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POLITICS

Gonzalez: Controller John Liu has saved taxpayers millions of dollars

Months before he leaves office, Liu's oversight has helped reject costly contracts and curb runaway spending — most recently with an agreement for Verizon to pay \$50 million in restitution to the city. Though he had an unsuccessful bid for mayor, Liu has scored big wins for New York.



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JAMES KEIVOM/NEW YORK DAILY NEWS

Controller John Liu's oversight has saved taxpayers millions of dollars.

Only months before he leaves office, city [Controller John Liu](#) has done it again.

Liu's dogged oversight of runaway spending on city computer contracts has saved taxpayers millions of dollars.

Deputy Mayor Cas Holloway asked Liu's office this month to approve an agreement for Verizon to pay the city \$50 million in restitution for the company's more than three-year delay in providing a workable new 911 call-taking system, known as Vesta.

The settlement would probably have been much smaller if not for Liu's public refusal this year to sign off on a new Verizon contract unless the phone giant first repaid taxpayers for its botched work.

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Verizon's original \$195 million contract called for the Vesta system to be operating by early 2008. The launch was repeatedly postponed because the software failed seven major tests between 2008 and 2011.

City officials grew so frustrated they considered bouncing the firm and rebidding the contract.

But they chose instead to stick with Verizon and bargain later over restitution. In late 2011, the company finally produced a workable system.

Talks over compensation dragged on with no visible progress. As recently as last year, Verizon was offering to

pay no more than \$25 million in damages, while the city wanted \$50 million, according to documents obtained by the Daily News.

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The company wanted the city to tie the settlement to a lucrative maintenance contract for Vesta after the original contract expired this June.

But in May, Liu announced he would reject a proposed new \$144 million contract for Verizon unless the company paid the damages it owed — a sum Liu estimates to be closer to \$59 million. Over the summer, he rejected a second proposal from the city, although he did approve a three-month extension.

Liu had taken the same stance in early 2010, when he rejected ballooning contracts on the notorious CityTime payroll project and got Mayor Bloomberg to back down. He did it again in 2011 by nixing a giant \$286 million contract for Northrop Grumman to develop software for the city's backup 911 center in the Bronx.

With CityTime, taxpayers eventually got back \$500 million when federal prosecutors indicted consultants for fraud. As for Northrop Grumman, Bloomberg eventually reduced its contract to \$95 million, saving taxpayers a lot of money.

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So with the Oct. 1 deadline looming, Verizon finally agreed to pay virtually everything it owed. At the same time, Holloway submitted a more modest maintenance contract extension of \$91.5 million.

Verizon spokesman John Bonomo declined to discuss the settlement or the new contract.

"(It) compensates the city for costs of the delay and is significantly better than could be expected in litigation," a City Hall spokesman said.

Well, this guy Liu may have lost badly in the race for mayor, but our hats are off to a controller who did his job well.

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