



NEW YORK CITY COMPTROLLER
BRAD LANDER

Maura Hayes-Chaffe
Deputy Comptroller for Audit

Audit Report on the New York City Law Department's Timeliness in Reviewing Agency Contracts

SR24-072A | June 5, 2025





THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

June 5, 2025

To the Residents of the City of New York,

My office has audited the New York City Law Department to determine whether the department reviewed contracts in a timely manner.

The audit found that the Law Department did not adequately oversee the contract review process and did not always review contracts within four weeks. This issue appears to be more prevalent for non-Mayoral agency contracts and certain Mayoral agency contracts.

Based on a review of sampled contracts, delays in contract reviews were largely due to the Law Department, though City agencies also contributed to or caused delays to a lesser extent. The Law Department attributed delays to resource constraints, a Mayoral initiative to prioritize human services contracts, and lengthy contract negotiations, among other things.

The audit makes five recommendations. Although the Law Department disagreed with the report's findings, the department agreed with three recommendations and partially agreed with two.

The results of the audit have been discussed with Law Department officials, and their comments have been considered in preparing this report. The Law Department's complete written response is attached to this report.

If you have any questions concerning this report, please email my Audit Bureau at audit@comptroller.nyc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander".

Brad Lander
New York City Comptroller

Table of Contents

| | |
|---|-----------|
| Audit Impact..... | 1 |
| Summary of Findings | 1 |
| Intended Benefits | 1 |
| Introduction..... | 2 |
| Background | 2 |
| Objective | 3 |
| Discussion of Audit Results with Law Department..... | 3 |
| Detailed Findings..... | 5 |
| City Contracts Were Not Consistently Reviewed in a Timely Manner..... | 6 |
| More than 38% of Non-Mayoral and Some Mayoral Agency Contracts Not Reviewed Timely During 2024 | 6 |
| 16% of Sampled Mayoral Agency Contracts Not Reviewed Timely During Our Audit Scope | 8 |
| Law Manager | 9 |
| PASSPort..... | 9 |
| PASSPort Glitch | 10 |
| Recommendations | 11 |
| Recommendations Follow-up..... | 12 |
| Scope and Methodology | 13 |
| Addendum | |

Audit Impact

Summary of Findings

The audit found that the Law Department did not adequately oversee the contract review process and did not always review contracts within four weeks. This issue appears to be more prevalent for non-Mayoral agency contracts and certain Mayoral agency contracts.

Based on a review of sampled contracts, delays were largely due to the Law Department. To a lesser extent, City agencies contributed to or caused delays. The Law Department attributed delays to resource constraints, a Mayoral initiative to prioritize human services contracts, and lengthy contract negotiations, among other things.

Intended Benefits

This audit assessed the Law Department's contract review process to ensure timely reviews and approvals, which are essential for ensuring that City agencies' operations continue without disruption, services are provided to the public, vendors are paid timely, and the City complies with all relevant legal mandates.

Introduction

Background

The New York City Law Department is headed by the Corporation Counsel, who is appointed by the Mayor and approved by the City Council. Per the New York City Charter, the Corporation Counsel is responsible for overseeing the preparation of and approval as to form of all contracts, leases, and other legal papers of the City, among other things.

As reported in the Law Department's 2024 Annual Report, attorneys from its Contracts and Real Estate Division evaluate and approve City agreements, leases, business documents, and contracts totaling approximately \$10 billion annually. This division has 15 attorneys who also have other responsibilities.

The Law Department uses two electronic systems to process and track agency requests to review contracts. Officials stated that they use the Procurement and Sourcing Solutions Portal (PASSPort) system to process Mayoral agency contract reviews, which are submitted directly to the system.¹ Upon receiving the requests, the Law Department assigns them to an attorney for review. If additional information is required or changes need to be made, the attorney can return the contract to the requesting agency. After the Law Department attorney completes their review, they submit the contract for secondary approval.

The other system, Law Manager, is used to track non-Mayoral and certain Mayoral agency requests to review contracts. Requests are submitted via email, and contract assignment, review, and approval are processed outside of Law Manager. The name of the requesting agency, the attorney assigned to the review, and initial assignment and final approval dates are recorded in Law Manager.

