



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

February 28, 2020

Richard Carranza
Chancellor
New York City Department of Education
Tweed Courthouse
52 Chambers Street
New York, NY 10007

Re: Contract Oversight of City School Buses

Dear Chancellor Carranza:

I am writing today to reiterate my profound concern with the Department of Education's (DOE's) deeply opaque procurement policies, which my office has been trying to work with DOE to reform for at least five years. The urgency of this issue was underscored yet again this week when a 10-year-old girl in Brooklyn was tragically killed by a DOE-contracted bus operated by the Quality Transportation Corp (QTC). In fact, QTC's five-year retroactive contract extension was one of 69 similar bus extension contracts – totaling some \$9.1 billion – that my office rejected and returned to DOE in December 2019, pending additional information concerning DOE's extraordinarily late contract-registration request that it has yet to satisfactorily explain.

While the specifics of the QTC contract extension certainly raised a number of questions among my staff – for instance, its call for an 11-fold increase in tax dollars over the original amount, from \$22.9 million to more than \$270 million – my focus today is a broader one. The core problem is that, unlike every mayoral agency in the City, the DOE does not use standardized performance evaluations with established metrics to assess how well a vendor is meeting its obligations. This is true for all contracts at DOE, not just those pertaining to buses and the DOE's Office of Pupil Transportation. One result is that DOE very often uses the same contractors over and over again, such as QTC, without properly evaluating their performance or ensuring that taxpayers are getting the service they paid for. Many of these issues were raised in a [June 2015 audit](#) by my office into DOE contract procedures, as well as a [2017 follow-up audit](#) that found little or no progress in implementing the recommended changes, especially those concerning performance evaluations.

As I am sure you can appreciate, rigorous and regular performance evaluations are critical tools intended to help agencies determine objectively and document whether contracted vendors are meeting established goals, and are supposed to be used in determining whether to renew existing contracts or commence new ones. That's why these performance evaluations are required to be uploaded by every agency, except DOE, into PASSPort (previously Vendex), so that

procurement officers and others can find out how a vendor has performed on measures such as timeliness of service delivery, the quality of service provided, fiscal administration, and other standard metrics.

Unfortunately, the DOE has for years refused to abide by even these most basic procurement protocols. When it comes to city school buses, the DOE's Office of Pupil Transportation has long claimed to track some performance measures. Nevertheless, without any transparency or public-facing system for sharing that information, it is impossible for the public to readily assess how thorough, systematic and useful that tracking is. Sadly, this lack of concern over proper contracting not only undercuts the City's commitment to sound fiscal control, but also adds unnecessarily to the risks that can affect the safety and health of our school children. For example, the DOE's ongoing failure to integrate GPS tracking into all city school buses just further underscores how shoddy contracting processes are continuing to impact children and parents every day in real, measurable ways. Despite proudly announcing a partnership with Via in August, to date DOE has not submitted a bus-tracking contract to our office, leaving parents without a promised new tool to help track the buses that are supposed to transport their children to and from school.

It's time for change. A system that operates in the dark, with little or no public transparency or accountability, is not worthy of our children and should not be tolerated by anyone in a position to implement reforms. As such, pursuant to the Comptroller's authority under Section 93 of the New York City Charter, I respectfully request that the DOE provide by March 15, 2020, the following information:

1. As regards DOE contracting in general, please explain the agency's refusal to use standardized agency performance evaluations as a way to monitor and assess individual vendors and upload those evaluations into PASSPort, in line with all other City agencies. What specific barriers prevent the DOE from adopting such protocols?
2. DOE Procurement Policy Procedures (section 4-05) requires the DOE to establish an electronic process to evaluate and document the performance of its vendors and maintain a centralized database. Please indicate how DOE is complying with this regulation. If the DOE is using its own method of evaluation to judge contractor performance, please describe the format used, including the scope, metrics and specific questions asked, and describe the extent of its usage within the agency.
3. As regards student transportation, please indicate what due diligence was performed by DOE to ensure that QTC and other vendors with bus contract extensions returned by my office in December 2019 have the requisite records of satisfactory performance and business integrity qualifying them to do business with DOE and to justify the award of public tax dollars.
4. Please cite any provision(s) in the bus contract/extensions regarding performance standards for timeliness, both in picking up and dropping off children and describe how

or whether these metrics are assessed and enforced and whether assessments of the vendors' performance are documented and consolidated in a report and if so whether and how DOE makes that report accessible to parents and the public.

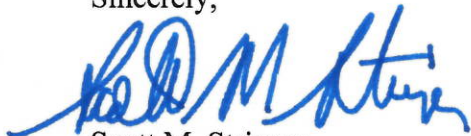
5. Please detail the reasons for the vast increase in the total cost of the QTC contract and the other retroactive contract extensions returned by my office, including copies of each Emergency Contract that DOE entered into with these vendors and a breakdown of dollars paid under these Emergency Contracts.
6. Please explain the delay in submitting the contract with Via to our office, and please provide an updated timeline as to when the promised GPS tracking device technology will be fully operational.

As I am sure you would agree, nothing is more important than the education and safety of our children. But the City's ability to deliver that education and ensure our children's safety getting to and from school is hurt when precious dollars are doled out to vendors whose performance has not been properly reviewed.

To further this inquiry, I would appreciate your acknowledging receipt of this request and designating a liaison who can facilitate the Department's response. For each item, if the Department of Education does not have the information requested, please so indicate in the response.

Thank you for your attention to this matter.

Sincerely,



Scott M. Stringer
New York City Comptroller