



*The City of New York
Office of the Comptroller
Bureau of Management Audit*

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Comptroller

**Audit Report Evaluating the
Response and Follow-up of the
School Construction Authority
To its Customer Satisfaction Surveys**

MD01-198A

June 5, 2002

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And Follow-up of the School Construction
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EXECUTIVE SUMMARY

Background

The School Construction Authority (SCA) was established in 1988 by the New York State Legislature to manage the design, construction, and renovation of New York City public schools.

On March 27, 1997, the New York State Comptroller's Office issued an audit, *New York City School Construction Authority Improvements Needed in Construction Contracting Practices* (Report 96-N-5). The report stated that the SCA did not consistently evaluate completed contractor work or measure customer satisfaction with completed contractor work.

The New York State Comptroller's Office recommended that the SCA establish a system that provided for follow-up of completed projects and that it obtain feedback from its customers about the quality of SCA-supervised construction work. In response, the SCA created a Customer Satisfaction Survey questionnaire that is mailed every October to all principals of schools for which projects were substantially completed during the prior fiscal year.

The SCA assigns a color-coded rating that indicates the level of customer satisfaction to all survey responses received from the schools. A green code indicates a satisfactory job; a yellow code indicates contractor-related problems, such as lack of communication or poor planning; and a red code indicates problems that require follow-up action. In addition to the color codes, a "BOE" code is assigned to all survey responses with comments relating to work

performed by the Board of Education and not the responsibility of the SCA. These survey responses are forwarded to the Board of Education.

The SCA's Community Relations Division is responsible for mailing, receiving, and coding the responses to the Customer Satisfaction Survey. It forwards the coded survey responses to the Project Management Unit for follow-up. The Project Management Unit researches the problems described in the survey responses and sends a letter to school officials stating how the problem will be resolved. A copy of the letter and the survey response are returned to the Community Relations Division. Yellow-coded issues are also researched by the Project Management Unit, but written responses are not mandated. Green-coded responses require no follow-up action.

In October 2000, the SCA sent 1,063 Customer Satisfaction Surveys to school officials for all projects completed by the SCA during Fiscal Year 2000. Of the 1,063 surveys that were sent, 433 (41%) generated responses. Table I, below, shows the results of these responses.

TABLE I

Results of SCA's Fiscal Year 2000
Customer Satisfaction Survey

Type of Response	Number of Responses	Percentage of Responses
Satisfied with SCA's Work (coded green)	247	57%
Minor problems with SCA's Work (coded yellow)	77	18%
Serious problem with SCA's Work (coded red)	90	21%
Work performed by the Board of Education (coded BOE)	19	4%
Total	433	100%

Objectives

Our audit objectives were to determine:

- 1) Whether the Customer Satisfaction Surveys were mailed to all principals of schools for which projects were completed during the fiscal year;
- 2) Whether the SCA resolved the problems cited in the returned survey responses.

Scope and Methodology

The scope of our audit was Fiscal Year 2000. To obtain an understanding of SCA operations, we interviewed the agency's Executive Director, Senior Directors, Community Relations Division representatives, Project Officers, Project Managers, and the Special Counsel of Internal Audits. We also reviewed SCA policies and procedures for the Customer Satisfaction Survey, as well as the Customer Satisfaction Survey Tracking and Aging Reports for Fiscal Year 2000, and the New York State Comptroller's Office audit on SCA construction contracting practices.

To verify whether the Customer Satisfaction Surveys were mailed to schools that the SCA recorded as not responding to the survey, we called a randomly selected sample of 114 school officials from the 630 schools that did not respond to the survey. As a result of the telephone interviews, we learned that 18 (16%) of the school officials who did not respond to the survey were also not satisfied with the work performed by the SCA.

We visited—with SCA officials—five of the 18 schools that did not respond to the survey and that were not satisfied with the work performed by the SCA to verify whether problems reported were related to the SCA contract work.

To determine whether the SCA resolved problems cited in the returned survey responses, we reviewed a randomly selected sample of 20 of 90 red-coded responses, including the attached Project Management Unit memos that outlined the resolution plan. We followed up with phone calls to school officials for these 20 red-coded responses to find out whether the problem still existed and to determine whether school officials were satisfied with the follow-up work performed by the SCA. In addition, we visited—with SCA officials—10 of the 20 schools for which the survey responses were coded red and where the school officials were not satisfied with the SCA follow-up work, to discuss any remaining problems with the projects.

For a randomly selected sample of 130 survey responses (90 red-coded, 20 yellow-coded, 10 green-coded, and 10 BOE-coded) we verified whether: surveys were correctly coded; survey responses received by the Community Relations Division were forwarded to the Project Management Unit and subsequently returned to the Community Relations Division with a resolution plan; all applicable survey information was correctly entered in the Survey Tracking System; and red-coded responses were addressed within the required timeframe.

Results in Brief

The Customer Satisfaction Survey is an important communication tool to help ensure that City public schools are safe and well maintained. We concluded that all surveys received by the SCA were correctly coded regarding the level of customer satisfaction. A resolution plan was developed for surveys for which follow-up action was needed. In addition, the Survey Tracking System was properly maintained. However:

- Surveys are often mailed out many months after the project has been substantially completed.
- SCA does not take follow-up action for Customer Satisfaction Surveys that receive no response.
- SCA does not ensure that schools are satisfied with the follow-up work done by the Project Management Unit, which is supposed to address problems reported by those schools on their Customer Satisfaction Survey responses.
- The Project Management Unit does not always submit follow-up action plans to the Community Relations Division within the required 30-day time period.

Lengthy Time between Project Completion and Mailing of Surveys

The Customer Satisfaction Surveys concerning Fiscal Year 2000 projects were mailed from 30 to 480 days after the projects were considered substantially complete.

