

AUDIT REPORT

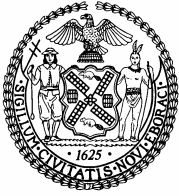


CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF MANAGEMENT AUDIT
WILLIAM C. THOMPSON, JR., COMPTROLLER

Audit of the Department for the Aging's Oversight Of Its Contracts For the Delivery of Frozen Meals

MD06-072A

June 30, 2006



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

To the Citizens of the City of New York

Ladies and Gentlemen:

In accordance with the Comptroller's responsibilities contained in Chapter 5, §93, of the New York City Charter, my office has audited the Department for the Aging's (DFTA's) oversight of the delivery of frozen meals under its contracts with Regional Aid for Interim Needs (RAIN) and Mid-Bronx Senior Citizen Center (MBSCC).

DFTA, in conjunction with the non-profit organization Citymeals-on-Wheels, funds a network of community-based agencies to prepare and deliver meals to homebound seniors in New York City who are unable to prepare their own meals. We audit City programs such as this to ensure that contracted vendors are performing as intended and are properly serving program participants.

The results of our audit, which are presented in this report, have been discussed with DFTA officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at audit@comptroller.nyc.gov or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in cursive script that reads "William C. Thompson, Jr.".

William C. Thompson, Jr.

WCT/ec

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

**Audit of the Department for the Aging's Oversight
Of Its Contracts for the Delivery of Frozen Meals**

MD06-072A

AUDIT REPORT IN BRIEF

This audit evaluated the Department for the Aging's (DFTA's) oversight of the delivery of frozen meals under its contracts with Regional Aid for Interim Needs (RAIN) and Mid-Bronx Senior Citizen Center (MBSCC). DFTA, in conjunction with the non-profit organization Citymeals-on-Wheels, funds a network of community-based agencies to prepare and deliver meals to homebound seniors in New York City who are unable to prepare their own meals. The home-delivered meals program, also known as Meals-on-Wheels, is a national program that is administered locally.

On October 1, 2004, DFTA revised the Meals-on-Wheels program in the Bronx as a pilot project called the Bronx Senior Options Program. DFTA awarded three consolidated Bronx Senior Options Program contracts to two vendors for the period October 1, 2004, through June 30, 2005, to provide home-delivered meals, including frozen meals, to eligible seniors. RAIN was awarded two contracts totaling \$1,333,635, and MBSCC was awarded one contract totaling \$648,650.

Audit Findings and Conclusions

The frozen meals received by the clients in the Bronx Senior Options Program were delivered in adherence with DFTA's *Home-Delivered Meals Standards*. During our observations of the frozen meal delivery process, we found that, for the most part, the clients were satisfied with the program. The meals were delivered in a timely fashion, they were maintained frozen throughout the delivery process, and the meals delivered to the clients matched DFTA's pre-approved frozen menu plan. In addition, meals were personally hand-delivered to the clients, and the vendors called clients if they were late or if the clients did not answer the door at the time of delivery. Further, the drivers completed their entire routes each day, and the undelivered frozen meals were properly stored for redelivery the next day.

However, DFTA does not adequately oversee or monitor its contracts with its two Bronx Senior Options Program vendors. Specifically:

- DFTA renewed contracts for both vendors without formally assessing their performance;
- DFTA does not maintain memos, notes, reports, assessments, or correspondence of meetings and observations;
- The Daily Activity Reports and the Daily Route Reports do not reconcile; and
- DFTA does not ensure that drivers are properly licensed and credentialed, and that all required documentation is maintained in the vendors' personnel files.

Audit Recommendations

Based on our findings, we make the following five recommendations:

- DFTA should formally assess and evaluate its vendors' performances prior to renewing their contracts.
- DFTA should ensure that the vendors review and reconcile the Daily Route and Daily Activity Reports.
- DFTA should review on a daily basis the Daily Route and Daily Activity Reports for accuracy.
- DFTA should ensure that all correspondence, monitoring reports, observations, and corrective action plans are documented and maintained for review.
- DFTA should review and monitor its vendors' personnel files to ensure that the employees are qualified and have the required documentation on file.

Agency Response

Though in their response DFTA officials did not agree with all of our findings, they generally agreed with the recommendations.

INTRODUCTION

Background

The Department for the Aging (DFTA), in conjunction with the non-profit organization Citymeals-on-Wheels, funds a network of community-based agencies to prepare and deliver meals to homebound seniors in New York City who are unable to prepare their own meals. The home-delivered meals program, also known as Meals-on-Wheels, is a national program that is administered locally.

To be eligible for meal delivery, one must be at least 60 years of age, homebound, and either unable to prepare meals or lacking assistance for such preparation. On October 1, 2004, DFTA revised the Meals-on-Wheels program in the Bronx as a pilot project called the Bronx Senior Options Program. Some of DFTA's responsibilities with regards to the Bronx Senior Options Program include providing funds for the meals, monitoring the contracts with its vendors, overseeing delivery of the meals, conducting site visits, and determining nutritional guidelines and eligibility requirements for home-delivered meals.

