mayors Office of Contract Services MOCS database
 - b. E-Lobbyist database
2. The data is transformed according to the specifications of Local Law 34, creating lists of entities and persons doing business with New York City.
3. CFB receives data from the DBDB ("Doing Business Data"). Data originating from MOCS is forwarded via the DBDB. With respect to Lobbyist data, the current process of providing data directly to CFB from the e-Lobbyist system will continue; however, such data is also populated to the DBDB.
4. Effective February 2, 2008, the Public is able to view Persons and Entities Doing Business with New York City via the Public Interface Search.

Doing Business Scheduling

The Doing Business System will be updated monthly. This will include, updated (adds, modifies and deletes) data from MOCS, an updated copy of e-Lobbyist data, the rerunning of transformation rules (detailed below) and an updated file feed to CFB. The Public Interface Search will access the DBDB in real time.

In the year of the election, updates will occur more frequently on a schedule to be worked out based on the disclosure schedule. This timetable for the 2008 election year will be agreed upon between DoITT and CFB in January of 2008.

Doing Business Processing

The resulting Doing Business Database is an Oracle database resident in CityShare and the Public Interface will be resident in the Portal (NYC.gov).

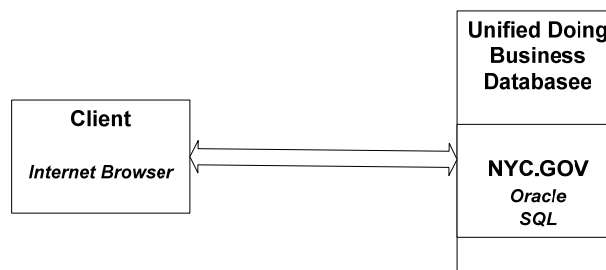
System Update Processes include:

1. MOCS data migrated to DBDB
2. e-Lobbyist data migrated to DBDB
3. MOCS data transformation procedures, which transforms incoming MOCS raw data in the form of data tables (Entity, People, Relationship, and Transaction) to data designating Entities and Persons doing business with New York City, as defined by Local Law 34. Modifications to existing data and deletions are processed at this time.
4. Lobbyist data transformation procedures loads Lobbyist Organizations and Lobbyists directly from the e-Lobbyist system and determines which Lobbyists and Organizations are doing business with New York City, as defined by Local Law 34. Modifications to existing data and deletions are processed at this time.
5. Listings of Entities Doing Business and Persons Doing Business are created and stored for access by the Public Interface Search.
6. Creation of extract of DBDB (People and Entities) for CFB in the format of Adds, Modifies and Deletes.

The detailed processing procedures are also reviewed and approved by the CFB on an ongoing basis.

Doing Business Public Interface Search

Effective February 2, 2008, the Public is able to view Persons and Entities Doing Business with New York City via the Public Interface Search.



- The DBDB will be hosted on the CityShare environment.
- Client request will be submitted from the browser.
- The request will access the DBDB in real time.
- Features of the Public Interface Search will include the ability to view Entity Names, Officers and Organizations (with the ability to sort), Help Section and Contact Form.
- Contact Phone Numbers for the Doing Business Accountability Office and the Office of the City Clerk will be prominently displayed on the Public Interface Search should there be any requests for more information or removal from the DBDB.

Doing Business Database Updates

The Doing Business System has full Add, Modify and Delete functionality.

Local Law 34 dictates that DoITT and CFB will outline how they “shall update the doing business database and ensure that names of persons no longer doing business with the city are removed.” All Lobbyists and Individuals will be notified, via the Public Interface Search, of the method of contact for requesting that their name be removed from the DBDB.

- Lobbyists will be instructed to contact the Office of the City Clerk for requests to remove an Individual from the Doing Business List.
 - The "Requestor" will be provided with the location of an on-line PDF format of a standard form / affidavit, which will include a certification section.
 - The Requestor will be responsible for completing their portion of the form, certifying their entry and having their former Organization certify that they are no longer working for them.
 - The Requestor will return a signed copy of the form to the Office of the City Clerk.
 - Once received, the Office of the City Clerk will verify the information from the Requestor's former Organization (via the contact information provided for the Principal Officer or Contact in the e-Lobbyist system).
 - Once verified, a request will be sent to DoITT to remove the Requestor from the DBDB.
 - DoITT will remove the Requestor from the DBDB in accordance with the updating procedures described in section 5 of the table above.
 - The DBDB will be updated with the next monthly run, however, the effective date of removal will be the day the Office of the City Clerk receives a valid request that has been verified by the Office of the City Clerk. This date cannot be more than 30 days prior to the entry date into the DBDB.
 - An email will be sent to the Office of the City Clerk to notify them that action has been taken.
- Organizations and Individuals that are listed on the DBDB due to business dealings with the City, and believe that they should not be listed, shall apply to MOCS for removal from the DBDB. Prior to the implementation of the law, MOCS shall issue procedures and forms for this purpose. The DBDB will be updated with the next monthly run in accordance with the updating procedures described in section 5 of the table above.
- During the normal course of DBDB updates, Organizations and Individuals that end their business relationships with the City, as defined by Local Law 34, shall be removed from the DBDB with no action required on their part.

Doing Business Certification Report – Phase 1

APPENDIX II



OFFICE OF THE MAYOR
OFFICE OF CONTRACT SERVICES
Marla G. Simpson, *Director*

DOING BUSINESS ACCOUNTABILITY PROJECT
253 Broadway – 9th Floor
New York, NY 10007
(212) 788-8104 Fax (212) 312-0993

To: Campaign Finance Board
From: Marla G. Simpson, Director, Mayor's Office of Contract Services
Jesse Schaffer, Doing Business Accountability Project Director
Date: December 31, 2007
Re: Creation of the Doing Business Database

On July 3, 2007, Mayor Michael R. Bloomberg signed Local Law 34 of 2007 (LL 34), passed by the City Council. LL 34 mandated the creation of a Doing Business Database (DBDB) containing the names of entities that do business with the City of New York, and their principal officers, owners and senior managers, in order to regulate campaign contributions from those entities and individuals.

The implementation of the law is to occur in phases, corresponding to various types of financial transactions that are considered to be doing business with the City. Each of the nine components of the DBDB must be individually certified by the Campaign Finance Board (CFB) and the Department of Information Technology and Telecommunications (DOITT) that it contains "available information" on covered entities and individuals. LL 34's regulations concerning contributions made by such entities and individuals go into effect 30 days after the relevant certification.

