

AUDIT REPORT

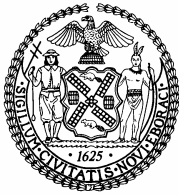


CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF MANAGEMENT AUDIT
WILLIAM C. THOMPSON, JR., COMPTROLLER

Audit Report on Department of Youth and Community Development Oversight and Monitoring of Beacon Centers

MJ06-080A

June 27, 2007



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 examined the Department of Youth and Community Development (DYCD) oversight and monitoring of Beacon Program operators to ensure contract compliance and provision of services. The audit covered Fiscal Years 2005 and 2006.

DYCD is responsible for initiating and coordinating programs to meet the needs and foster the development of the City's youth, families, and communities. Audits such as this provide a means of ensuring that agencies maintain adequate oversight and monitoring to ensure contractor compliance and the provision of services paid for out of City funds.

The results of our audit, which are presented in this report, have been discussed with DYCD officials, and their comments were considered in the preparation of 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.

Report: MJ06-080A
Filed: June 27, 2007

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

**Audit Report on
Department of Youth and Community Development
Oversight and Monitoring of Beacon Centers**

MJ05-138A

AUDIT REPORT IN BRIEF

This audit determined whether the Department of Youth and Community Development (DYCD) maintained adequate oversight and monitoring of Beacon Program contractors to ensure contract compliance and provision of services.

DYCD is responsible for initiating and coordinating programs to meet the needs and foster the development of the City's youth, families, and communities. The DYCD Beacon Program Contract Management Unit (Beacon Unit) is responsible for overseeing the 80 Beacon community centers that are situated within host schools scattered throughout the five boroughs and serve many in the City's most disadvantaged neighborhoods.

Beacons are school-based community centers where young people can go when school is not in session. The Beacon centers are operated by community-based organizations (CBOs) under contract with DYCD. The centers operate during non-school hours for a minimum of six days or 42 hours a week, in the afternoon and evenings, on weekends, during school holidays and vacation periods, and during the summer, and are expected to provide a combination of services and activities consistent with their respective neighborhood needs and interests.

Audit Findings and Conclusions

DYCD is not adequately providing oversight and monitoring of Beacon Program contractors to ensure that the contractors are providing services and activities to achieve their program goals, thereby complying with their contracts.

The six Beacon centers we visited provided activities and services to children and adults. Also, we determined that DYCD's written contract monitoring policies and procedures generally conformed to key contract oversight and monitoring requirements established by Comptroller's Directive #1 and Procurement Policy Board rules.

However, DYCD's ongoing contract oversight and monitoring activities were deficient. The Beacon Unit did not fully comply with and carry out the DYCD oversight and monitoring

procedural requirements, including those performed by contract managers and their supervisor. The Beacon contract managers did not conduct all required field visits and did not retain or complete all required documentation to evidence the conduct of field visits, nor did they maintain uniform work files of monitoring activities. Therefore, there was limited assurance that DYCD maintains and provides adequate oversight and monitoring of Beacon Program contractors. Moreover, we noted that DYCD did not perform the appropriate VENDEX contractor performance evaluations.

Audit Recommendations

To address these issues, we make 10 recommendations. Among them, we recommend that DYCD should:

- Ensure that contract managers conduct all required field visits to the Beacon centers each year.
- Ensure that all Beacon Unit contract managers comply with DYCD contract oversight and monitoring policies and procedures to document and record field visits and other monitoring activities.
- Intensify its efforts to develop performance-outcome measures that are measurable and feasible and that do not rely exclusively on enrollment and attendance figures.
- Ensure that Beacon contractor-performance evaluations are completed for all contractors at least once a year and submitted in a timely manner to the Mayor's Office of Contract Services for entry in VENDEX. Performance evaluations of terminating or expiring contracts should be conducted reasonably in advance of the contract's termination or expiration to ensure entry in VENDEX.

Agency Response

DYCD generally agreed with the 10 recommendations made in this audit.