Prior to DFTA's creation of the pilot project, the Meals-on-Wheels program in New York City had 125 vendors that provided five meals weekly to program participants; 17 of those vendors served the Bronx. In a survey report conducted by DFTA, the agency cited what it deemed to be problems with the previous meal delivery system, including multiple providers serving the same community districts, the operation and staffing of multiple kitchens preparing meals in neighboring community districts, wide variation in contract prices, and meal costs higher than those of other areas in the nation. In response to some of those problems, the Bronx Senior Options Program offered the option of frozen meals for the first time, in addition to hot and chilled meals. This audit focused solely on the frozen meals portion of the program.

The changeover to the pilot project began in the Bronx on October 1, 2004, with the possibility of expanding the project Citywide. DFTA awarded three consolidated Bronx Senior Options Program contracts to two vendors for the period October 1, 2004, through June 30, 2005, to provide home-delivered meals, including frozen meals, to eligible seniors. Regional Aid for Interim Needs (RAIN) was awarded two contracts totaling \$1,333,635, and Mid-Bronx Senior Citizen Center (MBSCC) was awarded one contract totaling \$648,650. RAIN and MBSCC provided frozen meals to approximately 875 clients during the period of our review.

Objective

The objective of this audit was to evaluate DFTA's oversight of the service delivery aspects of its contracts with RAIN and MBSCC, particularly in reference to the delivery of frozen meals.

Scope and Methodology

The scope of our audit was October 1, 2004, through June 30, 2005.

To obtain an understanding of the Bronx Senior Options Program, we reviewed DFTA's *Home-Delivered Meals Standards* as well as its contracts with RAIN and MBSCC. In addition, we interviewed DFTA's Assistant Commissioner of Bureau of Senior Services, Assistant and Deputy Assistant Commissioners of Management and Budget, Director of Long Term Care, and Deputy Assistant Commissioner of the Bureau of Community Services.

We interviewed RAIN's and MBSCC's Directors and MBSCC's Transportation Coordinator and conducted site visits to familiarize ourselves with their roles regarding the home-delivery process. In addition, we reviewed the minutes, the correspondence, the corrective action plans, and the evaluation reports maintained by DFTA to assist in the oversight of the program, which include observations and site visits.

To assess the compliance of RAIN and MBSCC with DFTA's *Home Delivery Meal Standard*, observations of the home-delivery process were conducted in November and December 2005 for 250 of the approximately 875 clients receiving frozen meals at the time of our observations. In November, we observed the home delivery process and interviewed clients on one route covering 83 clients. We did the same in December for five routes covering 167 clients. We selected for examination the only two routes that provided frozen meals for MBSCC clients and the four routes with the greatest number of clients receiving frozen meals from RAIN.

Specifically, we wanted to determine whether:

- Clients were satisfied with the program;
- Meals were delivered in a timely fashion;
- Meals were maintained frozen throughout the delivery process;
- Meals served to the clients matched DFTA's pre-approved frozen menu plan;
- Meals were personally hand-delivered to the clients;
- Vendors called clients if they were late or if the clients did not answer the door at the time of delivery;
- Drivers completed their entire routes daily; and
- Undelivered frozen meals were properly stored for future redelivery.

The Daily Activity Reports and Daily Route Reports are the summary documents that are submitted to DFTA's Planning Unit. To determine whether the data recorded on the Daily Route Report was accurately reflected on the Daily Activity Report, we reviewed the Daily Route and Daily Activity Reports for March and April 2005 that both vendors submitted to DFTA's Planning Unit. The purpose of the Daily Route Report is to indicate the number of clients planned per route per day to receive home-delivered meals, the number of meals actually served per route, the number of clients per route who were not at home to receive their meals, and the number of late meal deliveries per route. The Daily Activity Report, which is generated from the Daily Route Report, is the summary of the details on the Daily Route Report.

We also reviewed MBSCC's files for all 25 employees and RAIN's files for all 34 employees involved in home-delivery to determine whether they contained documentation required by DFTA, such as Department of Motor Vehicle license reports, evidence of defensive driving courses, and documented training in the delivery of meals.

To assess the adequacy of the vendors' performance prior to the potential renewal of the contract in of July 2005, the assessment report used by DFTA to assist in considering the renewal of the contract was reviewed. In addition, a review of the Comptroller's Office Omnibus Automated Image Storage and Information System (OASIS) was performed, which verified that DFTA's contracts with RAIN and MBSCC were registered with the Comptroller's Office.

The results of the above tests, while not projected to the populations from which they were drawn, provided a reasonable basis to evaluate DFTA's oversight of its contracts with RAIN and MBSCC regarding the delivery of frozen meals.

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

Discussion of Audit Results

The matters covered in this report were discussed with DFTA officials during and at the conclusion of this audit. A preliminary draft report was sent to DFTA officials on May 1, 2006, and discussed at an exit conference held on May 17, 2006. On May 23, 2006, we submitted a draft report to DFTA officials with a request for comments. We received a written response from DFTA on June 7, 2006. Though DFTA officials did not agree with all of our findings, they generally agreed with the recommendations, stating, "We. . . appreciate the constructive recommendations for improving our contract evaluation process."