The nine components are as follows: 1) entities that hold contracts; 2) entities that hold franchises and concessions; 3) lobbyists required to be registered with the City Clerk; 4) entities that obtain grants, 5) entities that obtain economic development agreements; 6) entities that obtain pension investment agreements; 7) entities that seek/propose to obtain contracts, franchises and concessions; 8) parties to real property transactions; and 9) parties to land use actions.

Those nine components are in turn placed in one of three groups to be phased in over the course of 2008. Phase one of the law covers categories 1, 2 and 3, above. CFB and DOITT are expected to certify these three DBDB components by no later than January 3, 2008. As noted above, the law will be effective for each of these DBDB components 30 days after such certification, or no later than February 2, 2008.

Phase two covers categories 4, 5, 6 and 7, above. CFB and DOITT are expected to certify these four components no later than July 3, 2008. Phase three covers categories 8 and 9 above. CFB and DOITT are expected to certify these two components by no later than November 3, 2008.

The data for components 1, 2, 4, 5, 6, 7 and 8 are to be collected by the Mayor's Office of Contract Services (MOCS), which formed the Doing Business Accountability Project (DBAP) for this purpose. The remaining two items are to be collected by DOITT. Data collected by DBAP will be transmitted to DOITT, which is in turn responsible for transmitting it in an agreed-upon format to CFB.

To meet the phase one certification deadline of January 3, 2008, DBAP transmitted to DOITT a "certification dataset" on December 16, 2007, which DOITT, in turn, transmitted to CFB on December

18th. This dataset is the basis for CFB's and DOITT's expected certifications of components 1 and 2. However, since LL 34 does not go into effect for these components until 30 days later, a separate and augmented "initial dataset," containing data from later transactions and additional entities, will be transmitted to DOITT in late January. This version of the DBDB will be transmitted to CFB and will be the official DBDB in place on February 2nd, the expected effective date of LL 34.

This memo examines the procedures used by DBAP to create these two datasets. It makes reference to, but does not examine fully, issues regarding the maintenance of the DBDB on an ongoing basis.

Data Acquisition: Methodology, Sources and Processing

Three types of data were collected for phase 1 of the DBDB. The certification dataset contains information on entities and people that are expected to be doing business with the City on January 3, 2008, based on the transactions they were known to have with the City at the time of data collection.

Transactions

Methodology

LL 34 defines the time period during which an entity and its principals are doing business (DB) based on the type and duration of underlying transactions involving the entity. For each transaction type, LL 34 defines an *initial* DB term based on either the initiation or duration of the transaction, and then appends an *additional* DB term of one year.

In order to be included in the transaction file used to create the certification dataset, January 3, 2008 must fall within a transaction's *initial* DB term. Whether January 3rd would fall within the *additional* one year DB term was not considered, since by definition those additional terms cannot be applied until the law takes effect. Therefore, contracts and concessions, which have an initial DB term under the Law coterminous with the term of the contract or concession, are included if the contract or concession ends on or after January 3rd. Franchises, which have an initial DB term of the day of commencement only, are included if the commencement date of the franchise falls on or after January 3rd. Since transactions are generally reported after their initiation, there are therefore no franchises in the certification dataset. For similar reasons, non-requirements procurements for particular goods items are not included in the initial dataset, as those procurements do not have terms; the purchase typically occurs and is completed on the delivery date. However, both franchise and goods purchase data will be fully included in the DBDB once the law goes into effect.

Sources

Transaction data was obtained from one specific and one broad source. Of the 186 agencies that are covered by LL 34¹, 153 utilize the City's Financial Management System (FMS) to track their financial activity. MOCS drew all contract data from these agencies directly from FMS. The remaining 33 non-FMS agencies were instructed to provide transaction data, using guidelines provided by MOCS. Table [Agency Data Sources](#) shows agency responses, with all FMS agencies grouped together. The source and form of data on entities and individuals, which will be discussed later, is also shown in this table.

¹ Agencies subject to Local Law 34 are defined as "the city school district of the city of New York and any public authority, public benefit corporation or not for profit corporation, the majority of whose board members are officials of the city of New York or are appointed by such officials."

Agency Data Sources					
Source	Data Current Through	Status	Data Sources (before Questionnaire)		Full Name
			Entities	Principals	
FMS-Contracts	17-Oct	Active	VENDEX, VCER	VENDEX	Financial Management System FMS Franchises and Concessions
FMS-F&C	1-Oct	Active	VENDEX, VCER	VENDEX	
EDC	30-Oct	Active	EDC, VENDEX	EDC, VENDEX	Economic Development Corp.
HHC	22-Oct	Active	HHC, VENDEX	HHC (paper), VENDEX	Health & Hospitals Corp.
NYCHA	15-Nov	Active	NYCHA, VENDEX	NYCHA (paper), VENDEX	NYC Housing Authority
SCA	2-Nov	Active	SCA, VENDEX	SCA, VENDEX	School Construction Authority
AC&C	29-Oct	Active	AC&C	NA	Animal Care & Control
BNYDC	29-Oct	Active	BNYDC	NA	Brooklyn Navy Yard Dev. Corp.
BkPL	10-Oct	Active	BkPL, VENDEX	VENDEX	Brooklyn Public Library
BkRC	16-Oct	No Contracts	NA	NA	South Brooklyn Railway Company
BRAC	2-Oct	No Contracts	NA	NA	Brooklyn Relocation Assistance Corp.
NYCCRC	16-Oct	No Contracts	NA	NA	NYC Capital Resource Corp.
CIDC	16-Oct	No Contracts	NA	NA	Coney Island Dev. Corp.
TCR	16-Oct	Active	TCR	NA	Trust for Cultural Resources
NYC ECF	16-Oct	Active	NYC ECF, VENDEX	VENDEX	NYC Education Construction Fund
HAC	24-Oct	HDC Subsidiary	NA	NA	Housing Assistance Corp.
HDC	24-Oct	Active	HDC, VENDEX	VENDEX	Housing Dev. Corp.
HNYC	24-Oct	HDC Subsidiary	NA	NA	Housing NY Corp.
HRPT	15-Oct	Active	HRPT, VENDEX	HRPT, VENDEX	Hudson River Park Trust
HYDC	12-Oct	Active	HYDC, VENDEX	HYDC, VENDEX	Hudson Yards Dev. Corp.
HYIC	13-Nov	Active	HYIC	NA	Hudson Yards Infrastructure Corp.
NYC IDA	16-Oct	Active	NYC IDA	NA	NYC Industrial Dev. Agency
NYCMDC	16-Oct	Dissolving	NA	NA	NYC Marketing Dev. Corp.
M FUND	29-Oct	Active	MFUND, VENDEX	VENDEX	Mayor's Fund
NYC NMC	16-Oct	Dissolving	NA	NA	NYC New Markets Corp.
OTB	23-Oct	Active	OTB	NA	Off Track Betting
QPL	7-Nov	Active	QPL	NA	Queens Public Library
RGB	16-Oct	Active	RGB	NA	Rent Guidelines Board
RMIC	24-Oct	HDC Subsidiary	NA	NA	Residential Mortgage Insurance Corp.
TSCLDC	16-Oct	No Contracts	NA	NA	Theatre Subdistrict Council LDC
TFA	13-Nov	Active, Bonds	NA	NA	Transitional Finance Authority
WB	16-Oct	Active, Bonds	NA	NA	Water Board
MWFA	13-Nov	Active, Bonds	NA	NA	Municipal Water Finance Authority
WTC CIC	9-Nov	Active	WTC CIC, VENDEX	VENDEX	WTC Captive Insurance Company