INTRODUCTION

Background

The Department of Youth and Community Development (DYCD) is responsible for initiating and coordinating programs to meet the needs and foster the development of the City's youth, families, and communities. To accomplish its mission, DYCD contracts with a broad network of community-based organizations (CBOs) to provide various support services and activities.

The Beacon Program began in 1991 as part of a strategy to provide young people with constructive alternatives to life on the streets; to help reduce drug use and violence; and to provide a means for problem-solving in disadvantaged communities. Beacons are school-based community centers situated within host schools,¹ where young people can go when school is not in session. Currently, there are 80 Beacon community centers scattered throughout the five boroughs with many in the City's most disadvantaged neighborhoods. The centers operate during non-school hours for a minimum of six days, or 42 hours a week, in the afternoon and evenings, on weekends, during school holidays and vacation periods, and during the summer.

The Beacon centers are operated by CBOs under contract with DYCD.² Each Beacon is required to offer a wide range of services and activities in five core areas: academic enhancement; career awareness and school-to-work transition; life skills; community building; and recreation. Each contractor must plan to serve at least 1,200 youths in activities that address each of the five service areas and 150 adults in activities that address one or more of the five areas. Typical youth activities include Tutoring, High School-College Prep, Math Clubs, Photography, Basketball, and Martial Arts. Common adult programs offered include General Education Diploma, English for Speakers of Other Languages, Parenting Skills, and Family Relations. Each Beacon is expected to provide a combination of services and activities to respond to their respective neighborhood needs and interests.

Each Beacon center works collaboratively with the host school and the community, and engages a Community Advisory Council that assists in designing activities, supporting the Beacon, and bringing resources to enhance the program. All services are provided at the school and are usually augmented by sub-contractors working with the primary contract agency.

The DYCD Beacon Program Contract Management Unit (Beacon Unit) is responsible for overseeing all of the Beacon centers. The Unit consists of a Director, a supervisor, six contract managers, and administrative support staff. Contract managers are responsible for working with each of their assigned Beacon centers and providing technical assistance to the programs. Contract managers are also responsible for monitoring each center to ensure compliance with its contract and for assisting each Beacon to meet its goals.

¹ Facilities for the Beacon centers are provided in New York City public school buildings.

² Each of the 80 Beacon community centers is covered by its own contract.

Monitoring tasks include making announced and unannounced field visits, reviewing and monitoring all documents related to the Beacon contract (i.e., monthly reports, budget and program modifications, renewal packages, Advisory Council minutes, correspondence), and attending Advisory Council meetings and Beacon events whenever possible. The Beacon Unit supervisor is responsible for reviewing and approving contract manager field schedules, monitoring forms, site visit reports, and other related documents. In addition, the supervisor oversees contract manager productivity and monitoring activities.

Beacons are funded through City tax levy dollars, State children and family services dollars, and federal community development block grant dollars. In Fiscal Year 2006, \$41.4 million (13.5%) of DYCD's \$306.9 million operating budget was earmarked for the Beacon Program.³

Objective

The objective of this audit was to determine whether DYCD maintained adequate oversight and monitoring of Beacon Program contractors to ensure contract compliance and provision of services.

Scope and Methodology

The audit scope covered Fiscal Years 2005 and 2006 (July 1, 2004, through June 30, 2006). To accomplish our objective, we carried out the following procedures.

To gain an understanding of the roles and responsibilities of DYCD and its Beacon contractors, we reviewed samples of the DYCD Beacon contracts awarded to CBOs for the three-year contract term July 1, 2003, through June 30, 2006, and familiarized ourselves with their major terms and provisions. To supplement our understanding, the New York City Charter, the *Mayor's Management Report* for Fiscal Years 2005 and 2006, the Executive Budget for Fiscal Years 2005 and 2006, the Comptroller's *Annual Financial Report* for Fiscal Years 2005 and 2006, and other relevant information obtained from the DYCD Web site and other sources were reviewed.