There were only two surveys sent out within 100 days after the substantial completion of a project; both received responses. When surveys were sent after more than 100 days had elapsed following the substantial completion of a project, the response rate dropped and remained fairly consistent, ranging from 38 percent to 44 percent.

Because of the small number (only two) of surveys sent out relatively early in the process, the above findings (linking survey timeliness to response rates) are inconclusive. However, our telephone interviews with the 114 principals of schools in our sample who did not respond to the surveys disclosed that 22 (19%) were new to their school. The surveys for these 114 schools were sent from five to 15 months after the projects were substantially completed. The principals who were at these schools when the work was done were no longer

there, and the new principals were not able to offer comments on the projects for the surveys in question.

In addition, when surveys are mailed so long after a project is substantially completed, it can become unclear whether problems cited in the surveys are attributable to poor contractor work, to normal building wear and tear, or to a lack of maintenance. Moreover, the SCA cannot hold contractors responsible for problems if it is not notified of the problems promptly and before the expiration of the contractor warranty.

By sending the surveys immediately after a project's substantial completion date, the SCA may encourage a higher survey response rate, enabling it to identify the causes of the problems and to resolve the problems more effectively, based on survey information that is timely and relevant to the completed project.

Lack of Follow-up for Surveys Receiving No Response

For projects completed during Fiscal Year 2000, the SCA mailed 1,063 Customer Satisfaction Surveys to school principals, of which 630 (59%) received no response.

SCA officials stated that if they do not receive a survey response from a school official, they consider the official to have been satisfied with the completed project. However, the results of our telephone calls to school principals indicate that this is not the case: 18 (17%) of the 109 principals we were able to contact were not satisfied with the work done and felt that further work was required.

SCA officials also stated that it is the schools' responsibility to respond to the survey. However, more than half of the 109 principals we spoke with who had not responded to the survey said they had not received, or did not recall receiving, the surveys. In addition, 18 of the 109 principals we spoke with stated that they did in fact answer and return the survey. It seems obvious that in order to maximize the survey instrument's usefulness, SCA should contact school officials who do not respond to the initial survey to ensure that the work at those schools was satisfactorily completed.

SCA Does Not Always Ensure That Problems at Schools Are Corrected

Of our sample of 20 schools whose responses were coded red (problems requiring follow-up action), 10 (50%) were not satisfied with the follow-up work performed by the SCA.

We visited, accompanied by SCA officials, the 10 schools whose principals were not satisfied with the follow-up work performed by the SCA. As a result of our school visits, the SCA agreed to take corrective action at four schools. The SCA also agreed to look into the problems at two other schools to determine what work needs to be done. The problems at two other schools were considered to be the BOE's responsibility, and the problems at the remaining two schools were resolved prior to our visit.

The SCA needs to do more to ensure that problems related to contracted work at the schools are addressed satisfactorily and in a timely manner, and then ensure that the corrective actions submitted by the Project Management Unit are in fact completed. When the reported problems are not covered under the project contract or are not the responsibility of the SCA, the agency should nonetheless follow up with schools officials, notifying them that the work cannot be handled by the SCA.

Follow-up Action Plans Submitted Late

The Project Management Unit did not submit resolution plans to the Community Relations Division within the required 30-day time period for 28 (31%) of the 90 schools that required them. These late plans were submitted from one to 175 days after the end of the 30-day time frame specified in the SCA rules.

To ensure that construction problems at schools are promptly resolved, the Project Management Unit should respond in a timely manner to the concerns raised by school officials on their Customer Satisfaction Surveys.

Recommendations

This audit makes four recommendations to SCA officials, the most significant of which are:

- The SCA's Community Relations Division should mail Customer Satisfaction Surveys immediately or soon after each project's substantial completion.

- The SCA's Community Relations Division should follow up with a phone call or letter to schools that do not respond to the surveys
- The SCA's Project Management Unit should resolve problems cited in red-coded survey responses in a more timely manner, and then ensure that the corrective actions submitted by the Project Management Unit are in fact completed. When the reported problems are not covered under the project contract or are not the responsibility of the SCA, the agency should nonetheless follow up with schools officials, notifying them that the work cannot be handled by the SCA.

SCA Response

The matters covered in this report were discussed with SCA officials during and at the conclusion of this audit. A preliminary draft report was sent to SCA officials and discussed at an exit conference held on April 19, 2002. On April 25, 2002, we submitted a draft report to SCA officials with a request for comments. We received a written response from the SCA on May 16, 2002. SCA officials generally agreed with the audit's findings and recommendations, stating:

“We hereby . . . thank the Comptroller's office for the efforts expanded during this audit. The Authority always welcomes constructive recommendations that will assist it in carrying out its legislative mandate. . . .”

“While we are prepared to adopt three of the recommendations made, . . . we do not agree with the recommendation to issue Customer Satisfaction surveys on a 'rolling,' rather than the current (annual) basis.”

The full text of the SCA's comments is included as an addendum to this report.

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INTRODUCTION

Background

The School Construction Authority (SCA) was established in 1988 by the New York State Legislature to manage the design, construction, and renovation of New York City public schools. The SCA is governed by a Board of Trustees comprised of the Schools Chancellor, an appointee of the Governor, and an appointee of the Mayor who serves as the Board's Chairperson. The SCA receives its funds from the City's capital budget, routed through the Board of Education, and receives its direction from the Board of Education.

The Board of Education plans and funds capital construction in five-year increments. The current Five-Year Capital Plan for Fiscal Years 2000 through 2004 emphasizes school facility upgrades. These include projects such as exterior modernization, heating plant replacements, new roofs, intrusion alarms, and window replacements.

On March 27, 1997, the New York State Comptroller's Office issued an audit, *New York City School Construction Authority Improvements Needed in Construction Contracting Practices* (Report 96-N-5). The report stated that the SCA did not consistently evaluate completed contractor work or measure customer satisfaction with completed contractor work.