Processing

All agencies provided transaction data electronically, some from existing electronic procurement tracking systems, others via spreadsheets created to comply with LL 34. Each transaction was examined to determine whether it was complete, i.e., that contained enough information to determine whether it was covered by LL 34. In order to be deemed complete, a transaction must include the following data:

- Vendor EIN
- Transaction Type (contract,² concession, franchise)
- Value
- Start and Stop Date, or Create Date (goods purchases have a create date only)
- Award Method
- Construction Indicator (to segregate construction transactions from goods and services)

After initial processing, 97.9% of all transactions were complete for the purposes of creating the DBDB. The bulk of the contract transactions were drawn from FMS, and those records were complete 99.9% of the time. In fact, out of almost 11,000 FMS records, only 7 (0.06%) did not contain complete information for the purposes of the DBDB.

MOCS is working with all non-FMS agencies to improve their record keeping and data transmittal processes for the purposes of LL 34. One issue that we discovered with a number of small agencies, many of which are public benefit corporations, is that they are not required by the IRS to obtain EINs from the corporations with which they do business. We consulted a variety of sources to find EINs for these entities, and are providing that information to the source agencies to make future data transfer easier. We anticipate that the completeness rate for these agencies will increase during 2008. Two agencies (TFA and MWFA) that issue bonds are not included in this dataset due to difficulties in integrating the data provided. We anticipate integrating the approximately 60 entities noted by these agencies prior to the creation of the initial dataset in January.

Each complete transaction was examined to determine whether it should be the basis for the inclusion of an entity in the certification dataset. The following transactions were excluded:

Transaction Characteristic	Transactions Excluded
Value	<= \$5,000
Contract or Concession End Date:	< 1/3/08
Franchise Commencement Date:	< 1/3/08
Award Method	Publicly Advertised Competitive Sealed Bid ³ Emergency Procurement Government to Government Procurement

Table Transactions by Source shows the number of transactions provided by each agency, the number deemed complete, the number covered by LL 34, the number that would have been included in the initial dataset had the law already been in effect for a year, and the number included in the certification dataset.

² Includes goods purchases, as described above.

³ Some so-called competitive sealed bids are restricted to prequalified lists of vendors, and are not publicly advertised. Those transactions are included in the dataset.

Transactions by Source									
Source	Total	Complete		Covered by LL 34		One Yr Look Back		In Dataset	
Total	15,169	14,849	98%	13,579	91%	13,101	96%	12,496	95%
FMS-Contracts	10,977	10,970	100%	10,899	99%	10,896	100%	10,896	100%
FMS-F&C	121	99	82%	99	100%	91	92%	72	79%
EDC	223	219	98%	213	97%	202	95%	194	96%
HHC	1,007	1,003	100%	654	65%	462	71%	390	84%
NYCHA	1,965	1,957	100%	1,122	57%	922	82%	501	54%
SCA	328	328	100%	328	100%	328	100%	328	100%
AC&C	86	-	0%	-	0%	-	0%	-	0%
BNYDC	27	26	96%	26	100%	17	65%	-	0%
BkPL	161	72	45%	68	94%	68	100%	68	100%
BkRC	NA	NA	NA	NA	NA	NA	NA	NA	NA
BRAC	NA	NA	NA	NA	NA	NA	NA	NA	NA
NYCCRC	NA	NA	NA	NA	NA	NA	NA	NA	NA
CIDC	NA	NA	NA	NA	NA	NA	NA	NA	NA
TCR	NA	NA	NA	NA	NA	NA	NA	NA	NA
NYC ECF	NA	NA	NA	NA	NA	NA	NA	NA	NA
HAC	NA	NA	NA	NA	NA	NA	NA	NA	NA
HDC	18	18	100%	18	100%	9	50%	3	33%
HNYC	NA	NA	NA	NA	NA	NA	NA	NA	NA
HRPT	150	119	79%	117	98%	74	63%	21	28%
HYDC	8	8	100%	7	88%	7	100%	7	100%
HYIC	NA	NA	NA	NA	NA	NA	NA	NA	NA
NYC IDA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NYCMDC	NA	NA	NA	NA	NA	NA	NA	NA	NA
M FUND	24	22	92%	21	95%	21	100%	14	67%
NYC NMC	NA	NA	NA	NA	NA	NA	NA	NA	NA
OTB	NA	NA	NA	NA	NA	NA	NA	NA	NA
QPL	65	5	8%	4	80%	2	50%	-	0%
RGB	NA	NA	NA	NA	NA	NA	NA	NA	NA
RMIC	NA	NA	NA	NA	NA	NA	NA	NA	NA
TSCLDC	NA	NA	NA	NA	NA	NA	NA	NA	NA
TFA	NA	NA	NA	NA	NA	NA	NA	NA	NA
WB	NA	NA	NA	NA	NA	NA	NA	NA	NA
MWFA	NA	NA	NA	NA	NA	NA	NA	NA	NA
WTC CIC	9	3	33%	3	100%	2	67%	2	100%

Notes

Total: Total transactions provided by the agency

Complete: Transactions with EIN, dollar value, award method and start or create date

Covered by LL34: Transaction types that are covered by LL34 in phase 1

One Yr Look Back: Transactions that would fall under LL34 (in phase 1) if it had been in effect for a year

In Dataset: Transactions that are included in the certification dataset

Entities

Methodology

Valid transactions were aggregated by the EIN of the entity holding the contract, concession or franchise to produce a list of entity EINs that might be doing business as of January 3rd. A total of 3,751 entities were identified. The information about entities was drawn from two specific and one broad source.