Test of Controls

We evaluated various DYCD policies and procedures, including:

- DYCD *Beacon Program Management Guide*, dated October 2004, including the following sections: "Checklist for Site Visits—Guidelines for Contract Monitoring to Ensure Uniform Framework;" "Procedures for Contract Monitoring;" and "Procedures for Field Visits"
- DYCD *Beacon Program Operating Manual*, effective March 2005

³ Approximately 16 of the Beacon centers are allotted \$700,000 since they work in collaboration with the Administration for Children's Services to provide foster care preventive services. All other Beacons are allocated approximately \$450,000 for program activities and building-related costs.

In addition, we determined whether the DYCD policies and procedures complied with requirements of Comptroller's Directive #1, "Principles of Internal Control," and Procurement Policy Board (PPB) rules §1-04, "Contract Information," and §4-01, "Evaluation and Documentation of Vendor Performance." These rules and regulations, along with DYCD policies and procedures were used as criteria to evaluate DYCD oversight and monitoring of the Beacon contractors.

To evaluate the controls over contract monitoring and oversight activities, we interviewed DYCD officials and Beacon Unit personnel, and determined whether adequate controls were in force and were uniformly carried out. We also reviewed the DYCD Directive #1 Financial Integrity Statement filings (which represent internal control self-assessment) covering calendar years 2004 and 2005, that were submitted to the Comptroller's Office. Further, we reviewed a previous audit of DYCD conducted by the Comptroller's Office.⁴ We noted findings and conditions in that audit which addressed our audit objectives or other matters relevant to this audit.

A sample of 16 contracts was randomly selected from the population of 80 Beacon center contracts for audit testing. We obtained and reviewed the central contract files, contract manager files, and related supporting documentation (i.e., monitoring forms, Site Visit Reports, attendance sheets, Beacon Monthly Reports, Corrective Action Plans, and Program Modifications) available for each of the 16 sampled Beacon Contracts for use in various tests, discussed below.

The results of tests involving these 16 sampled Beacon contracts were not projectable to the respective population due to variations in the programs and in the manner in which monitoring activities are conducted. Nevertheless, the results provided a reasonable basis for us to assess the adequacy of DYCD oversight and monitoring of the Beacon centers.

Evaluation of Beacon Unit Oversight and Monitoring Activities

To evaluate DYCD oversight and monitoring of Beacon contractors, we reviewed the central contract files, contract manager records, and other information for the 16 sampled Beacon contracts. We also determined whether there was documentation (i.e., completed and signed monitoring forms) for each field visit and for the contractor's overall performance evaluation ratings to support the contract manager's ratings of Beacons.

For the 16 sampled Beacons, we assessed the dates, quantity, and types of field visits conducted in Fiscal Years 2005 and 2006. We conducted a more in-depth review for Fiscal Year 2006 for which we analyzed the contract managers' completed monitoring forms and Site Visit Reports for each of the 16 sampled contracts to determine whether the required number of field visits (one administrative visit and five programmatic visits) were conducted of the Beacon centers. We also determined whether the contract managers properly completed these documents, prepared Corrective Action Plans (if required), and submitted all required reports and documentation to the Beacon Unit supervisor in a timely manner. We did not assess contract

⁴ *Audit Report on The New York City Department of Youth Services' Beacon Program*, # 2C93-101, issued April 7, 1995.

compliance by each of the 16 sampled Beacon contractors as a measure of the adequacy of DYCD's contract monitoring and oversight activities.

To familiarize ourselves with Beacon center operations and to assess whether Beacons were providing services and activities, we selected six of the 16 sampled Beacon centers for observation—one of the Beacons assigned to each of the six contract managers. We visited the six centers between June 1, 2006, and June 14, 2006, where we interviewed Beacon representatives and observed scheduled activities.

