

# Tech Guild Charges HA Wasting Millions On Mgmt. Farm-Outs

By DAVID SIMS | Posted: Monday, September 16, 2013 5:30 pm

The Housing Authority is wasting tens of millions of dollars on private construction-management firms that go far over budget to do capital improvements on city housing projects, the Civil Service Technical Guild charged Sept. 13.

Fourteen companies have been “pre-qualified” to do major physical-upgrade work for HA, according to the union, which is Local 375 of District Council 37. “These companies apply a multiplier to each salary—doubling or more than doubling their take,” a release from the union stated.

## ‘Inadequate Supervision’

The contracting-out both hurts staffing at the HA and wastes money, the union argued, citing recent audits by City Comptroller John C. Liu that said the bulk of these projects were “inadequately supervised.”

Local 375 was at the forefront of unveiling the CityTime scandal, where more than \$600 million in city funds were wasted implementing a palm-scanner time-clock system that was designed and installed by private contractors. The work was later in-sourced.

Local 375 President Claude Fort has released a number of billing documents for these private firms on the union’s website. One, to STV Construction, shows a total of \$233,435 given to 19 employees as part of a Hurricane Sandy recovery program.

“An architectural-services-fee proposal...shows no less than 35 major firms proffering services to NYCHA or already contracted to NYCHA that charge multipliers of two-and-a-half and three-and-a-half times on top of already exorbitant fees,” the release stated. “For instance, B. Thayer Associates charges \$65.63 for a Project Manager, but their “multiplier” hikes that to \$177.20 per hour. The Local 375 title Project Manager pays \$38.46 per hour.”

## ‘They Cost City More’

“Local 375 played a major role in bringing the excessive overbilling at CityTime to light,” Mr. Fort said in a statement. “Now we are doing the same with the NYCHA consultants.”

“NYCHA’s over 10-year experiment with Construction Management (CM) firms has shown they produce no savings over doing the work in-house—on the contrary, the CMs cost much more,” said Local 375 Treasurer Mitchell Feder, an HA employee who once headed the union’s chapter

there.