Sources

The vast majority (78%) of the entities derived from FMS transactions have completed questionnaires required by the City's Vendor Information Exchange System (VENDEX), as have many (42%) of the entities drawn from other sources. (VENDEX forms are generally required whenever an entity does \$100,000 dollars of business with the City within a rolling 12-month period, and must be renewed each time most contracts are awarded and concessions and franchises are applied for, and at minimum must be renewed every three years). VENDEX forms contain all of the information DBAP tracks about entities. Although VENDEX data can be as much as three years old, each VENDEX filing replaces the last one, and the filing entity is required to certify the continued accuracy of its VENDEX data each time it enters into a new contract, so the data on file is the most current information available.

Of the remaining entities derived from FMS transactions, basic contact information was drawn from FMS's vendor certification (VCER) table. This data is of varying vintage, and is often simply a mailing address for a City payment to be sent to. VCER often lists multiple addresses for each entity. We took the most recent information available.

Entities derived from non-FMS transactions were looked up first in VENDEX, and then in electronic files provided by the various agencies. As with transactions, these non-FMS files vary somewhat in the types of data maintained about each vendor. In general, the large non-FMS agencies (SCA, EDC, NYCHA and HHC) maintain all or almost all of the data required about each entity in electronic systems, while the data maintained by the small non-FMS agencies varied somewhat. However, we were able to obtain all required basic information. Table Entities by Data Source shows the source of entity information.

Entities by Data Source						
Source	All Entities		FMS Entities		Non-FMS Entities	
Total	3,751		3,306		445	
BkPL	10	0%	-	0%	10	2%
EDC	15	0%	12	0%	3	1%
FC	3	0%	-	0%	3	1%
HDC	1	0%	-	0%	1	0%
HHC	179	5%	3	0%	176	40%
HYDC	3	0%	1	0%	2	0%
MFUND	4	0%	-	0%	4	1%
NYCHA	74	2%	59	2%	15	3%
SCA	36	1%	-	0%	36	8%
VCER	656	17%	650	20%	6	1%
VENDEX	2,768	74%	2,581	78%	187	42%
WTC	2	0%	-	0%	2	0%

Processing

Once entity data was obtained, it was converted to a standard format. Addresses were inspected, and missing information (zip codes, city names, etc.) obtained. Research was done on missing or invalid EINs, using both existing agency data and public sources. We were able to identify EINs for all but six of the transactions that otherwise qualified for the initial dataset.

Additional checking was performed to identify likely doubles, which were resolved by contacting vendors. All EINs and vendor names were standardized based on the entity currently doing business with the City, and a table of old EINs was compiled to aid in future investigations. EINs obtained during this process were written not only to the DBDB but also to the agency source tables to aid future updates. EINs obtained during this process were written not only to the DBDB but also to the agency source tables to aid future updates.

Other problems have either already been resolved or will be resolved as additional information is obtained from vendors.

Principals

Methodology

Principal data was sought for all entities on file. The principals covered under LL 34 are the principal officers (CEO, CFO and COO), principal owners (individuals with at least 10% ownership of the entity), and senior managers responsible for seeking and/or managing the entity's contracts, franchises and/or concessions with the City.

An amendment to LL 34 (Intro 651A), introduced at the request of Mayor Bloomberg, makes a number of modifications to the Law. Among them is the postponement of the inclusion of senior manager information to phase 2 (July 3, 2008). The amendment was passed by the City Council on December 19th (three days after the certification dataset was transmitted to DOITT), and signed by the Mayor today. In anticipation of its passage and signature, and at the request of CFB staff, the certification dataset does not include senior managers.

Sources

Once again, information on the individuals related to the various entities came from one specific and one broad source.

All entities, regardless of source, were looked up in VENDEX. VENDEX filings require disclosure of the principal officers and principal owners of each entity, with definitions that generally match those of LL 34 (VENDEX does not track senior managers). Principal information for those entities was drawn from VENDEX and loaded into the DBDB. VENDEX principal data includes basic contact and identification information, including Social Security number, date of birth and home address.

For entities not found in VENDEX, agency source files, both electronic and paper, were examined for principal data. The large non-FMS agencies (SCA, NYCHA, EDC and HHC) provided information about many of their principals, either electronically (SCA and EDC) or on paper (NYCHA and HHC). Due to the absence (before-hand) of applicable record-keeping mandates, the small non-FMS agencies only were able to provide limited data on their principals.

Processing

The office titles reported by individuals via VENDEX and other sources (e.g., President, Comptroller, etc.) were matched to the LL 34 positions of CEO, CFO, COO or Owner using an algorithm that considered all of the titles being reported by an entity. These matches were subsequently reviewed by analysts and adjusted accordingly. Duplicates were consolidated, and identifying information was written back to the agency source files.

Data Improvement

Entities obtained as described above were divided into two categories: those with principal information and those without.

Entities with principal information were sent a letter and a pre-populated Data Form asking for confirmation and updating of the information on their principals. The letter also specified that failure to respond would be deemed to constitute their agreement that the information contained on the Data Form was correct. The bulk of these letters were mailed on October 18th. A copy of the initial Data Form is appended to this report.

Entities without principal information were sent a similar letter, and a Data Form without principal information. This version of the letter contained additional information about the data sought, under the assumption that these entities were not familiar with VENDEX or similar systems. The bulk of these letters were mailed on November 2nd.

Both letters set “due dates” approximately 2½ weeks from the mailing dates, although prior to the actual implementation date of the law, the City has no method by which to compel entities to return the Data Forms. After January 3, 2008, entities to be awarded covered contracts, concessions and franchises will be required to submit Data Forms as a condition of receiving any such award.

As Data Forms were received, they were logged in. Data Forms returned to sender were researched by phone and Internet, and re-mailed when possible. Entities that did not return their forms were contacted by analysts, a process that is ongoing, and duplicate Data Forms were faxed or mailed.