The Law Department does not have formal policies and procedures that specify the timeframe to complete contract reviews. Officials stated that the review process generally takes three to four weeks but can take more or less time depending on several factors, such as contract complexity, extent of contract revisions, agency response time, and negotiation between the City and vendors. Agencies can request expedited contract reviews in which case the Law Department considers factors such as existing contract expiration dates and agency priorities.

After the Law Department approves a contract, in most cases agencies must submit the contract package to the Comptroller for registration. When the contract has been registered, the agreement is legally implemented, and the agency can pay vendors for the goods, services, or

¹ PASSPort is the City of New York's comprehensive digital procurement platform, managed by the Mayor's Office of Contract Services (MOCS). It oversees all phases of the procurement process. This includes vendor sourcing, managing and responding to solicitations, as well as handling contract awards, creation, registration, and management.

construction provided to the City. Vendors who provide goods, services, or construction before contracts are registered work at-risk. ²

During the audit scope period, the Law Department reviewed and approved contracts with values of more than \$100,000, while delegating the authority to approve contracts valued at \$100,000 or less to authorized Mayoral and non-Mayoral agency staff. For the periods January 1 through December 31, 2023, and January 1 through September 30, 2024, the Law Department reviewed 1,637 and 1,256 contracts, respectively, as detailed in Table I below.

Table I: Total Number of Contracts Reviewed (January 1, 2023–September 30, 2024)

| System | January 1–December 31, 2023 | January 1–September 30, 2024 |
|-------------|-----------------------------|------------------------------|
| PASSPort | 1,138 | 954 |
| Law Manager | 499 | 302 |
| Total | 1,637 | 1,256 |

During the audit, in December 2024, the Law Department increased the contract approval delegation threshold to streamline the procurement process and speed up the time it takes to execute contracts. Agency General Counsels may now approve Minority and Women-Owned Business Enterprises (M/WBE) contracts valued at \$500,000 or less and all other contracts valued at \$250,000 or less.

Objective

The objective of this audit was to determine whether the Law Department reviews procurement contracts in a timely manner.

Discussion of Audit Results with Law Department

The matters covered in this report were discussed with Law Department officials during and at the conclusion of this audit. An Exit Conference Summary was sent to the Law Department on March 12, 2025 and discussed with Law Department officials at an exit conference held on March 26, 2025. On April 17, 2025, we submitted a Draft Report to the Law Department with a request for written comments. We received a written response from the Law Department on April 30,

² The New York City Charter provides certain contract exceptions such as contracts awarded on an emergency or accelerated procurement basis and contracts that will not be paid for with City funds. In addition, agencies have been delegated authority to register contracts for goods and services transactions valued at less than \$25,000 and construction transactions valued at less than \$50,000 internally without having to submit them to the Comptroller's Office for review and registration.

2025. In its response, the Law Department disagreed with the report's findings but agreed with three of the recommendations and partially agreed with two.

The Law Department's written response has been fully considered and, where relevant, changes and comments have been added to the report.

The full text of the Law Department's response is included as an addendum to this report.

Detailed Findings

The Law Department did not always review contracts within four weeks, and this issue appears to be more prevalent for non-Mayoral agency contracts and certain Mayoral agency contracts recorded in Law Manager. For non-Mayoral agency contracts and certain Mayoral agency contracts reviewed between January 1, 2024 and September 30, 2024, the Law Department took more than four weeks to review approximately 38% of contracts. Based on the audit team's review of 50 sampled Mayoral agency contracts processed through PASSPort from January 1, 2023 through October 23, 2024, the Law Department took more than four weeks to review and approve 16% of contracts.

The Mayor's Office of Contract Services (MOCS), which is responsible for PASSPort, failed to produce a report showing contract review milestone dates, including agency request dates and Law Department approval dates, despite multiple requests to do so. Therefore, the audit team could not determine whether the Law Department took more than four weeks to conduct reviews for all Mayoral agency contracts submitted via PASSPort. However, the auditors randomly sampled 50 Mayoral agency contracts submitted via PASSPort between January 1, 2023 and October 23, 2024, and found that the Law Department did not review and approve eight in a timely manner. This translates to 16% of the sample.

Based on a review of sampled contracts, delays were largely due to the Law Department. To a lesser extent, City agencies contributed to or caused delays. The Law Department attributed delays to resource constraints, a Mayoral initiative to prioritize human services contracts, and lengthy contract negotiations, among other things.

