



# COVID-19 Emergency Procurements of the New York City Department of Citywide Administrative Services

## What questions did the review look at?

- ▶ Did the New York City Department of Citywide Administrative Services (DCAS) exercise sufficient oversight of COVID-19 emergency procurements?
- ▶ Were COVID-19 procurements adequately documented, consistent with City policy, and reasonably priced?
- ▶ What lessons can be applied to future crises?

## Why does it matter for New Yorkers?

One of DCAS' key responsibilities is buying and maintaining equipment stockpiles for the City—a function that proved critical during the COVID-19 pandemic. In spring 2020, as the pandemic intensified, DCAS was charged with procuring emergency goods and services, including personal protective equipment (PPE), ventilators, and other essential products. Between March 1 and June 30, 2020, DCAS entered into procurements of goods and services with an initial value totaling over \$1.5 billion.

While DCAS should be applauded for quickly responding to the pandemic during a tumultuous time, our review found that the agency did not adequately document purchases or approvals, nor did it document background research to ensure that vendors were reliable, responsible, or cost-effective. As a result, DCAS paid inflated costs for some goods—in one case, the price of an order of face shields was over 250% higher than average. Several vendors provided defective goods, and some did not fulfill any orders at all.

Taxpayers should feel confident that City agencies are doing everything possible to keep costs down, even in emergency situations. Unfortunately, DCAS did not always do this. In the future, the agency should strive to safeguard the fiscal interests of New York City by following all relevant procurement guidelines.

## What changes did the agency commit to make following the review?

- ▶ DCAS generally disagreed with the review's findings and disagreed with all recommendations; however, agency officials said that they would follow City guidance and directives related to emergency procurements in the future.

## REVIEW FINDINGS



DCAS generally showed that purchases were necessary to respond to the COVID-19 emergency.



DCAS did not consistently document background checks of vendors to ensure that they were responsible and reliable.



DCAS did not adequately document price comparisons.



DCAS did not obtain or document approvals for prepayments.



Report Recommendations	Agency Response
1 Ensure that staff perform and document responsibility reviews and appropriately consider and report results.	<b>DISAGREED</b>
2 Ensure that it documents price analyses, which are used to ensure that prices are reasonable and form the basis for vendor selection.	<b>DISAGREED</b>
3 Ensure that staff maintain supporting documentation in procurement files and systems of record.	<b>DISAGREED</b>
4 Determine whether City procurement rules should be changed to allow advance payments during emergencies, and, if so, establish rules and protocols to mitigate risks when advance payments might be necessary.	<b>DISAGREED</b>



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