To determine whether school officials were satisfied with SCA work performed at the schools, the State Comptroller's Office sent questionnaires to the principals of 70 schools at which the SCA had completed projects between October 1990 and October 1994. Officials at 66 percent of the responding schools believed that excessive maintenance or repairs were required to correct conditions resulting from poor construction. According to the report, the SCA had previously been unaware of most of these complaints.

Based on the survey response results, the New York State Comptroller's Office recommended that the SCA establish a system that provided for follow-up of completed projects and that it obtain feedback from its customers about the quality of SCA-supervised construction work. In response, the SCA created a Customer Satisfaction Survey questionnaire that is mailed

every October to all principals of schools for which projects were substantially completed during the prior Fiscal Year.

The SCA assigns a color-coded rating that indicates the level of customer satisfaction to all survey responses received from the schools. A green code indicates a satisfactory job; a yellow code indicates contractor-related problems, such as lack of communication or poor planning; and a red code indicates problems that require follow-up action. In addition to the color codes, a “BOE” code is assigned to all survey responses with comments relating to work performed by the Board of Education and not the responsibility of the SCA. These survey responses are forwarded to the Board of Education.

The SCA’s Community Relations Division is responsible for mailing, receiving, and coding the responses for the Customer Satisfaction Survey. It forwards the coded survey responses to the Project Management Unit for follow-up. That Unit researches the problems described in the red-coded survey responses and sends a letter to school officials stating how the problem will be resolved. A copy of the letter and the survey response are returned to the Community Relations Division. Yellow-coded issues are also researched by the Project Management Unit, but written responses are not mandated. Green-coded responses require no follow-up action.

The Community Relations Division and the Project Management Unit both maintain and update the tracking system for all red-coded responses. When the Community Relations Division receives a follow-up action plan (resolution plan) for the red-coded responses from the Project Management Unit, the date it receives the resolution plan is entered in the survey tracking system, and the Division considers the issue resolved.

SCA Response: “The draft report incorrectly states that the Government and Community Relations Unit **and** the Project Management Division both maintain the system. . . .It is, in fact, maintained solely by the G&C Relations Unit.”

Auditor Comment: According to Procedure No. GCR-10 for Customer Satisfaction Surveys, issued May 2000, “Community Relations, as well as Project Management will keep, and update, a tracking log with respect to all red dotted responses.” This procedure was verified at a meeting held with SCA officials on December 11, 2001.

In October 2000, the SCA sent 1,063 Customer Satisfaction Surveys to school officials for all projects completed by the SCA during Fiscal Year 2000. Of the 1,063 surveys that were sent, 433 (41%) generated responses. Table I, below, shows the results of these responses.

TABLE I

**Results of SCA's Fiscal Year 2000
Customer Satisfaction Survey**

Type of Response	Number of Responses	Percentage of Responses
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Objectives

Our audit objectives were to determine:

- 1) Whether the Customer Satisfaction Surveys were mailed to all principals of schools for which projects were completed during the fiscal year;
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Scope and Methodology

The scope of our audit was Fiscal Year 2000. To obtain an understanding of SCA operations, we interviewed the agency's Executive Director, Senior Directors, Community Relations Division representatives, Project Officers, Project Managers, and the Special Counsel of Internal Audits. We also reviewed SCA policies and procedures for the Customer Satisfaction Survey, as well as the Customer Satisfaction Survey Tracking and Aging Reports for Fiscal Year 2000, and the New York State Comptroller's Office audit on SCA construction contracting practices.

To verify whether the Customer Satisfaction Surveys were mailed to schools that the SCA recorded as not responding to the survey, we called a randomly selected sample of 114 school officials from the 630 schools that did not respond to the survey. We asked these officials whether they had received the Customer Satisfaction Survey; whether they responded to the survey and, if applicable, their reason for not responding; and whether they were satisfied with the work performed by the SCA. As a result of the telephone interviews, we learned that 18

(16%) of the school officials who did not respond to the survey were also not satisfied with the work performed by the SCA.

We visited—with SCA officials—five of the 18 schools that did not respond to the survey and that were not satisfied with the work performed by the SCA, to verify whether problems reported were related to the SCA contract work.

To determine whether the SCA resolved problems cited in the returned survey responses, we reviewed a randomly selected sample of 20 of 90 red-coded responses, including the attached Project Management Unit memos that outlined the resolution plan. We followed up with phone calls to school officials for these 20 red-coded responses to find out whether the problem still existed and to determine whether school officials were satisfied with the follow-up work performed by the SCA. In addition, we visited—with SCA officials—10 of the 20 schools for which the survey responses were coded red and where the school officials were not satisfied with the SCA follow-up work, to discuss any remaining problems with the projects.

For a randomly selected sample of 130 survey responses (90 red-coded, 20 yellow-coded, 10 green-coded, and 10 BOE-coded) we verified whether: surveys were correctly coded; survey responses received by the Community Relations Division were forwarded to the Project Management Unit and subsequently returned to the Community Relations Division with a resolution plan; all applicable survey information was correctly entered in the Survey Tracking System; and red-coded responses were addressed within the required timeframe.

We also reviewed the Survey Tracking System and Aging Reports to determine whether there were any apparent trends, such as a relationship between the time elapsed between project substantial completion and mailing of the survey, and the survey response rate.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the City Comptroller's audit responsibilities as set forth in Chapter 5, § 93, of the New York City Charter.

SCA Response

The matters covered in this report were discussed with SCA officials during and at the conclusion of this audit. A preliminary draft report was sent to SCA officials and discussed at an exit conference held on April 19, 2002. On April 25, 2002, we submitted a draft report to SCA officials with a request for comments. We received a written response from the SCA on May 16, 2002. SCA officials generally agreed with the audit's findings and recommendations, stating:

“We hereby . . . thank the Comptroller's office for the efforts expanded during this audit. The Authority always welcomes constructive recommendations that will assist it in carrying out its legislative mandate. . . .