The audit also found that the Law Department did not adequately oversee the contract review process. Specifically, the department did not monitor pending requests, flag requests approaching or past due, or analyze closed requests. These analyses would have helped the Law Department determine whether contracts were reviewed in a timely manner, identify the causes of the delays, and take corrective action as necessary.

In addition, the audit found that MOCS did not correct a PASSPort glitch that inhibits the Law Department's ability to track whether and when contracts are returned to Mayoral agencies and how long they take to respond.

Timely approval is necessary to ensure that the operations of City agencies continue without disruption, services are provided to the public, vendors are paid for services they provide, and that the City complies with all relevant legal mandates.

City Contracts Were Not Consistently Reviewed in a Timely Manner

More than 38% of Non-Mayoral and Some Mayoral Agency Contracts Not Reviewed Timely During 2024

Law Department officials stated that the contract review process generally takes three to four weeks but may vary depending on factors such as contract complexity, agency response time, and vendor negotiations. Based on the audit team’s analysis of a Law Manager Transaction Report for contracts reviewed from January 1 through December 31, 2023, the Law Department took more than four weeks to review and approve 180 (36.1%) of 499 contracts, with delays ranging from one day to more than eight months as detailed in Table II below.³ Of these, 40 (8%) exceeded four weeks by 15 to 28 days, 38 (7.6%) exceeded this period by 8 to 14 days, and 32 (6.4%) exceeded this by 1 to 7 days. 49 (9.8%) exceeded this by 29 days or more, and in 21 (4.2%) instances, reviews extended to almost three months beyond the expected four weeks.

Similarly, for the period January 1 through September 30, 2024, the department took more than four weeks to review and approve 115 (38.1%) of the 302 contracts, with delays ranging from one day to three-and-a-half months. As shown below in Table II, 30 (9.9%) exceeded four weeks by 15 to 28 days and 28 (9.3%) exceeded four weeks by 8 to 14 days. In 38 instances the delay exceeded 29 days, and in four instances, reviews extended 84 or more days beyond four weeks.⁴

Both the number and periods of delay were lower overall in 2024 than in 2023; however, the figures for 2024 represent only a partial year which may account for this.

Table II: Length of Contract Review Delays

| Length of Contract Delay | Number of Delayed Contracts | |
|--------------------------|-----------------------------|----------------------|
| | Jan 1 – Dec 31, 2023 | Jan 1 – Sep 30, 2024 |
| 1 to 7 Days | 32 | 19 |
| 8 to 14 Days | 38 | 28 |
| 15 to 28 Days | 40 | 30 |
| 29 to 42 Days | 24 | 17 |
| 43 to 56 Days | 17 | 7 |
| 57 to 70 Days | 2 | 4 |

³ Of the 180 contracts that were not reviewed in a timely manner, 87 were for non-Mayoral agencies and 93 were for Mayoral agencies.

⁴ Of the 115 contracts that were not reviewed in a timely manner, 56 were for non-Mayoral agencies and 59 were for Mayoral agencies.

| Length of Contract Delay | Number of Delayed Contracts | |
|--------------------------|-----------------------------|----------------------|
| | Jan 1 – Dec 31, 2023 | Jan 1 – Sep 30, 2024 |
| 71 to 84 Days | 6 | 6 |
| Greater Than 84 Days | 21 | 4 |
| Grand Total | 180 | 115 |

The audit team reviewed a random sample of 15 of the above-mentioned 115 contracts and found that delays were largely due, in whole or in part, to the Law Department. The Law Department was solely responsible for delays in nine instances and partially responsible for delays in three instances. The Law Department caused or contributed to delays in executing contracts for affordable housing regulatory agreements, voter education campaigns (including one aimed at raising participation within underrepresented communities), public safety communication equipment and security services, and information technology services to support operations and replace outdated infrastructure.

In some cases, agencies repeatedly emailed the Law Department to check on the status of reviews and requested they be expedited due to approaching contract expiration or grant deadline dates. For example, on April 10, 2024, the Queens County District Attorney's Office (QCDA) submitted a request to the Law Department to review a contract renewal for a secure file sharing software subscription license and cloud agreement. The QCDA followed up on this matter on April 30, 2024, but did not receive initial feedback from the Law Department until May 15, 2024. On May 22, 2024, the QCDA provided responses to the reviewing attorney's inquiries and informed the attorney that the contract "expires on May 31st, so we are in time crunch." However, the Law Department did not respond before the contract expired.

