

# AUDIT REPORT



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

## **Audit Report on the Compliance of Parking System Plus, Inc., with Its Department of Transportation Contract To Operate the Delancey and Essex Street Municipal Parking Garage**

*MH09-085A*

**June 25, 2009**



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 responsibilities of the Comptroller contained in Chapter 5, §93, of the New York City Charter, my office has audited the compliance of Parking Systems Plus, Inc., (PSP) with key provisions of its contract with the Department of Transportation (DOT) to operate the Delancey and Essex Street Municipal Parking Garage (Manhattan garage).

Since June 2005, PSP has managed and operated the Manhattan garage as a self-service parking garage that is open 24 hours a day, seven days a week. We audit private concerns such as these, as a means of ensuring that they comply with the terms of their contracts and properly safeguard and report revenue to the City.

The results of our audit, which are presented in this report, have been discussed with DOT officials, and their comments have been considered in preparing this report. Their complete written responses are 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](mailto:audit@comptroller.nyc.gov) or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in black ink, appearing to read "William C. Thompson, Jr.", written in a cursive style.

William C. Thompson, Jr.

WCT/ec

Report: MH09-085A  
Filed: June 25, 2009

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

**Audit Report on the Compliance of  
Parking System Plus, Inc., with Its Department of  
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**AUDIT REPORT IN BRIEF**

The objective of this audit was to determine whether Parking Systems Plus, Inc. (PSP) was in compliance with key provisions of its contract with the Department of Transportation (DOT) to operate the Delancey and Essex Street Municipal Parking Garage (Manhattan garage).

In June 2005, PSP began its three-year contract with DOT to manage and operate the Manhattan garage. The contract required that PSP be compensated monthly for all services rendered that are part of the Basic Management Fee. The monthly fee was \$40,209, which represents the total contract amount of \$1,447,537 divided by 36 months. PSP could also earn annual incentive fees if the Manhattan garage's revenues exceeded the established revenue targets. The maximum incentive fee that could be paid to PSP for the three-year contract was an additional \$345,000.

PSP operates the facility as a self-service parking garage that is open 24 hours a day, seven days a week. During Fiscal Year 2008, the Manhattan garage collected \$1.5 million in parking fees for the City. DOT paid PSP a total of \$602,235, which represents \$457,349 in basic management fees (less retainage), \$72,980 in incentive fees, and \$71,906 for retainage that was withheld (the initial contract expired at the end of Fiscal Year 2008).

**Audit Findings and Conclusions**

Our review of the management and operations of the Manhattan garage found that PSP is in compliance with the key provisions of the contract. Controls over the parking fees collected are adequate, the facilities of the Manhattan garage are well maintained, and documentation provided to DOT by PSP generally supports the revenue collected and DOT payments for operating the Manhattan garage. In addition, DOT reviews the documentation and performs regular inspections of the facility. However, we found that DOT makes an allowance for a

percentage of security guard patrols that are not performed. This allowance is not in the contract, and we believe that it should be.

### **Audit Recommendation**

Based on our findings, we make one recommendation. DOT should incorporate all unwritten agreements with PSP into its contract, including the 15 percent allowance for patrols not performed, the requirement that at least 7 of the 13 sensors need to be activated, and the \$5 fine for each patrol not performed.

### **DOT Response**

DOT officials generally agreed with the audit's findings and recommendation.

## INTRODUCTION

### **Background**

The Department of Transportation (DOT) is responsible for providing the safe, efficient, and environmentally responsible movement of people, goods, and vehicles throughout the City. Among its activities, DOT contracts with vendors to manage and operate the seven municipal parking garages owned by the City. This is an audit of DOT's contract with Parking Systems Plus, Inc., (PSP) to operate the Delancey and Essex Street Municipal Parking Garage (Manhattan garage) on the Lower East Side of Manhattan.