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

FINDINGS AND RECOMMENDATIONS

The frozen meals received by the clients in the Bronx Senior Options Program were delivered in adherence with DFTA's *Home-Delivered Meals Standards*. During our observations of the frozen meal delivery process, we found that, for the most part, the clients were satisfied with the program. The meals were delivered in a timely fashion, they were maintained frozen throughout the delivery process, and the meals delivered to the clients matched DFTA's pre-approved frozen menu plan. In addition, meals were personally hand-delivered to the clients, and the vendors called clients if they were late or if the clients did not answer the door at the time of delivery. Further, the drivers completed their entire routes each day, and the undelivered frozen meals were properly stored for redelivery the next day.

However, DFTA does not oversee or monitor its contracts adequately with its two Bronx Senior Options Program vendors. Specifically:

- DFTA renewed contracts for both vendors without formally assessing their performance;
- DFTA does not maintain memos, notes, reports, assessments, or correspondence of meetings and observations;
- The Daily Activity Reports and the Daily Route Reports do not reconcile; and
- DFTA does not ensure that drivers are properly licensed and credentialed, and that all required documentation is maintained in the vendors' personnel files.

Since this is a pilot project that DFTA officials are considering expanding Citywide, it is all the more essential that DFTA monitors and evaluates each vendor's performance to identify and correct shortcomings and to determine whether the vendor is capable of meeting the program's goals. Formal evaluation and monitoring of vendors who serve meals to homebound seniors will ensure that the goals of the home-delivered meals program are achieved responsibly, efficiently, and effectively—and in the best interest of the seniors.

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

DFTA Does Not Adequately Monitor Its Contracts with RAIN and MBSCC

DFTA Renewed Contracts for Both Vendors Without Evaluating Their Performance

DFTA renewed the contract with its two vendors without evaluating or assessing their performance during the period of the pilot project. According to Article 2, §2.02, of DFTA's original contract with its vendors (for the period October 1, 2004, through June 30, 2005),

“Renewals shall be made at the sole discretion of the Department, taking into account such factors as the adequacy of the Contractor’s performance, the continued need for services and the availability of funding. It is understood and agreed that the Department is not under any obligation to renew this Contract after the expiration of the terms.”

According to §40, “Monitoring and Inspection,” of DFTA’s *Home-Delivered Meals Standards*, DFTA’s assessment and monitoring correspondence is to be maintained on file for one year after the closing date of the fiscal year in which the correspondence was generated. In addition, §4-01, “Evaluation and Documentation of Vendor Performance,” of New York City’s *Procurement Policy Board* (PPB) rules, states, “The agency shall monitor the vendor’s performance against such standards and indicators on an ongoing basis and sufficiently far in advance of the end of the contract term to determine whether an existing contract should be extended, renewed, terminated, or allowed to lapse.” Furthermore, §6-116.1 of the New York City Administrative Code also requires agencies to maintain information with respect to vendor performance.

In November 2005, after we had repeatedly asked DFTA officials for an assessment report, they acknowledged that they have not and do not intend to assess or evaluate the vendors’ performance until May or June 2006. However, contrary to the terms of its contract with the vendors, DFTA renewed the contracts for the period July 1, 2005, through June 30, 2006, without evaluating the adequacy of the vendors’ performance. Thus, according to DFTA officials, they did not plan to formally assess the performance of these vendors until almost two years had elapsed since the vendors began their performance under the initial contract.

Any ongoing program should be evaluated on its effectiveness prior to the renewal of a contract. This reassures all parties involved that the program is beneficial to the clients as well as to the City and that it is functioning as intended. Since this is a pilot project with promise for Citywide expansion, it requires an even greater degree of scrutiny in terms of its usefulness.

In the absence of a proper evaluation of the vendors and a formal assessment report, we do not know how DFTA concluded that the vendors’ performance was adequate enough to renew the contract. This is a pilot project that has not been assessed as to whether the vendors’ performance needs improvement or whether the program is functioning as it should. In consequence, there is a potential for its not meeting the needs of the clients and for wasting City resources. Since the renewal of a contract should be based on a vendor’s performance, DFTA officials should have used a formal assessment mechanism, evaluated the vendor’s performance, and documented the results in an assessment report that provided reasons for renewing the contract prior to actual contract renewal.

DFTA Response: “Both the scope of the audit and the length of the first contract period was October 1, 2004 through June 30, 2005. Because DFTA had only nine months of data at the time of renewal, DFTA delayed the Vendex performance evaluations and noted this in the contract registration paperwork submitted to the Comptroller’s office. Based on this submission, the Comptroller apparently agreed with this reasoning and registered the contracts for FY06.”

Auditor Comment: The paperwork that DFTA submitted for contract registration did not contain any statement that the agency delayed the VENDEX performance evaluation because it only had nine months worth of data. Since DFTA did not perform an evaluation, our office accepted other information submitted by DFTA as a basis for registering the contract. However, this should not be interpreted by DFTA as an agreement on our part that it did not have to conduct the evaluation.