On May 31, 2024, the QCDA informed the Law Department that they had secured a contract extension until June 14, 2024. The QCDA also informed the Law Department that the software was critical to its law enforcement operations and compliance with New York State Discovery Law (which requires prosecutors to share evidence with defense attorneys within specified timeframes). QCDA thus requested an expedited review.

Additional follow-up emails were sent by the QCDA on June 7, 2024, and June 12, 2024, but again, the Law Department did not respond before the contract extension expired.

On June 18, 2024, the QCDA emailed the Law Department stating, "[W]e managed to get an extension...for two weeks.... Please advise if we can get this done." Despite these repeated requests for assistance, the Law Department did not approve this contract until July 26, 2024—more than three-and-a-half months after it was received and nearly two months after the existing contract's expiration date.

When the audit team asked the Law Department about delays for the 15 sampled contracts, they stated that some contracts were delayed because of resource issues, including competing priorities of reviewing attorneys, employees on leave, or the volume of work and experience. In addition, the Law Department stated that some contracts were delayed because of a Mayoral initiative to prioritize human services contracts and contracts that required lengthy negotiations.

During the exit conference, the Law Department stated that it tried to review contracts in a timely manner and acknowledged that there may have been delays in initial reviews. In addition, the

Law Department stated that reviewing attorneys raise substantive legal issues and there is back and forth communication with agencies and vendors to resolve issues.

In its formal written response, the Law Department acknowledged that some delays were caused by the department but stated that most contract review delays were caused by a combination of agency delays and, in many cases, negotiations and revisions associated with complex contracts. The Law Department also maintained that for two contracts cited in the report, the Law Department took either two days or six days to review contracts. However, the two contracts referenced by the Law Department were not among those for which it was cited as being solely responsible for, or contributing to, delays in the review process. Therefore, their reference for the two contracts does not directly address the specific contracts and timeframes identified in the audit.

As noted in the report, the audit team's review of a random sample of 15 contracts revealed the Law Department was solely responsible for delays in nine instances and contributed to delays in three others. The audit also documented several examples where agencies followed up with the Law Department, sometimes multiple times, to emphasize upcoming deadlines and the importance of timely contract execution. The frequency, duration, and operational impact of the delays identified in the sample indicate the Law Department processes were a significant contributing factor.

16% of Sampled Mayoral Agency Contracts Not Reviewed Timely during Audit Scope

Based on the audit team's review of 50 of 2,154 randomly selected approved Mayoral agency contracts processed in PASSPort from January 1, 2023 through October 23, 2024, the Law Department took more than four weeks to review and approve eight contracts, with delays ranging from one day to nearly two months. The eight contracts represent 16% of the sample.

Available documentation shows that the Law Department was responsible for delaying at least three of the eight contracts. In each of the three cases, the Law Department did not review contracts and provide feedback to agencies in a timely manner. These contracts were for oversight of bridge coating for various bridges throughout the City, towing services in Brooklyn and Queens, and software maintenance and support. During the exit conference, the Law Department stated that the above-mentioned three contracts were complicated and therefore took longer to review. However, based on the audit team's review of available documentation, there was no substantial back and forth communication with agencies and vendors to resolve issues.

For the remaining five contracts, the Law Department did not provide correspondence with the requesting agency or other documentation. Therefore, the audit team could not determine the cause of delays.

The Law Department Does Not Effectively Monitor the Contract Review Process

New York City Comptroller's Directive 1, Principles of Internal Control, states that internal control activities are vital to achieve desired results and include, among a wide range of activities, open items aging and management reviews at the functional or activity level. The Directive further

states that management should compare actual performance data to planned or expected results, analyze significant variances, and take corrective action as appropriate.

However, the Law Department does not monitor pending requests or flag those approaching or past due. It also does not analyze closed requests to determine whether contracts have been reviewed in a timely manner, which would also allow the agency to identify the causes of delays and take corrective action. If the Law Department were to make full use of systems already in place, it could easily take several actions to more effectively monitor and improve its contract review process, as detailed below.

Law Manager

For non-Mayoral and certain Mayoral agency requests to review contracts, all workflow is handled outside of electronic systems of record via email or by phone. The Law Department records only limited information in the Law Manager platform, including the name of the requesting agency, the attorney assigned to review the contract, and assignment and final approval dates. It could use this information to generate reports of pending agency requests, flag requests that are approaching or past due, and analyze closed requests to compare actual review timeframes to expected timeframes. However, it does not do any of these things.