Based on the return rate for the initial mailing, a second mailing was done on November 27 to all outstanding entities without principal information on file, and an aggressive phoning program was instituted. The result is that DBAP received forms back from 57% of those mailed (overall), and from 67% of those that had been mailed to entities for which the City otherwise lacked principal information. See Table Date Form Status.

Data Form Status					
Mailing Type	Mailed	Received		Undeliverable	
Total	3,496	1,987	57%	105	3%
With Principal Data	2,659	1,423	54%	52	2%
Without Principal Data	837	564	67%	53	6%

In addition, 218 entities were added to the system too late in the process for the initial mailings. A mailing will go out to those vendors in early January.

Returned Data Forms were reviewed by analysts for completeness using the following guidelines:

- Vendor Information: Name, Address, Phone, EIN, Organizational Structure, Profit Status, Contact Person
- Principal Information: Name, Home Address, and at least one of SSN, date of birth or home phone number
- Required Principals by Organizational Structure
 - Corporation: CEO and at least one Senior Manager
 - Partnership: At least one Senior Manager
 - Sole Proprietor: CEO, Owner and at least one Senior Manager
 - Other: CEO and at least one Senior Manager

All forms received were data entered (for the information that they did contain), with incomplete forms then returned to analysts for follow up. The vast majority of incomplete forms were missing senior manager information. Although the form's directions made clear that such information was required, we strengthened the language on the Data Form itself after receiving the first batch of responses, to indicate that a form without senior manager information would be deemed incomplete. In January, another mailing will go out to all entities for which we are still missing information.

During the data entry process, the following steps were taken. At each step the date the Data Form was signed, the date the update was performed, and the operator's initials were recorded.

- Entity information was updated, including recording the name of the person who signed the Data Form.
- Personal information was updated, including recording home phone numbers (which are not required as part of the VENDEX dataset), and new principals were added.
- Relationship information was updated and added. Principals who were no longer affiliated with an entity were so noted, and new relationships were established for individuals newly identified as principals.

Throughout the data entry process, a number of data integrity checks were performed, including:

- Ensuring that the software used to record data accurately established the links between entities and principals.
- Comparing sampled Data Forms with the data entered. Analysts reviewed approximately half of all entered forms after data entry, to ensure accuracy.
- Checking for duplicates.

Based on information we received during the process, 37 entities were deemed to not be subject to LL 34, due to their status as governmental entities. The remaining 3714 entities are categorized in Table Valid Entities by Data Source and Existence of Principal Information. In total, 90% of all the valid entities in DBAP's source files include principal information.

Valid Entities by Data Source and Principal Information					
Source	Valid Entities	Has Principal Information		Confirmed by Data Form	
Total	3,714	3,330	90%	1,919	58%
BkPL	10	4	40%	4	100%
EDC	13	8	62%	6	75%
FC	3	-	0%	-	0%
HDC	1	-	0%	-	0%
HHC	178	124	70%	81	65%
HYDC	3	3	100%	1	33%
MFUND	4	1	25%	1	100%
NYCHA	72	36	50%	27	75%
SCA	36	35	97%	20	57%
VCER	639	406	64%	405	100%
VENDEX	2,753	2,713	99%	1,374	51%
WTC	2	-	0%	-	0%

Data Transmittal to DOITT and CFB

After processing, updating and cleaning all data, tables were created containing all valid transactions, the entities involved in those transactions, and the individuals associated with those entities. Those tables were provided to DOITT for processing.

In addition, a copy of the data, similar in format to the data to be transmitted by DOITT to CFB, was provided by DBAP directly to CFB for comparative purposes. This comparative data is not intended to be a listing of entities and people doing business with the City; rather, it contains all of the entities and people that were provided to DOITT.

DBAP provided to CFB various source tables that were used to derive FMS transaction information, and a sample of Data Forms, selected by CFB, for audit purposes. DBAP also provided original VENDEX data for a sample selected by CFB.

Updates

As required by LL 34, the DBDB must be updated at least monthly, in such a manner so to ensure its "reasonable accuracy and completeness." DBAP will collect data from the relevant agencies and determine which transactions are covered by the law. As of January 3, 2008, all entities to be awarded contracts, franchises and concessions will be required to submit Data Forms, as will entities engaged in other transactions in phases two and three. All relevant data will be reported to DOITT on an agreed-upon schedule

Removal from the DBDB

When the underlying transactions that resulted in the inclusion of entities or individuals on the DBDB have ended, and any additional doing business terms required under the Law have run their course, those entities and individuals will be removed from the DBDB with no action required on their part.

As required by LL 34, DBAP will create a procedure for entities and individuals that believe that they should not be listed on the DBDB, to apply to the City Chief Procurement Officer (CCPO)⁴ for removal. Forms for this purpose will be available on the MOCS website. DBAP will review these applications, obtain CCPO concurrence, make adjustments to DBDB source data as needed, and inform CFB of any changes that need to be taken into account prior to the next DBDB update. In general, entities will be considered for removal if they demonstrate that they no longer or never did engage in types of transactions covered by LL 34; individuals will be considered for removal if they no longer or never did have relationships with entities on the DBDB.

Conclusion

The process of constructing the initial dataset has been a complex one that has required cooperation by agencies not generally subject to the City's procurement rules, and vendors that have been asked to complete new forms upon relatively short notice. While certain segments of the database will require ongoing work, we are quite pleased with the result. Datasets already maintained on a citywide basis (VENDEX and FMS) and those maintained by individual agencies contained a substantial amount of the data required by LL 34. Almost 60% of the forms we sent out seeking updates and confirmations of that data, and new data where such initial sources lacked information, were returned to DBAP, supplying additional requested information. We now have principal information on 90% of all entities. Given that this was accomplished prior to any enforceable requirement that vendors complete or return the data collection forms, we believe that the quantity and quality of the data collection exceeded any reasonable expectation, and accordingly, we believe this renders the database fully suitable for certification under the Law.

We look forward to continuing to work with DOITT and CFB to fully implement Local Law 34 in the months ahead.

⁴ Pursuant to Executive Order 48 of 2004 (and its predecessors), the Director of MOCS is designated by the Mayor to serve as the CCPO.

**City of New York, Mayor's Office of Contract Services
"Doing Business" Questionnaire**

This Questionnaire must be completed by any vendor that holds certain contracts, concessions or franchises with the City of New York. Please type or print in black ink and see the enclosed instructions for more information.