DFTA Response: “Before DFTA renewed the vendors’ contracts for FY 06, DFTA considered the following performance factors:

- customer satisfaction surveys demonstrated overall satisfaction with the pilot project;
- complaints were minimal and handled appropriately;
- DFTA’s home-delivered meal standards were followed; and
- both vendors were on target to deliver 100% of their contracted number of meals.

“DFTA was able to assess these performance factors based on a number of factors including detailed daily reports submitted by the contractors, required quarterly customer satisfaction surveys and periodic and random telephone surveys by DFTA to verify customer satisfaction and feedback about the Senior Options program.”

Auditor Comment: As previously stated, this is a pilot program that began in October 2004, and yet, according to DFTA officials, they had no intention of assessing or monitoring the program until May or June of 2006—almost two years after the vendors began their deliveries under the initial contract.

In addition, the factors that DFTA officials cite as having contributed to their decision to renew the contract pertain primarily to customer satisfaction. DFTA has not provided any evidence of its evaluation of vendor performance and DFTA’s monitoring of the vendors, as required by the PPB rules, which state, “The agency shall monitor the vendor’s performance against such standards and indicators on an ongoing basis....” Furthermore, DFTA’s claim that home-delivered meal standards were followed and that both vendors were on target to deliver 100% of their contracted number of meals are based on data that vendors provided with no independent verification by DFTA.

Moreover, DFTA’s claim to have assessed vendor performance by using the vendors’ daily reports is of great concern to us since such reports are not independently corroborated, are inaccurate, and are therefore unsuitable as a basis for decision-making.

Recommendation

1. DFTA should formally assess and evaluate its vendors’ performances prior to renewing their contracts.

DFTA Response: “DFTA is currently finalizing formal Vendex performance evaluations for the two Senior Options contractors for FY 06.”

The Daily Route Report and the Daily Activity Report Do Not Reconcile

The Daily Route Report and the Daily Activity Report that the vendors submitted daily to DFTA’s Planning Unit for review do not reconcile. The purpose of the Daily Route Report is to indicate the number of clients planned per route per day to receive home-delivered meals, the number of meals actually served per route, the number of clients per route who were not at home to receive their meals, and the number of late meal deliveries per route.¹ The Daily Activity Report, which is generated from the Daily Route Report, is the summary of the details on the Daily Route Report. The two reports should reconcile at the end of each day. The vendor submits both reports daily to DFTA’s Planning Unit to assist the unit in tracking and planning the delivery of meals.

Irregularities in the Reports Submitted by RAIN

Our review of RAIN’s Daily Route Report and Daily Activity Report for the months of March and April 2005, revealed that for 24 of the 26 days that frozen meals were delivered, there were discrepancies between the “number of actual clients served” frozen meals, as recorded on the Daily Route Report, and the “number of actual clients served” frozen meals, as recorded on the Daily Activity Report.² For example, on March 14, 2005, RAIN’s Daily Route Report indicated that there were 434 clients who actually received meals that day, but according to the Daily Activity Report there were 452 clients who received meals. The information recorded in both of the reports should have been identical.

In addition, for all of the 26 days in our sample that frozen meals were delivered by RAIN, there were discrepancies between the number of clients who were to receive home-delivered meals per route, the number of meals actually served per route, and the number of clients who were not at home to receive their meals per route. According to DFTA’s “Instructions for filing Senior Options Report Forms,” the number of clients planned per route should equal the number of clients that actually received a meal plus the number of clients per route who were not at home to receive their meals.

For example, for April 6, 2005, we found a discrepancy of 13 clients. Specifically, according to the April 6, 2005 Daily Activity Report, there were 451 clients who were to receive frozen meals. When we added the number of clients who actually received meals for that day and the number of clients who were not home to receive their meals, we calculated that RAIN

¹ Frozen meals served after 5:00 p.m. are considered late.

² On Thursdays, some RAIN clients received two frozen meals and others received three frozen meals. Since we were unable to determine from the Daily Route Report the number of clients served a frozen meal, we eliminated nine Thursdays from our sample. In addition, we requested but were not provided a Daily Route Report for March 1, 2005. Therefore, we removed a total of 10 days from our sample of 36 days.

should have recorded a total of 464 clients. RAIN's Director confirmed that our calculation represented the required procedure; however, the procedure is apparently not used or reviewed because, as stated above, the data recorded on the Daily Activity Report does not reconcile with that on the Daily Route Report.

In addition, there were four days during the months of March and April 2005 when the number of clients who were not at home to receive their meals recorded on the Daily Route Report did not match the corresponding number of clients recorded on the Daily Activity Report. For example, on March 21, 2005, there were eight "no answers" (indicating that clients were not at home to receive their meals) recorded on the Daily Route Report, but there were six "no answers" recorded on the Daily Activity Report. Once again, the information recorded in both of the reports should have been identical.