In addition, the Law Department does not record other key milestone dates in Law Manager that would allow it to identify the causes of delays and take appropriate corrective action. Specifically, the Law Department does not record whether and when reviewing attorneys return contracts to requesting agencies for revision, provide feedback, or make inquiries; or when agencies responded to the Law Department; when contracts receive initial approval from reviewing attorneys; or when contracts were submitted for secondary review and approval. If this information were entered in the platform, the Law Department could analyze closed requests to identify causes of delays.

PASSPort

For Mayoral agency contract review requests submitted via PASSPort, most workflow was processed within the system. However, PASSPort is not capable of generating pre-built, standardized reports (canned reports) or customized ad-hoc aging reports for open contract review requests or historical reports of completed reviews detailing how long it took to review contracts and key milestone dates. MOCS, the agency responsible for PASSPort, only provides the Law Department with an annual list of the contracts which were reviewed and approved.

From July 31, 2024 to September 30, 2024, the audit team repeatedly requested that MOCS provide an ad-hoc report of closed contracts detailing agency request dates, Law Department attorney assignment dates, initial approval dates, senior attorney assignment dates, and approval dates. This information was requested from MOCS because the Law Department was not able to generate this information itself. On September 13, 2024, MOCS stated that this request would require significant effort and some time to produce but assured the audit team that the request was in their queue. As of the date of this report, MOCS has not produced the requested data.

The Law Department's lack of access to this information directly—and MOCS' apparent inability to pull such basic information easily—suggests the need for improvements in PASSPort's functionality.

During the exit conference, Law Department officials stated the agency recently started tracking Mayoral agency contracts submitted via PASSPort using Excel and Law Manager. Additionally, Law Department officials stated the agency is planning to replace Law Manager with a new system, LegalStratus. Law Department officials stated they expect the new system to provide improved tracking and reporting capabilities.

PASSPort Glitch

The audit found that MOCS has not corrected a PASSPort glitch that inhibits the Law Department's ability to track whether and when contracts are returned to Mayoral agencies and how long they take to respond. Because of this glitch, when contracts are returned and agencies resubmit them to the Law Department, PASSPort sometimes does not return the contract to the assigned attorney. Instead, PASSPort processes contract returns as a new request and may assign the task to a different Law Department attorney. This may lead to inefficiencies including duplicative work. To work around this, the Law Department returns contracts and provides feedback to agencies outside of PASSPort, typically via email.

However, since this workflow is not captured in PASSPort or otherwise tracked by the Law Department, the department may not be able to identify the causes of delays or take appropriate corrective action.

Recommendations

To address the above-mentioned findings, the auditors propose that the Law Department should:

1. Record key milestones in Law Manager or LegalStratus or otherwise track them. Milestones should include, but not be limited to, the dates that: agencies submit contracts for review; Law Department attorneys are assigned to review contracts; attorneys return contracts to requesting agencies for revision, provide feedback, or make inquiries; agencies respond to the Law Department; attorneys initially approve contracts and submit for secondary review; senior attorneys are assigned to review contracts; and senior attorneys approve contracts.

Law Departments' Response: The Law Department partially agreed with this recommendation, stating, "Some key milestones are already recorded in Passport and Law Manager. In fact, we have begun to record Passport contracts within the division so that we can produce our reports. And we agree that we should include some additional milestones. However, recording every single interaction would become unduly burdensome and would likely delay review, rather than improve review times."

Auditor Comment: The audit does not recommend that the Law Department record every interaction. Rather, the audit recommends only that the Law Department record key milestones so the department can track the contract review process and identify the cause of delays. Furthermore, when the Law Department implements its new system of record, LegalStratus, system functionality should better align with workflow and automatically capture milestones, minimizing the need for manual input. Improved system functionality would enhance transparency and efficiency without delaying the review process.

2. Request that MOCS create canned aging reports and reports of closed contracts detailing key milestone dates.

Law Departments' Response: The Law Department agreed with this recommendation.

3. Use Law Manager, LegalStratus, and PASSPort to:
 - a. generate bi-weekly aging reports, monitor pending requests, and flag requests approaching or past expected timeframe for review; and
 - b. generate historical reports of closed requests to analyze and determine whether and to what extent contracts were not reviewed in a timely manner, identify the causes of the delays, and take appropriate corrective action, as necessary.