Please make corrections to the right of any pre-printed information, and provide all missing information. If a section of the form does not apply to you, please draw a line through it. Be sure to sign the last page.

NYC Local Law 34, passed in July 2007, requires the City to compile this information from all vendors that do business with the City. The submission of a Questionnaire that is not accurate and complete may result in appropriate sanctions. See the enclosed instructions for more detailed information, including information concerning the use of Social Security Numbers (SSNs).

«Entity_Name» _____
«Entity_SpecialAddress» _____
«Entity_StreetAddress» _____
«Entity_CSZ» _____

Vendor EIN: «EIN» _____ Vendor Type: «Entity_Type» _____
See instructions for vendor categories; specify if "Other"
Vendor Main Phone #: «Entity_PhoneNum» _____ Vendor is a Non-Profit?: «Entity_Profit» _____
Vendor Main E-mail: «Entity_EMail» _____

**Section 2:
Chief Executive Officer (CEO), or equivalent officer (see instructions)**

Name: «CEO_Name» _____
Title: «CEO_Title» _____ SSN: «CEO_EIN» _____
Employer (if not vendor): _____
Birth date: «CEO_DOB» _____ Home phone #: «CEO_HomePhone» _____
Home address: «CEO_Address» _____

Chief Financial Officer (CFO), or equivalent officer (see instructions)

Name: «CFO_Name» _____
Title: «CFO_Title» _____ SSN: «CFO_EIN» _____
Employer (if not vendor): _____
Birth date: «CFO_DOB» _____ Home phone #: «CFO_HomePhone» _____
Home address: «CFO_Address» _____

Chief Operating Officer (COO), or equivalent officer (see instructions)

Name: «COO_Name» _____
Title: «COO_Title» _____ SSN: «COO_EIN» _____
Employer (if not vendor): _____
Birth date: «COO_DOB» _____ Home phone #: «COO_HomePhone» _____
Home address: «COO_Address» _____

Section 3: All individuals who hold an ownership interest in the vendor of 10% or more

There are no owners listed because (check one):

- the entity is not-for-profit
 there are no individual owners
 no owners hold 10% or more shares in the entity
 other (explain) _____

Name: «OWN1_Name» _____ SSN: «Own1_EIN» _____

Employer (if not vendor): «OWN1_Employer» _____

Title: «OWN1_Title» _____ Birth date: «OWN1_DOB» _____

Home address: «OWN1_Address» _____

_____ Home phone #: «OWN1_HomePhone» _____

Name: «OWN2_Name» _____ SSN: «Own2_EIN» _____

Employer (if not vendor): «OWN2_Employer» _____

Title: «OWN2_Title» _____ Birth date: «OWN2_DOB» _____

Home address: «OWN2_Address» _____

_____ Home phone #: «OWN2_HomePhone» _____

Name: «OWN3_Name» _____ SSN: «Own3_EIN» _____

Employer (if not vendor): «OWN3_Employer» _____

Title: «OWN3_Title» _____ Birth date: «OWN3_DOB» _____

Home address: «OWN3_Address» _____

_____ Home phone #: «OWN3_HomePhone» _____

Name: «OWN4_Name» _____ SSN: «Own4_EIN» _____

Employer (if not vendor): «OWN4_Employer» _____

Title: «OWN4_Title» _____ Birth date: «OWN4_DOB» _____

Home address: «OWN4_Address» _____

_____ Home phone #: «OWN4_HomePhone» _____

Name: «OWN5_Name» _____ SSN: «Own5_EIN» _____

Employer (if not vendor): «OWN5_Employer» _____

Title: «OWN5_Title» _____ Birth date: «OWN5_DOB» _____

Home address: «OWN5_Address» _____

_____ Home phone #: «OWN5_HomePhone» _____

Name: «OWN6_Name» _____ SSN: «Own6_EIN» _____

Employer (if not vendor): «OWN6_Employer» _____

Title: «OWN6_Title» _____ Birth date: «OWN6_DOB» _____

Home address: «OWN6_Address» _____

_____ Home phone #: «OWN6_HomePhone» _____

To list more owners, please attach additional pages.

Section 4: Senior Managers who oversee contracts for goods, services or construction with the City. Please see enclosed instructions for further information about who is required by law to be included in this section. If the vendor has any City contracts, you must list at least one Senior Manager or your questionnaire will be considered incomplete. If an officer or owner who is listed above is also a senior manager, fill in his/her name and title below and write "See above." If the vendor holds no contracts, please cross out this section and skip to the next page.

Name: _____ SSN: _____
 Title: _____ Birth date: _____
 Home address: _____
 _____ Home phone #: _____

Name: _____ SSN: _____
 Title: _____ Birth date: _____
 Home address: _____
 _____ Home phone #: _____

Name: _____ SSN: _____
 Title: _____ Birth date: _____
 Home address: _____
 _____ Home phone #: _____

Name: _____ SSN: _____
 Title: _____ Birth date: _____
 Home address: _____
 _____ Home phone #: _____

Name: _____ SSN: _____
 Title: _____ Birth date: _____
 Home address: _____
 _____ Home phone #: _____

Name: _____ SSN: _____
 Title: _____ Birth date: _____
 Home address: _____
 _____ Home phone #: _____

To list more senior managers for Contracts, please attach additional pages.

Section 5: Senior Managers who oversee franchises or concessions (F/Cs) with the City. If the vendor has any City F/Cs, you must list at least one Senior Manager or your questionnaire will be considered incomplete. If the vendor holds no F/Cs, please cross out this section and skip to the bottom of the page.

Name: _____ SSN: _____
Title: _____ Birth date: _____
Home address: _____
_____ Home phone #: _____

Name: _____ SSN: _____
Title: _____ Birth date: _____
Home address: _____
_____ Home phone #: _____

Name: _____ SSN: _____
Title: _____ Birth date: _____
Home address: _____
_____ Home phone #: _____

Name: _____ SSN: _____
Title: _____ Birth date: _____
Home address: _____
_____ Home phone #: _____

To list more senior managers for Franchises and Concessions, please attach additional pages.

I certify that the information submitted on these four pages and _____ additional pages is accurate and complete. I understand that willful or fraudulent submission of a materially false statement may result in the vendor being found non-responsible and therefore denied awards for future City contracts, franchises and concessions.