Irregularities in the Reports Submitted by MBSCC

Our review of MBSCC's Daily Route Report and Daily Activity Report for the months of March and April 2005 disclosed that for 34 of the 36 days that frozen meals were delivered, there were discrepancies between the planned number of clients and the actual number of clients served recorded on the Daily Route Report and the planned number of clients and actual number of clients served recorded on the Daily Activity Report.

For example, on March 2, 2005, MBSCC's Daily Route Report indicated that there were 121 clients to receive delivered meals that day, but according to the Daily Activity Report there were 128 clients. Further, the Daily Route Report indicated that there were 109 clients who actually received frozen meals that day as compared to the 117 clients who actually received the meals, as recorded on the Daily Activity Report. The information recorded in both of the reports should have been identical.

In addition, there were six occasions during the months of March and April 2005 when the information recorded on the Daily Route Report did not match the information recorded on the Daily Activity Report for clients who were not at home to receive their meals. For example, on April 26, 2005, there were 10 "no answers" (indicating that clients were not at home to receive their meals) recorded on the Daily Route Report, but there were 12 "no answers" recorded on the Daily Activity Report. Once again, the information recorded in both of the reports should have been identical.

Moreover, the data recorded in two of the columns in the March and April 2005 Daily Route Report did not represent the correct column heading. The first column heading was labeled "frozen meals," but the data recorded represented the number of clients to be served frozen meals that day. The subsequent column heading was labeled "total number of actual clients," but the data recorded represented the total number of meals that were served to clients.

The report format was created by DFTA, and its Planning Unit is required to review the information contained within the reports on a daily basis in order to assist in tracking and scheduling deliveries. The fact that these errors were not identified by DFTA is a strong

indication that no one at DFTA reviewed the figures recorded in the reports to verify whether the vendor was providing meals to the clients.

As of February 2, 2006, the column headings on the Daily Route Report were still inaccurate compared to the format prescribed by DFTA. MBSCC officials acknowledged that the headings were mislabeled and stated that they would contact DFTA to advise them of the changes.

Since the information on the Daily Activity Report is a summary of the Daily Route Report, it should contain identical information. The fact that the two reports did not reconcile indicates that neither DFTA nor the vendor reviewed or reconciled the reports. The errors contained in the reports were not identified by DFTA, and this may indicate that no one at the agency reviewed these reports to determine whether the vendor was providing meals to eligible clients. Had anyone reviewed the reports, the individual would have noticed the discrepancies and would have taken corrective action to resolve them.

The discrepancies are of even greater concern when taking into account the fact that DFTA officials provided us with an internal memorandum regarding their monitoring procedures, stating that “the Planning Unit receives and monitors the Daily Activity Reports from RAIN and MBSCC.” Specifically, DFTA’s memorandum repeatedly stated that from October 2004 through the present, DFTA has been receiving and monitoring the Daily Activity Reports. Had this been the case, DFTA would have identified and corrected the errors.

During the exit conference, DFTA officials acknowledged that because of the complexity of the program, discrepancies were bound to occur. However, they stated that they will monitor the reports with greater diligence in the future.

Recommendations

2. DFTA should ensure that the vendors review and reconcile the Daily Route and Daily Activity Reports.
3. DFTA should review the Daily Route and Daily Activity Reports daily for accuracy.

DFTA Response: “We agree with the Comptroller’s findings that the reports are 99% accurate in terms of client and meal count. Our goal is that these reports are 100% accurate and we plan to work together with our contractors to reach that goal, including reformatting the daily reporting forms submitted to DFTA.”

Auditor Comment: DFTA claims a 99 percent accuracy rate as our statistic, a serious misinterpretation, since our conclusions report no such accuracy. To the contrary, our testing revealed that *nearly all* of the Daily Route and Daily Activity Reports were inaccurate. For example, as previously stated, all 26 Daily Activity Reports in our sample for RAIN contained discrepancies in the data recorded. DFTA’s calculations reflect the number of clients served. However, our finding focused on the accuracy of

the data reported in the two reports on a *daily* basis, regardless of the number of clients served. That is, the data recorded was flawed consistently and every day.

In order for the vendors to be in compliance with DFTA's standards, both parties—vendor and agency—need to ensure that there are no errors of any kind contained within the reports and that the information in the two reports match. DFTA should monitor and review the reports daily, as DFTA claims it has been doing since the program's inception, so that the information contained in both reports is accurate.

Lack of Documentation of Meetings and Observations

DFTA does not maintain memos, notes, reports, assessments, or correspondence of meetings and observations that are held between DFTA officials and the two vendors. In addition, DFTA does not document any follow-up action resulting from the meetings and observations with the vendor.

According to DFTA officials, since the program's inception in October 2004, they have met on a regular basis with RAIN and MBSCC officials to monitor and assist with the Bronx Senior Options Program. The meetings included interviews with staff, assessment of food management, review of delivery process, nutritional consultations, rides on the delivery vans to evaluate the meal delivery operations, and in general, evaluating the effectiveness of the overall pilot project model.