In June 2005, PSP began its three-year contract with DOT to manage and operate the Manhattan garage. The contract required that PSP be compensated monthly for all services rendered that are part of the Basic Management Fee. The monthly fee was \$40,209 which represents the total contract amount of \$1,447,537 divided by 36 months. Five percent of the monthly payment was to be withheld as retainage pending satisfactory contract completion, and was to be paid to PSP after the contract expired (less any unpaid fines). PSP could also earn annual incentive fees if the Manhattan garage's revenues exceeded the established revenue targets. The maximum incentive fee that could be paid to PSP for the three-year contract was an additional \$345,000. In June 2008, the contract was renewed for approximately \$962,024 for basic management fees for an additional two years, with an additional maximum incentive fee of \$230,000, if revenues exceed the revenue targets.

PSP operates the facility as a self-service parking garage. It consists of six floors with 357 parking spaces. The Manhattan garage is open 24 hours a day, seven days a week. Motorists can park their vehicles for \$3.00 for the first hour and \$1.75 for every additional hour or can purchase one of the 250 monthly 24-hour proximity cards, if available, for \$250 per month (\$231.50, if the card holder is a Manhattan resident). The proximity card allows the user unlimited access to the garage and the right to park in any available parking spot for the given month. However, proximity card holders do not have designated parking spots reserved for their use.

The monthly parking customers use a proximity card that is swiped at sensors located at the entrances and exits of the Manhattan garage, which allows them to enter and exit the Manhattan garage. One of the managers deposits all the daily cash receipts in a DOT bank account the next day (except Sunday).

All daily activities are recorded by the Traffic and Revenue Control System, which is linked to the Manhattan garage's office computer. The computer generates daily reports including: the Daily Lane Report detailing the total parking fees collected and number of corresponding parking tickets, the Daily Cashier Report detailing the number of transactions processed and the corresponding cash collected by each cashier, and the Card History Report listing all entrances and exits of the monthly permit holders including the time and the proximity card numbers.

PSP is responsible for maintaining the garage facilities and obtaining service contracts for the elevator, the closed circuit security television (CCTV), and the Traffic and Revenue Control System's equipment. In addition, PSP contracts with a security service, which provides 24-hour security guards for the facility. All contracts must be reviewed and approved by DOT prior to the start of service.

DOT has two units that monitor the PSP contract. One unit is responsible for obtaining and reviewing the daily cash receipt packets. The second unit is responsible for obtaining and reviewing the invoice payment packages submitted by PSP and for conducting inspections of the facility. If a violation is found during an inspection, DOT may impose a monetary fine, depending on the nature of the violation and the length of time it took to correct the problem. This fine can reduce the monthly payment to PSP.

During Fiscal Year 2008, the Manhattan garage collected \$1.5 million in parking fees for the City. DOT paid PSP a total of \$602,235, which represents \$457,349 in basic management fees (less retainage), \$72,980 in incentive fees, and \$71,906 for retainage that was withheld (the initial contract expired at the end of Fiscal Year 2008).

### **Objective**

The objective of this audit was to determine whether Parking Systems Plus, Inc., is in compliance with key provisions of its contract with DOT to operate the Delancey and Essex Street Municipal Parking Garage.

### **Scope and Methodology**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope of this audit was July 1, 2007, to December 1, 2008.

To obtain an understanding of key contract terms, we reviewed the contract between DOT and PSP for operating the Manhattan garage that was in effect until June 16, 2008. We also reviewed the PSP subcontracts for the security guards services and the preventive maintenance services for the elevator and the traffic and revenue control equipment.

To gain an understanding of the operations we interviewed the day manager and the cashier of the morning shift at the Manhattan garage, DOT's Chief of Citywide Engineering Projects and Facility Management, Director of the Contract Payment Unit, Director of the Engineering Audit

Bureau, Supervisor of Fiscal Affairs of the Revenue and Accounts Receivable Unit, the inspector responsible for inspecting the Manhattan garage, and the supervisor of the garage inspectors.

We also observed the conditions of the Manhattan garage. We performed nine unannounced observations of the Manhattan garage prior to sending out the engagement letter announcing this audit to DOT. These observations were conducted between August 21, 2008, and September 15, 2008—eight on weekdays and one on a weekend. After the entrance conference with DOT, we performed three additional observations of the Manhattan garage while accompanied by DOT personnel. On one of the visits, we accompanied the inspector assigned to the garage while he was conducting one of his regular inspections.

