



AUDIT AT A GLANCE

NYCHA's Monitoring of Contractor Repairs

What questions did the audit look at?

- ▶ How does the New York City Housing Authority (NYCHA) select and monitor the contractors it hires to conduct repairs and maintenance at its residential developments?

Why does it matter for New Yorkers?

In 2022, the Comptroller's Office surveyed NYCHA residents to identify their most significant concerns about the agency and guide "resident-powered audit" processes in the coming years. Based on residents' input, the Comptroller presented potential audit topics to the Committee and members voted for two audit subjects, one of which was to examine NYCHA's oversight of contractors hired to perform maintenance and repairs.

The survey found that NYCHA residents had an overall dim view of NYCHA's contractors. While less than half of residents rated contractors' work as "good" or better, 30% of respondents said the work was "poor." A survey of Tenant Association presidents garnered similar results. The auditors examined purchase orders relating to work performed in apartments and common areas and found that many had no supporting documentation. This raised questions about whether these jobs were even completed at all.

Many of these issues could be resolved if NYCHA strengthens its vetting process for outside vendors. This includes improving oversight of its contracts, ensuring that payments are not rendered before verifying that work has been completed, and proactively gathering resident feedback about contractor work.

What changes did the agency commit to make following the audit?

- ▶ NYCHA agreed to improve oversight of the procurement and payment process by taking a firmer stance on bid splitting, strengthening internal controls, and ensuring that NYCHA personnel complete required documentation.
- ▶ NYCHA agreed to improve accountability by preventing vendors from acquiring more than one vendor ID number and establishing uniform policies and procedures regarding collection and maintenance of supporting documentation.
- ▶ NYCHA agreed to better evaluate vendors by reviewing prior work before awarding new contracts, developing standard rating criteria, and tracking feedback about contractors.

AUDIT FINDINGS



30% of surveyed NYCHA residents said that contractor work was poor.



Residents said that NYCHA does not seek feedback regarding repairs conducted in their own apartments.



Some repair jobs lacked supporting documentation and may not have been completed at all.



Only 57% of Tenant Association presidents rated the quality of large-scale work as good or better.



Audit Recommendations	Agency Response
<p>1 Investigate the instances identified in this report for which auditors were unable to find evidence that work was performed before payment was rendered. If sufficient evidence of satisfactory work is not found, make efforts to recover the funds expended from vendors.</p>	DISAGREED
<p>2 Make all reasonable efforts to identify the micro purchases requisitioned by individuals named in the federal indictment and determine whether there is adequate evidence of satisfactory work pertaining to those purchases.</p>	DISAGREED
<p>3 Take a firmer stance to prevent bid splitting and implement regular sample-based testing of micro purchases to ensure micro purchase processes are only allowed when strictly appropriate.</p>	AGREED
<p>4 Strengthen internal controls by ensuring that policies and procedures include an adequate segregation of duties when procuring micro purchases and incorporate training and sample-based reviews to ensure compliance.</p>	AGREED
<p>5 Ensure that a Statement of Services is completed and signed by authorized NYCHA personnel prior to paying invoices submitted for work performed.</p>	AGREED
<p>6 Establish mechanisms to detect and prevent vendors from acquiring more than one vendor ID number by regularly conducting “fuzzy” matching of addresses and vendors with similar names and routinely conducting ownership record searches.</p>	AGREED
<p>7 Establish uniform policies and procedures regarding the maintenance of supporting documentation for all units at NYCHA administering and overseeing DECAR contracts to follow.</p>	AGREED
<p>8 Establish uniform policies and procedures for collecting and maintaining documentation of work performed, and for storing such documentation electronically, in an orderly and accessible fashion.</p>	AGREED
<p>9 Require that prior work performed by prospective vendors be formally considered and documented in all subsequent contract award decisions.</p>	AGREED
<p>10 Develop a standard format with standard criteria for rating vendors in evaluations, covering the areas of timeliness of performance, fiscal administration and accountability, and overall quality of performance.</p>	AGREED
<p>11 Ensure that contractor evaluations are conducted in a timely manner and that they demonstrate in sufficient detail the vendor's performance.</p>	AGREED
<p>12 Develop a mechanism for soliciting and tracking resident feedback on repairs and maintenance of work performed, and for capturing and sharing the evaluation of micro and small vendors.</p>	AGREED

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