During the first several weeks of the program, DFTA officials claim to have met with the vendors every day to monitor the preparation of the meals and customer satisfaction, as well as to schedule deliveries and delivery times. DFTA officials claimed that various DFTA staff continued to "intensely" monitor the Bronx Senior Options Program through "numerous" site visits, meetings, telephone conversations, reporting requests, etc. DFTA officials cited these efforts as needed to enable them to handle and resolve quickly any operational issues that emerged, especially since this is a pilot project. We were told by the vendors on several occasions that they initially encountered many problems at the start of the program, such as clients complaining about late deliveries, the quality of food received, and delivery vans breaking down regularly.

Throughout the audit, we requested supporting documentation of the meetings between DFTA and the vendors regarding the Bronx Senior Options Program. We expected to find details of discussions regarding the pilot project, the obstacles that the vendors encountered in starting up the program, the findings, and the follow-up actions and resolutions that came about as a result of those meetings. However, despite our repeated requests for the back-up documents, DFTA officials did not provide us with any assessments or reports pertaining to their meetings with the vendors.

For example, we were told on various occasions that DFTA's nutritionists regularly met with the vendors, especially at the onset of the program, to provide assistance and to ensure that that the vendors and caterer were complying with the standards and requirements set forth by

New York State, the City Department of Health and Mental Hygiene, and DFTA. The nutritionists conducted several site visits of the catering facility to evaluate the sanitary conditions of the facilities and to observe the frozen-meal delivery process so as to determine the timeliness of the meal delivery, whether the food remained frozen throughout the delivery process, and to assess client satisfaction.

In addition, we were informed that following the site visits and the observations of the delivery process, the DFTA nutritionists conducted exit conferences with the each vendor's nutritionist to discuss the results of their visits. The two nutritionists would then develop a corrective action plan that was submitted to the catering facility for follow-up. Although we requested documents to support the claim that the DFTA nutritionists conducted observations, as well as minutes from the exit conferences and the corrective action plans developed, we were informed on several occasions that nothing was documented in writing.

On December 29, 2005, several months after our initial requests for supporting documents of DFTA's interaction with the vendors, we submitted a final request letter to DFTA officials. On February 12, 2006, DFTA officials provided us with a summary memorandum of visits that they claimed had taken place since the beginning of the pilot project. However, the memorandum was dated January 10, 2006, and was clearly created for our benefit after our repeated requests for supporting documents. The memorandum simply repeated in writing, month-by-month, what DFTA officials had already told us. For example, according to the memorandum, on January 2005,

“DFTA staff worked closely with clients, RAIN and the four case management agencies to resolve client issues with the Senior Options program. The Planning Unit continues to receive Daily Delivery Reports from RAIN and Mid-Bronx. The Assistant Commissioner that oversees the Senior Options program made site visits to provide technical assistance and support.”

However, we did not receive any other documentation that outlined the client issues, actions that DFTA officials took to resolve those issues, the final resolution plan, and any follow-up progress reports. In addition, we were not provided any supporting documentation to substantiate the claim that the Assistant Commissioner actually made those site visits. The fact that DFTA stated in the memorandum that the Assistant Commissioner provided technical assistance and support implied that there was a matter that required the Assistant Commissioner's input. Without further details, we are left to speculate about the purpose and outcome of that site visit and cannot know whether the issues were resolved.

In addition, according to the above-mentioned January 10, 2006 memorandum, DFTA officials claimed to have assisted with the frozen-meal delivery process and to have conducted several monthly site visits. However, once again, there was no documentation to support these claims or to document problems encountered or corrective action taken as a result of their visits and observations. During our own site visits and observations of the delivery process, we completed detailed observation check-lists that allowed us to ascertain the effectiveness of the meal delivery process and document our findings. It is in DFTA's best interest to use the same

type of a check-list or other reasonable, formal method to document its own observations of vendor performance.

The purpose of a pilot project, such as the Bronx Senior Options Program, is to serve as a small-scale testing ground for a new service model. The results of the pilot project determine the feasibility of expanding it on a larger scale. The Bronx Senior Options Program was created as a pilot project in the Bronx, with the intention of expanding it on a Citywide scale if it proves to be successful. However, without documenting, tracking, and evaluating the progress of the program, DFTA cannot assess the feasibility of expanding it on a larger scale.

DFTA officials need to create a formal grading system to identify the specific areas that require attention for the program to work properly and to ensure that the shortcomings are corrected. It is only after the weaknesses are identified and corrected on a small scale that DFTA can begin to consider whether or not the program has the potential to succeed on a Citywide level. We doubt that DFTA officials can effectively monitor and evaluate a program without documenting their findings, observations, results, and follow-up actions.

Recommendation

4. DFTA should ensure that all correspondence, monitoring reports, observations, and corrective action plans are documented and maintained for review.

DFTA Response: “While we agree that DFTA did not completely document meetings and site visits, we believe that the documentation supplied by our contractors to DFTA was more than ample, consisting of daily reports to DFTA regarding their operations. Indeed this reporting was more detailed than what is required from any other home-delivered meal program in the City. However, as a general practice, we will further enhance our documentation.”