To determine whether DOT performed inspections of the Manhattan garage, we judgmentally selected the period January 1, 2008, to June 30, 2008, and obtained the handwritten DOT Garage Maintenance and Mechanical Inspection Reports for this period. We then compared the violations noted on these reports to the violations listed on the computerized printout of the DOT Monthly Chief's Reports for the same period to determine whether all violations were included in the DOT Monthly Chief's Reports and whether the reports indicated that they had been corrected. In addition, we attended a monthly meeting between DOT and PSP officials that was held on October 30, 2008, at which they discussed issues relating to the September 2008 invoice payment package submitted by PSP, including violations noted on the DOT Monthly Chief's Report.

#### **Tests for Controls over Revenue Collected by PSP**

We randomly selected three weeks (21 days) from Fiscal Year 2008—the weeks of July 22–28, 2007, October 21–27, 2007, and February 17–23, 2008, to test the controls over accounting, recording, and depositing of the \$41,004 collected during this period. We obtained from DOT the daily cash receipt packets for the sampled period and from PSP all parking tickets and detailed cash register receipt tapes corresponding to this period. We performed the following tests:

- Reviewed each daily cash receipt packet to determine whether all required documents were included in the packets.
- Traced and compared the \$41,004 collected for all the parking tickets issued to (1) the dollar amounts recorded on the summary cash register receipt tapes, (2) the Cashier's Sales Report, (3) the Daily Report of Business, and (4) additional daily reports generated by the Traffic and Revenue Control System to determine whether the amounts matched.
- Reviewed the daily cash receipt packet to determine whether each shift manager prepared the Manager's Audit Sheet for each of the corresponding shifts, which shows the number of parking tickets paid for and the total cash collected by each cashier.



- Reviewed and sorted in numerical sequence 2,967 of the 2,970 parking tickets issued during this period (the remaining three tickets could not be found), comparing the dollar amount printed on each parking ticket to the dollar amount recorded on the detailed cash register receipt tapes and the Cashier's Sales Reports. We also recalculated the total dollar amounts from these reports to ascertain whether all parking tickets were accounted for and totaled accurately.
- Reviewed 63 zero tickets (parking tickets that had no parking fees associated with them) from the 2,967 parking tickets to the Daily Reports of Business to determine whether these zero tickets were accounted for. In addition, we determined whether zero tickets were issued to drivers who were exempt from the fees, such as DOT or PSP personnel, emergency vehicles, and drivers who entered and exited the Manhattan garage within five minutes.
- Traced license plate numbers recorded on the Daily Report of Business for the zero tickets for exempt drivers to information recorded in the Manhattan garage log book to determine whether drivers were indeed exempt from fees.
- Reviewed and compared the total cash amounts on the Daily Revenue Reports with the total cash amounts on the bank deposit slips, bank receipts, and the monthly DOT bank statements to determine whether the total cash collected by the Manhattan garage was deposited in the DOT bank account.
- Compared the dates of the Daily Reports of Business to the dates on the bank deposit slips, bank receipts, and the DOT bank statements to determine whether the cash collected was deposited in a timely manner.

To determine whether only valid and fully paid proximity cards were used at the Manhattan garage during the 21 sampled days, we requested and obtained from DOT a list of monthly proximity card numbers that were issued and paid for by customers for the months of July 2007, October 2007, and February 2008 (our 21 sample days fell into these three months). Each proximity card has an individual number and is recorded on the daily Card History report whenever the proximity card is used to enter and exit the Manhattan garage. We compared the proximity card numbers on each of the 21 Card History reports to the three monthly lists received from DOT.

In addition, we determined from the three monthly lists that 88 customers did not pay New York City sales tax for their monthly proximity cards. We then requested and obtained from PSP the Certificates of Exemption (from the sales tax) covering our sample period for these customers to determine whether they were entitled to the exemption.