“While we are prepared to adopt three of the recommendations made, . . . we do not agree with the recommendation to issue Customer Satisfaction surveys on a ‘rolling,’ rather than the current (annual) basis.”

The full text of the SCA’s comments is included as an addendum to this report.

**OFFICE OF THE COMPTROLLER
NEW YORK CITY**

DATE FILED: June 5, 2002

FINDINGS AND RECOMMENDATIONS

In response to the New York State Comptroller's Office audit of SCA operating practices, the SCA created the Customer Satisfaction Survey questionnaire that is mailed every October to all principals of schools for which projects were substantially completed during the prior fiscal year.

The Customer Satisfaction Survey is an important communication tool to help ensure that City public schools are safe and well maintained. We concluded that all surveys received by the SCA were correctly coded regarding the level of customer satisfaction. A resolution plan was developed for surveys for which follow-up action was needed. In addition, the Survey Tracking System was properly maintained. However:

- Surveys are often mailed out many months after a project has been substantially completed.
- SCA does not take follow-up action for Customer Satisfaction Surveys that receive no response.
- SCA does not ensure that schools are satisfied with the follow-up work done by the Project Management Unit which is supposed to address problems reported by those schools on their Customer Satisfaction Survey responses.
- The Project Management Unit does not always submit follow-up action plans to the Community Relations Division within the required 30-day time period.

These issues are discussed in the following sections of this report.

Lengthy Time Between Project Completion and Mailing of Surveys

The Customer Satisfaction Surveys concerning Fiscal Year 2000 projects were mailed from 30 to 480 days after the projects were considered substantially complete, as shown below in Table II:

TABLE II

Time Elapsed Until Surveys Were Sent

Number of Days Elapsed between Project Substantial Completion and Mailing of Survey	Number Of Surveys	Percentage of Surveys	Percentage of Surveys not Returned	Percentage of Surveys Returned
0 to 100 Days	2	0	0	100%
100 to 120 Days	27	3%	62%	38%
121 to 240 Days	417	39%	59%	41%
241 to 360 Days	225	21%	56%	44%
361 to 480 Days	392	37%	61%	39%
Total	1,063	100%		

As shown in Table II, there were only two surveys sent out within 100 days after the substantial completion of a project; both received responses. When surveys were sent after more than 100 days had elapsed following the substantial completion of a project, the response rate dropped and remained fairly consistent, ranging from 38 percent to 44 percent.

Because of the small number (only two) of surveys sent out relatively early in the process, the above findings (linking survey timeliness to response rates) are inconclusive. However, our telephone interviews with the 114 principals of schools in our sample who did not respond to the surveys disclosed the fact that 22 (19%) were new to their school. The surveys for these 114 schools were sent from five to 15 months after the projects were substantially completed. The principals who were at these schools when the work was done were no longer there, and the new principals were not able to offer comments on the projects for the surveys in question.

SCA Response: “In reviewing the data in your report, we believe that it actually supports our position on the timeliness of our mailings: Eighty one percent (81%) of the principals at the schools that did not respond to the Survey were still at the school when the project was completed.”

Auditor Comment: The SCA response did not address the 19 percent of the school principals who were new to the schools and did not respond to the surveys because they were not familiar with the projects. A more timely mailing of the survey would have produced responses from a greater number of these schools because more of the principals would have been present when the work was done. Furthermore, according to SCA’s records, 21 percent of the principals who responded to Customer Satisfaction surveys reported serious problems with the work done at their schools.

The SCA does not send out the surveys until October of the fiscal year following that in which a project is substantially completed. For example, the survey for a project that is substantially completed in July 2000 (the beginning of Fiscal Year 2001) will not be mailed out

until October 2001 of the following year (Fiscal Year 2001)—15 months after the substantial completion date of the project.

In addition, when surveys are mailed so long after a project is substantially completed, it can become unclear whether problems cited in the surveys are attributable to poor contractor work, or to normal building wear and tear, or a lack of maintenance. For example, one response to a survey (from P.S. 46, Brooklyn) that was mailed 15 months after an intrusion alarm project was substantially completed stated that the doors were not working as expected. In the Project Management Unit's response to the Community Relations Division, the problem was attributed to heavy use and abuse by students and lack of proper maintenance, rather than to the work performed by the contractor.

Another response to a survey (from P.S.119, the Bronx) that was mailed 14 months after a transportable classroom project was substantially completed (in the Summer of 1999) stated that the anti-slip paint applied to the stairs was unsatisfactory and should be redone. The Project Manager responded that the anti-slip paint on the steps had been acceptable at the time the project was completed. The Project Manager further stated that he was unable to have repairs made because the contract had ended and the warranty had expired.

In both cases, the surveys were mailed long after the substantial completion dates of the projects, and the SCA attributed the complaints to normal building wear and tear rather than to poor quality of work performed. In the absence of information obtained through timely survey responses, there is no way to determine how long the reported problems existed and whether they were caused by normal building wear and tear rather than by poor quality of work performed. Moreover, the SCA cannot hold contractors responsible for problems if they are not notified of the problems promptly and before the expiration of the contractor warranty. However, the SCA can take steps to improve the timeliness of survey responses and of the information they contain. By sending the surveys immediately after a project's substantial completion date, the SCA would encourage a higher survey response rate, enabling it to identify the causes of the problems and to resolve the problems more effectively, based on survey information that is timely and relevant to the completed project.

Recommendation:

1. The SCA's Community Relations Division should mail Customer Satisfaction Surveys immediately or soon after each project's substantial completion.