Law Departments' Response: The Law Department partially agreed with this recommendation, stating, "While we agree that some additional reports would be useful, as cited above, excessive recording of activities would become very time consuming and defeat the purpose of reducing review times."

Auditor Comment: The audit recommends only that the Law Department record key milestones so the department can track the contract review process and identify the cause

of delays. In addition, the Law Department's new system of record should better align with workflow and automatically capture milestones, minimizing the need for manual input.

4. Assess the adequacy of staffing levels.

Law Departments' Response: The Law Department agreed with this recommendation.

5. Continue to address issues with MOCS including, but not limited to, the PASSPort glitch related to the Law Department returning contracts and agencies resubmitting them, and reporting capabilities.

Law Departments' Response: The Law Department agreed with this recommendation.

Recommendations Follow-up

Follow-up will be conducted periodically to determine the implementation status of each recommendation contained in this report. Agency reported status updates are included in the Audit Recommendations Tracker available here: <https://comptroller.nyc.gov/services/for-the-public/audit/audit-recommendations-tracker/>

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions within the context of our audit objective(s). This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope of this audit was January 1, 2023 through October 31, 2024.

To gain an understanding of how the Law Department reviews and approves procurement contracts, the auditors examined relevant provisions of the NYC Charter, including Sections 327 and 394, along with other applicable rules and regulations. Additionally, the auditors reviewed publicly available information about the Law Department's functions and operations through its official website.

The auditors conducted walkthroughs with Law Department staff to understand their roles and responsibilities in processing procurement contracts. These walkthroughs provided insights into the review and approval process, as well as the rules and regulations guiding these activities.

To assess the standard timeframe used by the Law Department for contract review and approval, auditors reviewed internal communications, including emails and meeting memos, which indicated that the typical review period is four weeks. The auditors compared the agency request date to the approval date to determine whether contracts were reviewed within four weeks.

The audit team also examined the features and functions of the PASSPort and Law Manager applications as they relate to the review of procurement contracts. This involved walkthroughs with Law Department staff, a demonstration of the applications, and a review of the PASSPort user manual, application screenshots, and a list of authorized users for both systems.

To determine the total number of procurement contracts reviewed and approved by the Law Department during the audit period (January 1, 2023 through October 31, 2024), the auditors obtained computer-processed data. This included Law Manager Transaction Reports containing 499 contract records for Calendar Year 2023, and 302 contract records for the period of January 1, 2023 through September 30, 2024, and a PASSPort report containing 2,154 contract records for the period of January 1, 2023 through October 23, 2024.

To verify the accuracy and validity of the computer-processed data from the Law Manager system, auditors selected random samples of 25 contracts from the 499 recorded in CY2023 and another 25 contracts from 302 recorded January 1 through September 30, 2024.^{5 6} The auditors reviewed

⁵ Only contracts classified under the matter types Contracts and Others were selected, with subtypes limited to Capital, Non-Capital, and Concession Agreements.

⁶ The selection process involved three matter types: Contracts, Others, and Procurements, while excluding the types Mapping/Demapping and Time Extensions. Within the selected matter types, subtypes such as Capital Non-Bid, Capital or Non-Capital, Concession Agreements, IT Procurements, Non-Capital Non-Bid, and blank subtypes were included. The subtype Mechanic's Lien was explicitly excluded.

email correspondences from the Law Department to determine whether these contracts were accurately recorded in Law Manager.

To evaluate whether the Law Department reviews procurement contracts in a timely manner, the auditors analyzed the computer-processed data of 499 contracts from CY2023 and 302 contracts from January 1 through September 30, 2024, focusing on the timeframe between the date contracts were assigned to attorneys for review and the date of final approval.

To further identify the cause of the delays, the auditors judgmentally selected 15 contracts out of 115 delayed contracts that exceeded the four-week review timeframe, recorded in Law Manager from January 1 through September 30, 2024. Their goal was to identify the factors contributing to these delays. The auditors categorized the delays as being caused by the Law Department, the agencies, or a combination of both, and further analyzed the factors that contributed to the delays.

Additionally, to determine whether the Law Department reviews Mayoral agency contracts processed through PASSPort, the auditors randomly selected a sample of 50 contracts from a PASSPort report containing 2,154 contract records. Auditors assessed the timeframe between the date contracts were assigned to attorneys for review and the date of the final approval.