### **Tests for Controls over Payments Made To PSP**

To determine whether payments from DOT to PSP were accurate and in compliance with contract stipulations, we selected July 2007, October 2007, and February 2008, since our 21

sample days fell in these months. For these months, we reviewed the three monthly payment packages submitted by PSP and performed the following tests:

- Reviewed each package to determine whether all the required documentation was included and each payment properly authorized.
- Reviewed DOT's Monthly Chief's Report to ascertain whether violations found by DOT inspectors during our sampled months were corrected and whether fines were imposed, and if so, then deducted.
- Reviewed the 12 weekly Payroll Reports to check whether employees who worked at the Manhattan garage were paid the prevailing wages and if not, whether DOT noted this fact and deducted the corresponding fine.
- Reviewed the "Exceptions" reports provided by the subcontractor for security guard services, which listed the results of the activation of the 13 sensors located throughout the Manhattan garage during each patrol. This review determined whether the security guards performed the required patrols of the Manhattan garage every half hour, as required by the contract.

To determine whether DOT's incentive fee payment to PSP at the end of the contract year ending June 2008 was accurate and in accordance with the contract, we obtained the appropriate documentation and recalculated the parking fees collected by the Manhattan garage, deducting the sales tax to determine the revenue. We then applied the incentive fee scale in the contract to the revenue amount.

### **Discussion of Audit Results**

The matters covered in this report were discussed with DOT officials during and at the conclusion of this audit. A preliminary draft report was sent to DOT officials on April 20, 2009. In written correspondence on May 1, 2009, DOT officials stated that they had determined that an exit conference would not be necessary based upon the preliminary draft report's finding and recommendation. In addition, we received another written correspondence on May 5, 2009, in which DOT officials stated that they had decided to forgo the step of reviewing the draft report and that their May 1, 2009, written response was to be incorporated in the final report. In their response, DOT officials generally agreed with the audit's findings and recommendations, stating that they "agree with the audit conclusion that PSP is in compliance with the key provisions of the contract, particularly in the controls over revenue and maintenance of the garage facilities."

The full text of the DOT response is included as an addendum to this report.

## FINDINGS AND RECOMMENDATION

Our review of the management and operations of the Manhattan garage found that PSP is in compliance with the key provisions of the contract. Controls over the parking fees collected are adequate, the facilities of the Manhattan garage are well maintained, and documentation provided to DOT by PSP generally supports the revenue collected and DOT payments for operating the Manhattan garage. In addition, DOT reviews the documentation and performs regular inspections of the facility. However, we found that DOT makes an allowance for a percentage of security guard patrols that are not performed. This allowance is not in the contract, and we believe that it should be.

The findings are discussed in greater detail in the following section of the report.

### **PSP Controls over Parking Fees Collected Are Adequate**

Section 11, "Accounting and Records," and Section 12, "Bank Account," of the contract between DOT and PSP include the key provisions regarding the controls over the revenue collected. Based on our review of the 21 sampled daily cash receipt packets provided by PSP to DOT's Office of Fiscal Affairs and the Revenue and Accounts Receivable Unit and the parking tickets and detailed cash register receipt tapes obtained from PSP, we determined that controls over parking fees collected by the Manhattan garage are adequate, accurately accounted for, and comply with key provisions of the contract. Specifically:

- All required documents were included in each of the 21 sampled daily cash receipt packets, including deposit slips, bank receipts, Daily Reports of Business, inventory tickets, summary cash register tapes, Cashier Sales Reports, Manager's Audit Reports, computer-generated Daily Cashier Reports, and Card History reports. PSP forwarded these documents to DOT as evidence of the daily parking fees collected and deposited.
- The \$41,004 that was collected by the Manhattan garage for the 21 days in our sample appeared to be accounted for, based on our review of the documents in the daily cash receipt packets including the Daily Cashier's Reports, the summary cash register receipt tapes, the Manager's Audit Reports, and the Daily Reports of Business.
- The managers who conducted the audits at the end of each shift and prepared and signed the Manager's Audit Report were not the persons who collected the parking fees from the customers.
- The parking fees collected by the Manhattan garage for the 21 days sampled were deposited daily (except Sundays), based on our review of the Daily Reports of Business, deposit slips, bank deposit receipts, and DOT bank statements. In addition, duplicate deposit slips were included in all 21 daily cash receipt packets.

Moreover, according to the contract, all parking tickets are required to be pre-numbered and used in numerical sequence, and a listing of all parking ticket numbers must be provided by the ticket supplier to DOT. During our sample period, 2,970 parking tickets were issued to drivers, of which we obtained 2,967. (The remaining three parking tickets could not be found.) However based on our review of the daily cash receipt packets and the detailed cash register receipt tapes, we determined that two of the three tickets appeared to have had parking fees collected (\$31.00 and \$6.50), and the remaining parking ticket appeared to have been a zero ticket with no parking fees connected to it.