SCA Response: "Mailing surveys at, or immediately after substantial completion, does not allow sufficient time for the SCA and its contractors to complete the post-substantial completion work. This routinely includes a lengthy punch list, a shakeout of operating equipment, and final personnel training.

"Our projects are on-going year round, while the schools operate on a different schedule. Accordingly the Schools Chancellor previously suggested that the surveys be mailed once a year, during the month of October. Our Trustees agreed and adopted this suggestion."

Auditor Comment: If the SCA is concerned that time is needed to complete punch-list work and to train personnel following substantial completion of a job, then it could mail its surveys at that point in time or, as the above recommendation states, “soon after each project’s substantial completion.”

In addition, based on what we were told by SCA officials during the audit, the Board of Education never suggested that surveys be mailed once a year in October. The SCA initially mailed its surveys in September and received a poor response rate. SCA officials decided that since principals are extremely busy in September, October would be a better month to send out the surveys. We saw no evidence that SCA and Board of Education officials discussed sending out surveys soon after a project was completed instead of in October of each year.

Lack of Follow-up for Surveys Receiving No Response

For projects completed during Fiscal Year 2000, the SCA mailed 1,063 Customer Satisfaction Surveys to school principals, of which 630 (59%) received no response.

The SCA sends out one survey in October of the fiscal year following that in which a project has been substantially completed. If a response is not received, no follow-up action is taken by the SCA to determine the cause for the non-response.

To determine the reasons why some surveys were not returned, we called a sample of 114 school principals who did not respond to the survey. Table III, below, details what they stated.

TABLE III

Explanations for Non-Response to Survey

Principal’s Explanation	Number of Schools	Percentage	Number Not Satisfied with Work
Survey was not received	35	31%	5
Principal did not recall survey	32	28%	7
New Principal since project completed	22	19%	3
Did respond to survey	18	16%	1
Principal did not offer explanation	2	2%	2
Subtotal	109	96%	18
Principal could not be reached	5	4%	
Total	114	100%	

SCA officials stated that if they do not receive a survey response from a school official, they consider the official to have been satisfied with the completed project. However, the results of our telephone calls to school principals indicate otherwise: 18 (17%) of the 109 principals who had not responded to the survey and whom we were able to contact were not satisfied with the work done and felt that further work was required. (Note: This 17% is fairly close to the 21% “unsatisfied with work” rate among the 433 surveys that were responded to.)

SCA Response: “Eighty four percent (84%) of the principals at schools that did not respond to Survey were satisfied with the work.

“It should be kept in mind that the Customer Satisfaction Survey is a creation of the SCA itself. We view it as a valuable communication tool allowing the actual end user of our product, to tell us, in layman’s terms, how we are doing and how we can do better.

“And it is not the only avenue that they have to communicate with us. Other avenues of communication include project personnel who actually work at the school, and more significantly, our Government & Community Relations Unit. They meet at least once a month with officials at every school where there is an active on-going project.”

Auditor Comment: The SCA response does not give sufficient importance to the 17 percent of the principals who did not respond to the survey, were not satisfied, and felt that further work was required. The purpose of the survey is to provide school principals an opportunity to comment on the quality of SCA’s work and for SCA to ensure that outstanding issues for all school projects are resolved.

We agree with the SCA that the survey is a valuable communication tool. That makes it all the more important to maximize its usefulness by contacting school officials who do not respond to the initial survey to ensure that the work at those schools was satisfactorily completed.

Despite other avenues of communication, 17 percent of the sampled non-respondents and 50 percent of the sampled red-coded respondents were not satisfied with the work at the conclusion of the projects. This indicates that the other manners of communication mentioned by the SCA response are not sufficient to gauge the satisfaction of principals with work performed at their schools. We believe that more communication, including timely surveys, is required.

We visited five of those 18 schools where school officials (who had not responded to the surveys) stated that they were not satisfied with the contractors' work. One school, (P.S. 138, Queens) where the construction project was completed during March 2000, had a water leak in the basement, with water seeping into the foundation. This problem was related to the installation of a new oil tank. The custodian stated that he had contacted the SCA about the problem. Although the SCA attempted to fix the leak, the problem remained. The last contact the custodian made with the SCA regarding this problem was six months prior to our school visit. During our visit to that school, SCA officials stated they would take care of the problem. Another school, (P.S. 52, Queens) where the construction project was completed during December 1999, had a new intrusion alarm that was not connected to the central station after it was installed. Although the school custodian stated that he tried to contact the SCA and the contractor, he did not receive a response. During our visit to that school, SCA officials stated they would take care of the problem. For the third school, (P.S. 214, Brooklyn) the problem—a roof leak—was not part of the project covered by the survey. The problems at the remaining two schools (Thomas Jefferson H.S., Brooklyn and P.S. 71, the Bronx) were fixed before our visits. If SCA officials had contacted the schools to follow-up on the non-responses to the surveys, the construction problems found at the first two schools we cited above could have been handled in a more timely manner.

The Customer Satisfaction Survey is an important communication tool to help ensure that City schools are safe and well maintained. SCA officials stated that it is the schools' responsibility to respond to the survey. However, more than half of the 109 principals we spoke with who had not responded to the survey said they had not received, or did not recall receiving, the surveys. In addition, 18 of the 109 principals we spoke with stated that they did in fact answer and return the survey. It seems obvious that in order to maximize the survey instrument's usefulness, SCA should contact school officials who do not respond to the initial survey to ensure that the work at those schools was satisfactorily completed.

Recommendation

2. The SCA's Community Relations Division should follow up with a phone call or letter to schools that do not respond to the surveys.

SCA Response: “We agree that this suggestion is reasonable and should be implemented.”