Name: _____
Signature: _____ Date: _____
Vendor name: _____
Title: _____ Business phone #: _____

You must return this form to the Mayor's Office of Contract Services by «DueDate».
By Mail: 253 Broadway, 9th Floor, New York, NY 10007
By Fax: 212-312-0993
By E-mail: DoingBusiness@cityhall.nyc.gov

If you have questions, please call the Doing Business Accountability Project at 212-788-8104.

Doing Business Certification Report – Phase 1

APPENDIX III

**DOING BUSINESS ACCOUNTABILITY PROJECT
CONTRACT, FRANCHISE AND CONCESSION PROPOSERS
FALL 07 – SPRING 08**

Q & A: The *Doing Business Data Form* and the *Doing Business Database*

What is the purpose of this Data Form?

To collect accurate, up-to-date identification information about vendors that have business dealings with the City of New York in order to comply with Local Law 34 of 2007 (LL 34), the recently passed campaign finance reform law. LL 34 limits municipal campaign contributions from principal officers, owners and senior managers of City vendors and mandates the creation of a *Doing Business Database* to allow the City to enforce the law. The information requested in this Data Form must be provided, regardless of whether the vendor or the people associated with it make or intend to make campaign contributions. No sensitive personal information collected will be disclosed to the public.

Why have I received this Data Form?

The contract, franchise or concession for which you are proposing is considered a business dealing with the City under LL 34. Most types of contracts, franchises and concessions valued at more than \$5,000 are considered business dealings. Exceptions include transactions awarded on an emergency basis or by non-qualified competitive sealed bid. Later in 2008, the types of transactions considered business dealings will be expanded to include grants, economic development agreements, pension fund investments and real property and land use transactions with the City.

What vendors will be included in the *Doing Business Database*?

Vendors that hold contracts for goods or services, or franchises or concessions, valued at more than \$100,000, or contracts for construction valued at more than \$500,000, are considered to be doing business with the City for the purposes of this law and will be included in the *Doing Business Database*. As noted above, later in 2008 other types of transactions will also result in vendor inclusion in the database.

What individuals will be included in the *Doing Business Database*?

The principal officers, owners and certain senior managers of vendors listed in the *Doing Business Database* are themselves considered to be doing business with the City and will also be included in the database.

- **Principal officers** are the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO), or their functional equivalents. See the Data Form instructions for examples of titles that apply.
- **Owners** are individuals who own or control 10% or more of the vendor. This includes stockholders, partners and anyone else with an ownership or controlling interest in the vendor.
- **Senior managers** include anyone who, either by job title or actual duties, has substantial discretion and high-level oversight regarding the solicitation, letting or administration of any contract, franchise or concession with the City. If the vendor holds any City contracts, franchises or concessions, you must list at least one Senior Manager, or your Data Form will be considered incomplete. Later in 2008, senior managers responsible for the additional types of transactions indicated above will also be included in the *Doing Business Database*.

I provided some of this information on the VENDEX Questionnaire. Why do I have to do it again?

Although the *Doing Business Data Form* and the VENDEX Questionnaire request some of the same information, they serve entirely different purposes. In addition, the Data Form requests information concerning senior managers, which is not part of the VENDEX Questionnaire

What happens if I don't submit a complete and accurate Data Form?

Vendors are required to supply information of this type upon request of the City. The submission of a Data Form that is not accurate and complete may result in appropriate sanctions.

Will the information on this Data Form be available to the public?

Campaign contributions will continue to be public information, as they have been in the past. Similarly, the names of vendors' top officers and owners, which have previously been made public through the VENDEX database, will continue to be public, as will the additional names (senior managers) now required by this Data Form. Each person's employer and title will be made public. However, no sensitive personal identifying information will be made available to the public, and home address and phone number information will not be used for communication purposes.

No one in my organization plans to contribute to a candidate; do I have to fill out this Data Form?

Yes. All vendors are required to return this Data Form with complete and accurate information, regardless of the history or intention of the vendor or its officers, owners or senior managers to make campaign contributions. The *Doing Business Database* must be complete so that the Campaign Finance Board can verify whether future contributions are in compliance with the law.

I have already completed a Doing Business Data Form. Do I have to submit another one?

Yes. A vendor is required to submit a Doing Business Data Form each time it proposes for, or enters, a transaction considered business dealings with the City. However, the Form has both a No Change option, which only requires a vendor to report its EIN and sign the last page, and a Change option, which allows a vendor to only fill in applicable information that has changed since the previous completion of the Doing Business Data Form.

How does a person remove him/herself from the *Doing Business Database*?

Any person who believes that s/he should not be listed may apply for removal from the database by contacting the Doing Business Accountability Project of the Mayor's Office of Contract Services. Reasons that a person would be removed include his/her no longer being the principal officer, owner or senior manager of the vendor. Vendors may also contact the DBA Project to add or remove such individuals. Removal and update forms will be available on-line at nyc.gov/mocs, or by contacting the Doing Business Accountability Project at 212-788-8104.

How long will a vendor and its officers, owners and senior managers remain listed on the *Doing Business Database*?

- **Contract proposers:** for one year from the proposal date or date of public advertisement of the solicitation, whichever is later.
- **Franchise and Concession proposers:** for one year from the proposal submission date.
- **Contract and Concession holders:** generally for the term of the contract or concession, plus one year.
- **Franchise holders:** from the commencement or renewal of the franchise, plus one year.
- **Line item and discretionary appropriations:** from the date of budget adoption until the end of the contract, plus one year.

For information on other types of transactions, contact the Doing Business Accountability Project at 212-788-8104.

What are the new campaign contribution limits for people doing business with the City?

Please contact the NYC Campaign Finance Board for information on contribution limits, at www.nyccfb.info, or 212-306-7100.

The Data Form is to be returned, in a separate envelope, to the contracting agency along with your proposal.

If you have any questions about the Data Form please contact the Doing Business Accountability Project at 212-788-8104 or DoingBusiness@cityhall.nyc.gov.



Doing Business Data Form – Contract Proposers

A Doing Business Data Form is to be completed by any vendor that submits a proposal for this contract (see Q&A sheet for more information). Please type or print in black ink, sign the last page, and return the complete Data Form, in a separate envelope, to the contracting agency along with your proposal. **The submission of a Data Form that is not accurate and complete may result in appropriate sanctions.**

This Data Form requires information to be provided on your principal officers, owners and senior managers. The name, employer, and title of each person identified on the Data Form will be included in a public database of people who do business with the City of New York; no other information reported on this form will be disclosed to the public. This Data Form is separate from the City's VENDEX requirements.