Auditor Comment: Once again, DFTA has misinterpreted the audit finding. Contrary to DFTA’s claim that they did not “completely” document meetings and site visits, we found no evidence that they documented *any* meetings or visits. In addition, DFTA cites the daily reports as evidence of meetings and observations and feels that they are sufficient for monitoring. However, not only is the information in the daily reports inaccurate, but the reports merely serve as a summary of the number of clients and meals served; they reflect no results of communication with DFTA. The daily reports are by no means a substitute for the recording of discussions, meetings, observations, or corrective action plans.

Lack of Required Documents in Vendors’ Personnel Files

DFTA does not monitor its vendors to ensure that drivers are properly licensed and credentialed and that all required documentation is maintained in the personnel files, specifically,

Department of Motor Vehicles (DMV) license report, evidence of defensive driving courses, and documented training in the delivery of meals.

Nine of 17 drivers employed by RAIN and one of 15 drivers employed by MBSCC did not have a DMV license report in their employee personnel files. The DMV reports were not obtained until after we identified the lack of them to appropriate officials. The vendors allowed these drivers to drive for up to 15 months without knowing whether their licenses were valid, suspended, or revoked.

In addition, MBSCC obtained the DMV report for three employees after they were hired, allowing them to drive 10 days to 15 months without knowing whether their licenses were valid, suspended, or revoked. MBSCC also obtained the required DMV license renewal reports for another three employees after we notified them of our intention to review the personnel files—having already allowed them to drive three to seven months without the required DMV renewal reports in their files.

According to §16 of DFTA's *Home-Delivered Meals Standards*, drivers must have a current New York State DMV license report indicating that drivers had no more than one moving violation nor any convictions for driving while intoxicated during the preceding 24 months. In addition, the vendors are required to obtain a new DMV license report every two years.

The DMV reports provide assurance that, at the very least, drivers have a valid license and that they are allowed to operate a motor vehicle. Without the reports, the vendors cannot be certain that the drivers should be driving, thereby exposing the vendors and DFTA to the possibility of lawsuits and liabilities in the event that the drivers are in an accident. It would be in DFTA's best interest to monitor the vendors' personnel records and ensure that required DMV reports are maintained and updated in the files.

In addition, the personnel files for 14 of the 17 drivers employed by RAIN and 8 of the 15 drivers employed by MBSCC had no evidence of the drivers' having taken a defensive driving course. According to DFTA's *Home-Delivered Meals Standards*, "all drivers utilized by the program have taken a defensive driving course." The course is a driver improvement program that offers information and techniques in how to avoid collisions and how to evaluate and overcome hazards. The program also enables drivers to become aware of dangerous conditions and be more responsible on the road. It is in DFTA's best interest to ensure that the drivers employed by the vendors have taken a defensive driving course.

The personnel files for 9 of the 25 MBSCC employees contained no evidence of documented training for the meal-delivery process. According to DFTA's *Home-Delivered Meals Standards*, all employees are required to receive documented training in the following areas: methods for maintaining hot and cold food temperatures; taking food temperatures at the end of the route; face-to-face requirement for delivering meals; emergency procedures in case a client does not answer the door as expected; recognition and reporting of client problems; importance of fast delivery and of keeping hot and cold items separate; urging the client to consume hot meals when delivered or to refrigerate meals not immediately consumed.

Training helps to ensure that employees are aware of their job descriptions and responsibilities and that they are more likely to perform those responsibilities uniformly and in accordance with the agency guidelines. Had DFTA officials been monitoring and reviewing vendor personnel files, they could have ensured that all employees received training and understood their tasks, increasing the likelihood that the frozen meals are delivered in a consistent manner and in accordance with the *Home-Delivered Meals Standards*.

DFTA officials need to monitor and ensure that all required documentation is maintained in the vendors' personnel files. Such documentation would reduce DFTA's and the vendors' exposure to liability. It would also ensure that employees who receive training understand their tasks and responsibilities under DFTA standards.

During the exit conference, DFTA officials stated that they agree with this recommendation and that they had reviewed the vendor personnel files in March 2006, a month after our review of the files and will continue to ensure that the required documentation are maintained in the files.

Recommendation

5. DFTA should review and monitor its vendors' personnel files to ensure that the employees are qualified and have the required documentation on file.

DFTA Response: "DFTA agrees that it should have ensured that its contractors kept Department of Motor Vehicles license reports and document training in the delivery of meals in their employee files."



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Edwin Méndez-Santiago, MSW, CSW
Commissioner

June 7, 2006

John Graham, Deputy Comptroller
Audits, Accountancy and Contracts
Office of the Comptroller
One Centre Street
New York, NY 10007-2341

Re: Comptroller's Draft Audit of the Department for the Aging's
Oversight of the Senior Options Program (MD06-072A)

Dear Deputy Comptroller Graham:

Thank you for the opportunity to respond to your May 23, 2006 draft audit of the Department for the Aging's (DFTA's) oversight of its contracts for the delivery of frozen meals in the Bronx. We are very pleased with the positive findings of the audit and appreciate the constructive recommendations for improving our contract evaluation process.