SCA Does Not Always Ensure That Problems at Schools Are Corrected

The SCA does not always ensure that schools are satisfied with the follow-up work done by the Project Management Unit to address problems reported on the schools’ Customer Satisfaction Survey responses. Of our sample of 20 schools for which responses were coded red (problems requiring follow-up action), 10 (50%) were not satisfied with the follow-up work performed by the SCA.

As previously discussed, the Community Relations Division receives and codes survey responses. It forwards red-coded surveys to the Project Management Unit for follow-up action. The Project Management Unit researches problems cited in survey responses and sends a letter to school officials and the Community Relations Division stating how the problems will be resolved. The Community Relations Division enters the date it receives this plan in the survey tracking system and considers the issue resolved. The Division does not follow up with the school or the Project Management Unit to determine whether the problems have in fact been corrected.

We visited, accompanied by SCA officials, the 10 schools whose principals were not satisfied with the follow-up work performed by the SCA. As a result of our school visits, the SCA agreed to take corrective action at four schools. The SCA also agreed to look into the problems at two other schools to determine what work needed to be done. The problems at two other schools were considered to be the BOE’s responsibility and the problems at the remaining two schools were resolved prior to our visit. Table IV, following, details the information regarding the 10 schools we visited.

TABLE IV**Results of School Visits**

School	Date Response Returned to SCA	Date of School Visit	Project Description	Resolution offered by SCA
Dodge High School (the Bronx)	11/27/00	12/19/01	Science Lab Upgrade	Problems described in the survey response were SCA's responsibility and will now be resolved.
P.S.10 (Brooklyn)	11/8/00	12/20/01	Auditorium Stage Lights	BOE-related issue and not SCA responsibility.
P.S.124 (Queens)	11/6/00	1/22/02	Climate Control Upgrade	Problems described in the survey response were SCA's responsibility and will now be resolved.
P.S. 191 (Queens)	11/13/00	1/22/02	Computer Room	Problems described in the survey response were SCA's responsibility and will now be resolved
I.S. 218 (Manhattan)	11/30/00	1/24/02	Installation of School Air Conditioners	BOE-related issue and not SCA responsibility.
P.S. 89 (the Bronx)	11/2/00	1/24/02	Installation of Public Address System	Problem was resolved prior to our school visit
P.S. 250 (Brooklyn)	11/2/00	1/28/02	Leak as a result of Roof Replacement	Additional testing is required to determine origin of leak before problem is resolved
P.S. 91 (Brooklyn)	11/3/00	3/8/02	Leak from one of three concurrent projects	Additional testing is required to determine origin of leak before problem is resolved
P.S. 235 (Brooklyn)	11/8/00	12/20/01	Exterior Modernization for Parapets	Problem was resolved prior to our school visit
P.S. 188 (Queens)	11/6/00	12/20/01	Window Repair	Although it was a BOE-related issue, SCA officials agreed to send contractor to the school one more time.

SCA Response: “Table IV incorrectly describes the project as a ‘Leak as a result of Roof Replacement.’

“The project in question was a Roof Replacement. The complaint referred to ‘leaks’ coming from a dropped ceiling. Ultimately, it was determined that, in fact, the leaks were attributed to corroded piping, and were not in any way related to the new roofing work.”

Auditor Comment: Table IV reflects the survey response, which describes the project as a roof replacement and the nature of the complaint as a leak. This was confirmed through phone calls with school officials. When we visited the school, SCA Project Management and school officials disagreed on the nature of the roof leak and determined that additional testing was required.

One of the school principals (of Grace Dodge H.S., the Bronx) informed us that after the completion of her school’s project on December 14, 1999, she notified the SCA several times regarding problems in the science lab. The drain for the emergency eyewash was not correctly installed, and the water flowed directly onto the floor instead of into the catch basin causing a hazardous condition. Also, the control switch for the gas line was not installed in the prep room but in an adjacent room instead, causing an inconvenience to the teacher. This condition was also dangerous because any person could have access to the switch. Moreover, the Bunsen burners in the chemistry lab required as much as one hour to ignite, causing further inconvenience and disruption to the class.

The survey regarding this project was sent to the school in October 2000, ten months after the completion of the project. The school responded to the survey within a few weeks, describing the problems in the science lab. On January 17, 2001, the problems noted in the survey response were referred to the Project Management Unit. However, since that time, the SCA has not taken corrective action.

When we visited the school on December 19, 2001, the principal said she had been repeatedly told by the SCA that the problems could not be fixed because they were outside the SCA’s scope of work. However, when officials from the SCA visited the school with us, they admitted that the problems were their responsibility and that they would take steps to resolve them.

In addition, at the same school, the water in the teacher’s prep room was only lukewarm, instead of hot. In a memo to the school principal dated June 12, 2001, a Project Officer wrote that the SCA will “be having the contractor install the new hot water line tapped from the nearby hot water riser as an alternate and have hot water service to Lab. We anticipate this will be completed by July 15, 2001.” However, as of our visit on December 19, 2001, the new hot water line was not installed. Although the SCA had originally stated that it would install a new hot water line, during our school visit, staff members of the Project Management Unit stated that this problem would not be fixed because the installation of the new hot water line was not in the original project plans, and was therefore a separate project that would first have to be approved by BOE.

In another school, (P.S. 124, Queens) after a climate control project was completed on November 15, 1999, the thermostat did not control the temperature properly, and the pneumatic lines did not heat the water. Because of the faulty thermostat, seven classrooms on the third floor were hot and uncomfortable during the morning hours. The SCA mailed the survey regarding the climate control project to the school in October 2000, nearly a year after the project's completion; it received the school's response on November 6, 2000, and referred the case to the Project Management Unit on November 21, 2000.