As part of our review of the 2,967 parking tickets, we found that all parking tickets were pre-numbered, in numerical sequence, and issued sequentially, and that a listing of all parking ticket numbers was provided by the ticket supplier to DOT. Also, the parking fee dollar amounts printed on the 2,905 parking tickets that reflected dollars amounted to \$40,967, which matched the dollar amounts collected by the Manhattan garage for these parking tickets. The remaining 63 parking tickets had no parking fees associated with them and are therefore considered zero tickets. Thirty-four of these zero tickets were for customers who entered and exited the Manhattan garage within five minutes, or were for vehicles belonging to PSP personnel or emergency vehicles and not required to be noted in the logbook. The remaining 29 of the 63 zero tickets were for vehicles belonging to DOT personnel, maintenance personnel, or security guards. The logbook contained notations for 27 of the 29 vehicles and lacked notations for the remaining two.

While our sample days did not include any payments for the monthly proximity cards, our review of the Card History Reports and the DOT summary of paid proximity cards determined that all proximity cards used during our sample period were valid and paid for. Furthermore, PSP had a valid Certificate of Exemption from the New York City sales tax for all of the 88 proximity card users who did not pay sales tax during our sample period.

### **DOT Payments to PSP Were in Accordance with Contract Provisions**

Based on our review of the three monthly invoice packages submitted by PSP for the months of July 2007, October 2007, and February 2008, we determined that each invoice payment package contained adequate supporting documentation and authorization. In addition, the monthly payments by DOT to PSP for operating the Manhattan garage, totaling \$113,252, were in accordance with contract section 13, "Compensation to the Contractor." The three payments were accurately calculated, and the appropriate retainage and liquidated fees were deducted. In addition, the annual incentive fee of \$72,980 for the 2008 contract year was accurately calculated and paid according to the terms of the contract.

To ensure payments to PSP are accurate and complete, DOT reviews the monthly payment requests received from PSP for operating the Manhattan garage and ensures that all required documentation is present, appropriate staff is working the required number of hours, employees are being paid the prevailing wage, the security guards are conducting the required number of rounds, and the required preventive maintenance services have been provided. DOT can impose fines for noncompliance with any of the above. In addition, DOT reviews the monthly Chief's Garage

Maintenance and Mechanical Inspection Report to ensure that violations found by DOT's inspectors are corrected.

Our review of the three monthly invoice packages showed that violations found by DOT inspectors during these months were corrected. However, some violations warrant a fine upon detection, and we found that a fine of \$105 was correctly imposed against the payment for the month of October 2007. In addition, DOT correctly deducted from the July 2007 payment fines of \$1,310 pertaining to the noncompliance of the security guard services, underpayment of wages, and the failure of the cashiers to work all required hours.

According to the contract, the target revenue for contract year 2008—June 17, 2007, to June 16, 2008—was \$1,174,163, and if revenues from the Manhattan garage exceeded this amount, PSP was to receive up to \$115,000 as an incentive fee. Since PSP's revenue of \$1,386,340 was \$212,178 above the target revenue, we determined that DOT correctly paid PSP the incentive fee of \$72,980.

### **PSP Adequately Maintains the Manhattan Garage**

According to Section 9, "Maintenance," of the contract, PSP is responsible for the maintenance, care, and custody, of the garage and all fixed and portable equipment and furniture. Based on our 12 on-site observations of the Manhattan garage during August, September, October, and December 2008, we found that PSP is generally in compliance with key provisions of this section of the contract.

The Manhattan garage was generally clean, bathrooms were working, lights throughout the garage were operating, the elevator was working, and fire extinguishers were in place and maintained. We also observed that the traffic and revenue control equipment was working, including the cash register, ticket issue machines, and gates. In addition, we observed that a closed circuit security television was installed at each entrance of the Manhattan garage and that the cashier, security guard, and manager were performing their duties and wearing uniforms, as required.