General Comments

For this audit, the Comptroller's Office chose to focus solely on the delivery of frozen meals. While we appreciate that there may be reasons for this focus, we would like to note that the Bronx Senior Options Program is not solely about frozen meals. The Program's several goals include the following: to provide seniors with flexible meal options; to consolidate a largely fragmented not-for-profit service delivery network; and to increase DFTA's capacity to serve more seniors as the group of frail elderly needing home-delivered meals grows while the funding to feed them does not. Thus, while the Comptroller's findings are valuable, we view them as focusing on only one aspect of a broader program with broad goals.

DFTA's Responses to Individual Audit Findings

The Comptroller found that the Bronx Senior Options program was a success in these ways: (i) meals were delivered in adherence to DFTA's standards; (ii) most clients were satisfied with the program; (iii) meals were delivered in a timely fashion, maintained frozen throughout the delivery process and matched DFTA's frozen menu plan; (iv) meals were personally hand-delivered to the clients and the vendors called clients if they were late delivering or if the clients did not answer the door at the time of delivery; and (v) drivers completed their entire routes each day.

John Graham, Deputy Comptroller
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Regarding additional findings made by the Comptroller, we share the following responses:

Comptroller's Recommendation 1: DFTA should formally assess and evaluate its vendors' performances prior to renewing their contracts.

DFTA Response:

Both the scope of the audit and the length of the first contract period was October 1, 2004 through June 30, 2005. Because DFTA had only nine months of data at the time of renewal, DFTA delayed the Vendex performance evaluations and noted this in the contract registration paperwork submitted to the Comptroller's office. Based on this submission, the Comptroller apparently agreed with this reasoning and registered the contracts for FY06. DFTA is currently finalizing formal Vendex performance evaluations for the two Senior Options contractors for FY 06.

Before DFTA renewed the vendors' contracts for FY06, DFTA considered the following performance factors:

- customer satisfaction surveys demonstrated overall satisfaction with the pilot project;
- complaints were minimal and handled appropriately;
- DFTA's home-delivered meal standards were followed; and
- both vendors were on target to deliver 100% of their contracted number of meals.

DFTA was able to assess these performance factors based on a number of factors including detailed daily reports submitted by the contractors, required quarterly customer satisfaction surveys and periodic and random telephone surveys by DFTA to verify customer satisfaction and feedback about the Senior Options program.

Comptroller's Recommendation 2: DFTA should ensure that the vendors review and reconcile the Daily Route Sheets and Daily Activity Reports.

Comptroller's Recommendation 3: DFTA should review on a daily basis the Master Route and Daily Activity Reports for accuracy.

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DFTA Response:

We agree with the Comptroller's findings that the reports are 99% accurate in terms of client and meal count. Our goal is that these reports are 100% accurate and we plan to work together with our contractors to reach that goal, including reformatting the daily reporting forms submitted to DFTA.

Comptroller's Recommendation 4: *DFTA should ensure that all correspondence, monitoring reports, observations, and corrective action plans are documented and maintained for review.*

DFTA Response:

We agree with the documentation of contractor performance is a critical responsibility of any agency that administers public dollars. We agree that DFTA should ensure that all indicators of performance are adequately documented and maintained for review. While we agree that DFTA did not completely document meetings and site visits, we believe that the documentation supplied by our contractors to DFTA was more than ample, consisting of daily reports to DFTA regarding their operations. Indeed, this reporting was more detailed than what is required from any other home-delivered meals program in the City. However, as a general practice, we will further enhance our documentation.

Comptroller's Recommendation 5: *DFTA should review and monitor its vendors' personnel files to ensure that the employees are qualified and have the required documentation on file.*

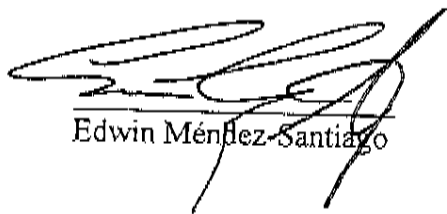
DFTA Response:

DFTA agrees that it should have ensured that its contractors kept Department of Motor Vehicles license reports and documented training in the delivery of meals in their employees' files. (Defensive driving courses are not required by DFTA's standards but are encouraged.) In the course of a formal evaluation, DFTA does examine personnel files for such documentation. In fact, DFTA conducted site visits in mid-March 2006 and verified that personnel files had the required documentation on file. DFTA will continue to follow-up with providers to ensure that proper documentation is maintained in providers' personnel files as well as encourage them to have their drivers take a defensive driving course.

John Graham, Deputy Comptroller
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In closing, we appreciate the opportunity to respond to the draft audit. If you have any questions about this reply, please contact Julie Friesen, Assistant Commissioner of the Bureau of Management and Budget at 212-442-1061.

Sincerely,



Edwin Méndez-Santiago

cc: *Julie Friesen, Assistant Commissioner*
Grennett Campbell, Assistant to the Controller