On November 30, 2000, the project manager sent a memorandum to the Community Relations Division regarding the problems. He indicated that he visited the school accompanied by the contractor and reviewed the survey response comments with the school custodian. The contractor was asked to calibrate thermostats in the classrooms. However, since that time, although the school officials have been in contact with the SCA, the problems have still not been resolved. During our meeting with school and SCA officials, staff members of the Project Management Unit stated that the SCA will return to the school to resolve the problems.

We visited both of the above schools one year after the problems had been referred to the Project Management Unit, and the problems were still not resolved at the time of our visit. These problems caused inconvenience to the teachers and students, but even after numerous complaints by both schools, the SCA did not take corrective action. However, as a result of our school visits, the SCA told us and school officials that they would now resolve these problems.

We conclude that the SCA needs to do more to ensure that problems related to contracted work at the schools are addressed satisfactorily and in a timely manner, and then ensure that the corrective actions submitted by the Project Management Unit are in fact completed. When the reported problems are not covered under the project contract or are not the responsibility of the SCA, the agency should nonetheless follow up with schools officials, notifying them that the work cannot be handled by the SCA.

Recommendation

3. The SCA's Project Management Unit should resolve problems cited in red-coded survey responses in a more timely manner, and then ensure that the corrective actions submitted by the Project Management Unit are in fact completed. When the reported problems are not covered under the project contract or are not the responsibility of the SCA, the agency should nonetheless follow up with schools officials, notifying them that the work cannot be handled by the SCA.

SCA Response: "In general we agree with the recommendation. We do however believe that the SCA should not be criticized in the future should we fail to make a notification to another responsible agency concerning **their** work. We will issue a Bulletin within our Project Management Department advising staff that when a Red Dot issue is reported, they are to notify school officials, in writing, that the corrective work required of others, should be followed up with the proper contracting entity."

Follow-up Action Plans Submitted Late

The Project Management Unit did not submit resolution plans to the Community Relations Division within the required 30-day time period for 28 (31%) of the 90 schools that required them. These late plans were submitted from one to 175 days after the end of the 30-day time frame specified in the rules, as shown in Table V, below.

TABLE V

Range of Days Exceeding the 30-Day Requirement for Project Management Unit Responses

Range of Days Late	Number of Responses
1 to 30	13
31 to 60	5
61 to 90	0
91 to 120	1
121 to 150	0
More than 150	9

In accordance with SCA Procedure No. GCR-10 which governs Customer Satisfaction Surveys,

“Community Relations shall forward information copies of all survey responses to the Vice President of Project Management and Chief Project Officers. All red-coded surveys require immediate follow-up by Project Management and responses to Principal’s comments and must be returned to Community Relations **within 30 days of receiving the survey.**” [Emphasis added.]

For seven (35%) of our sampled 20 red-coded responses, project managers responded to the Community Relations Division in excess of the required 30-day response time. In three instances, the project managers did not know the reason for the delays, and in one instance, the project manager was not aware of the 30-day requirement. The remaining three project managers stated that there were construction problems during the projects. However, they still did not provide explanations for the excessive delay in responding to the Community Relations Division.

For one of the schools, (P.S. 10, Brooklyn) the Project Management Unit responded 175 days late to the Community Relations Division regarding the resolution plan for an auditorium stage lighting project. The school principal had complained that some of the auditorium stage lights and spot lights did not work, and that the lights were too high for the custodian to change or check. The Project Management Unit’s response to the Community Relations Division was that the height of the lighting system was not part of the contract, and that the lights were at the same height as they had been before the project. When the principal requested a scaffold to help

change the light bulbs, she was told that it had to be approved by the Board of Education, not the SCA. Although the complaint on the survey response was referred to the Project Management Unit on November 21, 2000, the project manager did not respond to the Community Relations Division until June 14, 2001—seven months later. Since the Project Manager did not need to visit the school to investigate the complaint and no actual follow-up work was required, the project manager should have been able to respond to the Community Relations Division within the required 30 days.

To ensure that construction problems at schools are promptly resolved, the Project Management Unit should respond in a timely manner to the concerns raised by school officials on their Customer Satisfaction Surveys.

Recommendation:

4. The SCA should ensure that the Community Relations Division receives school construction project resolution plans within the required 30 days. When the project managers are not certain of the resolution, they should still inform the Community Relation Division, within the required 30 days, that the complaint is being addressed and that additional time is needed to determine the resolution.

Agency Response: “We agree with the recommendation. We will have a Bulletin issued by our Project Management Department advising the Project Officer that should they not be able to resolve a problem within the mandated 30 days, they are to send a memo to the Government & Community Relations Unit. It is to describe the nature of the problem and why additional time is needed to resolve the problem.”

NEW YORK CITY SCHOOL
CONSTRUCTION AUTHORITY

EXECUTIVE OFFICE

RONALD A. GOTTLIEB, P.E.
President & CEO



May 16, 2002

Mr. Roger D. Liwer
Assistant Comptroller for Audits
OFFICE of the COMPTROLLER
1 Centre Street - Room 1100 North
New York, NY 10007-2341

*Re: Response by the SCA to the City Comptroller's Draft Report
MD01-198A
Evaluation of the Response and Follow-up of the School
Construction Authority to its Customer Satisfaction Surveys*

Dear Mr. Liwer:

We hereby acknowledge receipt of the above referenced draft report and thank the Comptroller's office for the efforts expended during this audit. The Authority always welcomes constructive recommendations that will assist it in carrying out its legislative mandate to construct and rehabilitate the schools of the City of New York.

Other than the minor factual issues mentioned on the attached schedule, we accept the remainder of the factual observations presented as accurate. Additionally, while we are prepared to adopt three of the recommendations made, for the reasons stated below, we do not agree with the recommendation to issue Customer Satisfaction surveys on a "rolling," rather than current (annual) basis.

As requested, we are responding to the four numbered recommendations, which also address the general comments contained in the Executive Summary. Consequently, we did not feel the need to respond to that section separately.