The Full Service Agreements were in place and include preventive maintenance and service calls for the elevators and the traffic and revenue control equipment. In addition, DOT maintained copies of these preventive maintenance service agreements on file.

### **DOT Adequately Monitors PSP's Maintenance and Operations of the Manhattan Garage**

Based on our review of the 26 Garage Maintenance and Mechanical Inspection Reports completed by DOT's inspectors and the 6 DOT Monthly Chief's Reports during the period January 1, 2008, to June 30, 2008, we found that DOT's Inspection Unit performed at least four inspections per month at the Manhattan garage. The purpose of the inspections was to ensure that PSP was in compliance with key contract terms, regarding cleanliness, lighting, staffing, and

equipment. Any violations found were noted on the Garage Maintenance and Mechanical Inspection Report and entered into DOT's garage inspection computer program. When the violations were corrected, a notation and date of correction were also entered.

## **Other Matter**

### **Allowance for Security Patrols Not Specified in Contract**

According to the contract between DOT and PSP, each security guard is required to make one patrol every half hour, or 16 patrols during each eight-hour shift. During each patrol, the security guard is required to activate sensors throughout the Manhattan garage to acknowledge completion of the patrol. If one of the half-hour patrols is not conducted, that patrol is considered not performed.

In our review of the invoice payment packages, we found documents showing that DOT imposed \$5.00 fines for every patrol not performed. However, DOT allowed PSP the nonperformance of up to 15 percent of the monthly maximum number of such patrols before it imposed any fines.<sup>1</sup> This 15 percent allowance is not included in the DOT contract with PSP. When we questioned DOT officials about this matter, they stated that it is an unwritten agreement between PSP and DOT. They also stated that this unwritten agreement allows security guards to activate only 7 of the 13 sensors throughout the Manhattan garage to acknowledge completion of the patrol. If fewer than seven sensors are activated by the security guard during the patrol, the patrol is considered not performed. We believe that any allowance DOT makes with its vendor should not be an oral agreement but specifically made part of the contract.

### **Recommendation**

1. DOT should incorporate all unwritten agreements with PSP into its contract, including the 15 percent allowance for patrols not performed, the requirement that at least 7 of the 13 sensors need to be activated, and the \$5 fine for each patrol not performed.

***DOT Response:*** DOT agreed stating, "This allowance will be incorporated in the next contract. In the interim, a Memorandum will be issued to PSP regarding this allowance."

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<sup>1</sup> The monthly maximum patrols are dependent on the number of days in a month. For example, a month with 30 days has a monthly maximum of 1,440 patrols (48 patrols each day times 30 days equals 1,440 patrols). The DOT allowance would then be 216 patrols (1,440 patrols times 15 percent equals 216).



**New York City  
Department of Transportation**

**Janette Sadik-Khan, Commissioner**

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May 1, 2009

Mr. John Graham  
Deputy Comptroller  
Audits, Accountancy & Contracts  
City Comptroller's Office  
1 Centre Street  
New York, NY 10007

**RE: MHO-085A**

Dear Mr. Graham:

This is in response to the Preliminary Draft Audit Report on Compliance of Parking System Plus, Inc. (PSP) with its Department of Transportation Contract to Operate the Delancey and Essex Street Municipal Parking Garage.


We agree with the audit conclusion that PSP is in compliance with the key provisions of the contract, particularly on the controls over revenue and maintenance of the garage facilities. On the one exception finding that DOT had allowed PSP to miss up to 15 percent of the monthly maximum of security patrols before imposing any fines, we agree to implement the corresponding recommendation stated in the report:

**"DOT should incorporate all unwritten agreements with PSP into its contract including the 15 percent allowance for patrols not performed, the requirement that at least 7 of the 13 sensors need to be activated, and the \$5 fine for each missing patrol."**

This allowance will be incorporated in the next contract. In the interim, a Memorandum will be issued to PSP regarding this allowance.

If you have questions on this response, I can be reached at (212) 788-8162.

Very truly yours,

  
LUCITA C. ANDRES  
Auditor General

cc: Comm. J. Sadik-Khan, FDC L. Ardito, DC G. Soffian, AC V. Rosen, V. Susi, J Girardi, S.Ghobrial, L. Price, V. Lavin (City Comptroller's Office)