While the results of these tests are not projectable to their respective populations, they provided a reasonable basis for the auditors to evaluate and support their findings and conclusions regarding the Law Department's review and approval of procurement contracts.



MURIEL GOODE-TRUFANT
Corporation Counsel

**THE CITY OF NEW YORK
LAW DEPARTMENT**
100 CHURCH STREET
NEW YORK, NY 10007

Eric Eichenholtz
Managing Attorney
Room 5-100
(212) 356-2200
eeichenh@law.nyc.gov

April 30, 2025

Josefina Soto
Executive Assistance to the Deputy Comptroller for Audit, Audit Bureau
Office of NYC Office of the Comptroller Brad Lander
1 Center Street, 11th Floor North,
New York, NY 10007-2341

RE: Audit Report on the New York City Law Department's Timeliness in Reviewing Agency Contracts (SR24-072A)

Dear Ms. Soto,

Thank you for allowing us to respond to the above-mentioned draft report. Below please find our response to your specific audit findings and recommendations. If you have any questions, please contact Ahmed Omar at 212-356-1073.

Findings:

Finding: City Contracts were not Consistently Reviewed in a Timely Manner

Law Response: We disagree. While we always endeavor to review contracts in a more timely manner and will continue to do so, the Comptroller's analysis shows that over 60% of contracts that are sent to the Law Department for review are reviewed within 4 weeks.

In fact, the Comptroller's randomly selected sample of 50 contracts selected from January 1, 2023, through October 23, 2024, showed that over 80% of contracts in that sample were reviewed within 4 weeks. We will continue to take steps to improve our review time while providing a thorough review of contracts according to our charter responsibilities and in the best interests of the City.

Finding: Delays were largely due to the Law Department

Law Response: We disagree. While some delays were due to Law Department delays, the majority of contract review delays are caused by a combination of agency delay and in many cases, necessary changes and negotiations required for complicated contracts. This is ultimately the responsibility of the agency to do, but the Law Department assists in avoiding contract rejection and expediting the ultimate approval of contracts by assisting the agency in curing the defects and reducing unnecessary and duplicative reviews. Using the time in which the Law Department assisted an agency to renegotiate and cure a legal infirmity in a contract as the reason for “Law Department delay” wholly contradicts the reason the Law Department does that work before rendering a decision. Some of the contracts reviewed highlight the absurdity of the conclusion rendered here. In at least 2 of the cases reviewed by the Comptroller’s office, while the total time from submission to approval was 3.5 and 4 months, the review time at the Law department was 2 days and 6 days respectively. Law Department review time would be reduced by simply rejecting non-compliant contracts and requiring Agencies to re-submit them, rather than assisting the agency in negotiations or improvement of contracts. However, such an approach would be wasteful and lengthen the contracting process overall.

Finding: The Law Department Does Not Effectively Monitor the Contract Review Process

Law Response: We disagree. While we do keep track of all contracts assigned and immediately convey any expedited requests, we can make better use of the existing systems to better monitor contract review. In fact, we have recently begun tracking Passport contracts in our records.

RECOMMENDATIONS

The Law Department should:

1. Record Key Milestones

Law Response: We agree in part. Some key milestones are already recorded in Passport and Law Manager. In fact, we have begun to record Passport contracts within the division so that we can produce our reports. And we agree that we should include some additional milestones. However, recording every single interaction between Law Department staff and Agency staff would become unduly burdensome and would likely delay review, rather than improve review times.

2. Request that MOCS create aging reports

Law Response: We agree.

3. Use Law Manager, LegalStratus and PASSPort to generate reports

Law Response: We agree in part. While we agree that some additional reports would be useful, as cited above, excessive recording of activities would become very time-consuming and defeat the purpose of reducing review times.

4. Assess the adequacy of staffing levels

Law Response: We agree.

5. Continue to address issues with MOCS, including the PassPort glitch

Law Response: We agree.

Yours truly,



Ahmed Omar

Director of Internal Audit

cc: Muriel Goode-Trufant
Eric Eichenholtz
Amrita Barth
Jennie Nagle-Yndigoyen
Leon Breeden





NEW YORK CITY COMPTROLLER
BRAD LANDER

1 Centre Street, New York, NY 10007

 @NYCComptroller

(212) 669-3916