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Assistant Comptroller for Audits

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The following is an *in serialim* response to the four Recommendations contained in the Draft Report:

Recommendation #1:

The SCA's Community Relations Division should mail Customer Satisfaction Surveys immediately or soon after each project's substantial completion.

SCA's Response:

There are numerous reasons why the SCA disagrees with this recommendation and believes that our current method of distributing Surveys works best:

1. *Mailing surveys at, or immediately after substantial completion, does not allow sufficient time for the SCA and its contractors to complete the post-substantial completion work. This routinely includes a lengthy punch list, a shakeout of operating equipment, and final personnel training. This process typically requires several months, and even longer, when working in an existing building and there are Department of Buildings objections to be overcome. Therefore, our mailing of a survey would be significantly premature and most certainly would not yield any significant benefit to the SCA for evaluation and improvement.*
2. *Our projects are on-going year round, while the schools operate on a different schedule. Their schedule has many holidays and a summer recess that the construction trades do not. This is an impediment to clear project communications. Accordingly, the Schools Chancellor previously suggested that the surveys be mailed once a year, during the month of October. Our Trustees agreed and adopted this suggestion.*

In reviewing the data in your report, we believe that it actually supports our position on the timeliness of our mailings:

- a. *Eighty one percent (81%) of the principals at schools that did not respond to the Survey were still at the school when the project was completed. [Refer to Page 6.]*



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Assistant Comptroller for Audits

Page 3

- b. *Eighty four percent (84%) of the principals at schools that did not respond to Survey were satisfied with the work. [Refer to Page 3, and Table III on Page 8.]*
- c. *The response rate remains relatively constant (ranging from 38% through 44%, averaging 40.5%) as the number of days elapsed between project completion and survey mailing increased from 100 through 480 days. [Refer to Table II on Page 6.]*

These statistics are quite compelling. The evidence demonstrates that in the first place, the overall quality of our work is good, and secondly the actual timeliness of the survey has no real meaning. The important thing is the quality of work initially and how to improve.

It should be kept in mind that the Customer Satisfaction Survey is a creation of the SCA itself. We view it as a valuable communication tool allowing the actual end user of our product, to tell us, in layman's terms, how we are doing and how we can do better.

And, it is not the only avenue they have to communicate with us. Other avenues of communication include project personnel who actually work at the school, and more significantly, our Government & Community Relations Unit. They meet at least once a month with officials at every school where there is an active on-going project.

The SCA also monitors its projects internally. We have thorough periodic meetings that include representatives of the district superintendents' office and other "stakeholders."

Finally, the SCA maintains a complaint telephone line, which is open to anyone with any issue of concern.

Recommendation #2:

The SCA's Community Relations Division should follow up with a phone call or letter to schools that do not respond to the surveys.

SCA's Response:

We agree that this suggestion is reasonable and should be implemented.



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Assistant Comptroller for Audits

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Recommendation #3:

The SCA's Project Management Unit should resolve problems cited in red coded survey responses in a more timely manner, and then ensure that corrective actions submitted by the Project Management Unit are in fact completed. When the reported problems are not covered under the project contract or are not the responsibility of the SCA, the agency should nonetheless follow up with school officials, notifying them that the work cannot be handled by the SCA.

SCA Response:

In general we agree with the recommendation. We do however believe that the SCA should not be criticized in the future should we fail to make a notification to another responsible agency concerning their work. We will issue a Bulletin within our Project Management Department advising staff that when a Red Dot issue is reported, they are to notify school officials, in writing, that the corrective work required of others, should be followed up with the proper contracting entity.

Recommendation #4:

The SCA should ensure that Community Relations Division receives school construction project resolution plans within the required 30 days. When the project Managers are not certain of the resolution, they should still inform the Community Relations Division, within the required 30 days, that the complaint is being addressed and that additional time is needed to determine the resolution.

SCA Response:

We agree with the recommendation. We will have a Bulletin issued by our Project Management Department advising the Project Officer that should they not be able to resolve a problem within the mandated 30 days, they are to send a memo to the Government & Community Relations Unit. It is to describe the nature of the problem and why additional time is needed to resolve the problem.



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The School Construction Authority prides itself in the work we've done and our responsiveness to the needs of those we serve, the school children and teachers of the City of New York. It is clear to us that the Customer Satisfaction Survey has been one of the more effective tools in achieving the successes we have had to date. This avenue of communication with the school community at large has not only been most effective, but very much appreciated by it.

Attached hereto is a schedule listing a few minor factual corrections that you may care to take note of in the final report. Again, we appreciate your efforts and assistance in making us even more effective in carrying out our role in city government than we presently are.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ronald A. Gottlieb'. The signature is fluid and somewhat stylized, with a large loop at the end.

Ronald A. Gottlieb, P.E.
President & CEO

Attachment

cc: Howard Wilson, Chairman
Charles A. Stillman, Trustee
Harold O. Levy, Chancellor



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Mr. Roger D. Liwer
Assistant Comptroller for Audits

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SCHEDULE OF MINOR FACTUAL ISSUES

Page 2 - Red Coded Survey Responses:

The draft report incorrectly states that the Government & Community Relations Unit **and** the Project Management Division both maintain the system.

It is, in fact, maintained solely by the G&C Relations Unit.

Page 10 - PS 250, Brooklyn:

Table IV incorrectly describes the project work as a "Leak as a result of Roof Replacement."

The project in question was a Roof Replacement. The complaint referred to "leaks" coming from above a dropped ceiling. Ultimately, it was determined that, in fact, the leaks were attributed to corroded piping, and were not in any way related to the new roofing work.



May 16, 2002
Mr. Roger D. Liwer
Assistant Comptroller for Audits

icc: Ross J. Holden
Peter McGlinchy
Steven Kline
Lorraine Grillo
Dan McCormack