General Instructions for Sections 2, 3, and 4:

Title: The actual office title held by the officer, owner, or manager.

Employer (if not vendor): If the individual is not employed by the vendor, list his/her employer's name.

Certification:

Fill out the certification box on the last page completely, and return the completed Data Form, in a separate envelope, to the contracting agency along with your proposal. If you have questions, please contact the Doing Business Accountability Project at 212-788-8104 or DoingBusiness@cityhall.nyc.gov. Thank you for your cooperation.

NOTE: Under the Federal Privacy Act the furnishing of Social Security Numbers is voluntary. Failure to provide an SSN will not result in any vendor's disqualification. SSNs will not be disclosed to the public. SSNs will be used to: identify a vendor's officers, owners and managers; assist the City in enforcement of Local Law 34 by ensuring that it is applied only to those individuals intended to be covered; and provide the City a means of identifying individuals whose names are not required to be listed in the *Doing Business Database*.

Section 1: Vendor Information

Vendor Name: _____

Vendor EIN: _____

Vendor Filing Status (select one):

- New Vendor/Full Data Form. *Fill out the entire form.*
- Change from previous Data Form dated _____. *Fill out only those sections that have changed, and indicate the name of the person(s) who no longer hold positions with the vendor.*
- No Change from previous Data Form dated _____. *Skip to the bottom of the last page.*

Vendor Type: Corporation (any type) Partnership (any type) Sole Proprietor
 Other (specify): _____

Vendor Address: _____

Vendor Main Phone #: _____ Vendor is a Non-Profit: Yes No

Vendor Main E-mail: _____

Section 2: Principal Officers

Please fill in the required identification information for each officer listed below. If the vendor has no such officer or its equivalent, please check the "Position does not exist" box. If the vendor is filing a Change Data Form and the person listed is replacing someone who was previously disclosed, please check the "This person replaced" box and fill in the name of the person being replaced so his/her name can be removed from the *Doing Business Database*, and indicate the date that the change became effective.

Chief Executive Officer (CEO) or equivalent officer This position does not exist

The highest ranking officer or manager, such as the CEO, President or Executive Director; or, if those positions do not exist, the Chairperson of the Board.

Name: _____

Office Title: _____ SSN: _____

Employer (if not vendor): _____

Birth date: _____ Home phone #: _____

Home address: _____

 This person replaced CEO: _____ On date: _____**Chief Financial Officer (CFO) or equivalent officer** This position does not exist

The highest ranking financial officer, such as the CFO, Treasurer, Comptroller, Financial Director, or VP for Finance.

Name: _____

Office Title: _____ SSN: _____

Employer (if not vendor): _____

Birth date: _____ Home phone #: _____

Home address: _____

 This person replaced CFO: _____ On date: _____**Chief Operating Officer (COO) or equivalent officer** This position does not exist

The highest ranking operational officer, such as the COO, Chief Planning Officer, Director of Operations, or VP for Operations

Name: _____

Office Title: _____ SSN: _____

Employer (if not vendor): _____

Birth date: _____ Home phone #: _____

Home address: _____

 This person replaced COO: _____ On date: _____

Section 3: Principal Owners

Please fill in the required identification information for all individuals who, through stock shares, partnership agreements or other means **own or control 10% or more of the vendor**. If no individual owners exist, please check the appropriate box below to indicate why, and skip to the next page. If the vendor is owned by other companies, those companies do not need to be listed. If an owner was identified on the previous page, fill in his/her name and write "See above." If the vendor is filing a Change Data Form, list any individuals who are no longer owners at the bottom of this page. If more space is needed, attach additional pages labeled "Additional Owners."

There are no owners listed because (select one):

- The entity is not-for-profit There are no individual owners No owner holds 10% or more shares in the entity
 Other (explain): _____

Principal Owners (who own or control 10% or more of the vendor):

Name: _____ SSN: _____

Employer (if not vendor): _____

Office Title: _____ Birth date: _____

Home address: _____

Home phone #: _____

Name: _____ SSN: _____

Employer (if not vendor): _____

Office Title: _____ Birth date: _____

Home address: _____

Home phone #: _____

Name: _____ SSN: _____

Employer (if not vendor): _____

Office Title: _____ Birth date: _____

Home address: _____

Home phone #: _____

Remove the following previously-reported Principal Owners:

Name: _____ Removal date: _____

Name: _____ Removal date: _____

Name: _____ Removal date: _____

To list more Principal Owners, please attach additional pages.

Section 4: Senior Contract Managers

Please fill in the required identification information for all senior managers who oversee any of the vendor’s contracts with the City. Senior managers include anyone who, either by title or duties, has substantial discretion and high-level oversight regarding the solicitation, letting, or administration of any contract with the City. You must list at least one Senior Manager or your Data Form will be considered incomplete. If a senior manager has been identified on a previous page, fill in his/her name and write “See above.” If the vendor is filing a Change Data Form, list any individuals who are no longer senior managers at the bottom of this section. If more space is needed, attach additional pages labeled “Additional Senior Managers.”

Senior Contract Managers:

Name: _____ SSN: _____

Employer (if not vendor): _____

Office Title: _____ Birth date: _____

Home address: _____

Home phone #: _____

Name: _____ SSN: _____

Employer (if not vendor): _____

Office Title: _____ Birth date: _____

Home address: _____

Home phone #: _____

Name: _____ SSN: _____

Employer (if not vendor): _____

Office Title: _____ Birth date: _____

Home address: _____

Home phone #: _____

Remove the following previously-reported Senior Contract Managers:

Name: _____ Removal date: _____

Name: _____ Removal date: _____

Name: _____ Removal date: _____

To list more Senior Contract Managers, please attach additional pages.

I certify that the information submitted on these four pages and _____ additional pages is accurate and complete. I understand that willful or fraudulent submission of a materially false statement may result in the vendor being found non-responsible and therefore denied future City awards.

Name: _____

Signature: _____ Date: _____

Vendor name: _____

Title: _____ Work phone #: _____

Return the completed Data Form, in a separate envelope, to the contracting agency along with your proposal.

For information or assistance, call the Doing Business Accountability Project at 212-788-8104.