Using the six Beacon centers observed we determined whether DYCD contract managers reviewed and analyzed documentation submitted by the Beacon contractors as part of their contract monitoring activities. We assessed the accuracy and quality of information (i.e., planned vs. actual enrollment, activity performance outcomes) contained in the Beacon Monthly Reports for the month of March 2006 submitted by the six sampled Beacons that we visited and observed. March 2006 was judgmentally selected since it occurred during the middle of the school year and the schools were opened throughout the month. In addition, for each of these six Beacons we compared the activities listed in the Fiscal Year 2006 Work Programs⁵ and supplemental Activity Description sheets obtained from the Comprehensive Contract Monitoring System (CCMS) to the program activities reported in the March 2006 Beacon Reports. We noted any discrepancies and deficiencies therein and compared them to the Program Modifications reports and available Corrective Action Plans to see whether program changes were approved. Contracted activities that were not offered in March 2006 were excluded from this analysis.

Supervisory oversight of contract managers' monitoring activities was evaluated. We determined whether the Beacon Unit supervisor reviewed and approved (signed and dated) all required documentation in a timely manner. In addition, contract manager weekly site visit schedules and supervisor logs for two judgmentally selected weeks (November 12-18, 2006, and December 3-9, 2006) were evaluated to determine whether the Beacon Unit supervisor reviewed and approved the field visit schedules. These weeks were judgmentally selected because they were full work weeks.

We determined whether DYCD completed and submitted annual contractor performance evaluations for each of the three years of the contract period (July 1, 2003, through June 30, 2006) for the 16 sampled Beacon contracts to the Mayor's Office of Contract Services (MOCS) for entry in the New York City VENDEX⁶ database. In addition, we determined whether

⁵ Each Beacon center's Work Program (as contained in the CCMS Program Summary Chart) is attached to the vendor's contract as Part III, Appendix A, in accordance with Part I, Article IV, §A of the contract. Each Beacon center must submit a Work Program and supplemental Activity Description sheets annually detailing the planned activities and related goals for the coming year. This information is entered and maintained in CCMS.

⁶ The VENDEX data base helps agencies make decisions regarding vendors and contractors; it stores information on all City contractor responsibility determinations, vendor VENDEX questionnaires, cautionary information provided by City agencies and law enforcement, contractor performance evaluations, and City liens and warrants.

performance evaluations were posted for 17 additional Beacon contractors (eight of nine⁷ terminated contractors and nine replacements) noted during this period.

Tests of Data Reliability

We reviewed the various uses, functions, and reporting capabilities of the Comprehensive Contract Monitoring System (CCMS) to familiarize ourselves the system and to assess the relevance of the database to our audit. We also met with officials from the DYCD Management Information System division to gain an understanding of the general controls over the system. While we used CCMS for limited inquiries, we relied primarily on source documentation (e.g., contract files, monitoring forms, Beacon Monthly Reports) for our audit testing. Consequently, we did not conduct data reliability testing since CCMS data was not considered essential for audit testing purposes.

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 New York City Comptroller's audit responsibilities as 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 DYCD officials during and at the conclusion of this audit. A preliminary draft report was sent to DYCD officials and discussed at an exit conference held on May 24, 2007. We submitted a draft report to DYCD officials with a request for comments on June 5, 2007. We received a written response from DYCD on June 14, 2007. DYCD generally agreed with the 10 recommendations made in this audit. DYCD stated:

“In its ongoing efforts to improve services, DYCD has developed the FY2008 [Beacon] Program, designed to provide more focused services, especially for middle-school youth, as well as greater transparency, accountability, and efficiency in program operations. . . . [DYCD] welcomes suggestions in its ongoing efforts to improve these and other youth and community development services for New Yorkers.”

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

⁷ The contractor for one (contract #9831) of the 16 original contracts included in our audit sample was terminated on June 30, 2005, and replaced by another contractor as of July 1, 2005.

FINDINGS AND RECOMMENDATIONS

DYCD is not adequately providing oversight and monitoring of Beacon Program contractors to ensure that the contractors are providing services and activities to achieve their program goals, thereby complying with their contracts.

The six Beacon centers that we visited provided activities and services to children and adults. Also, we determined that DYCD's written contract monitoring policies and procedures generally conformed to key contract oversight and monitoring requirements established by Comptroller's Directive #1 and Procurement Policy Board rules.

However, DYCD's ongoing contract oversight and monitoring activities were deficient. The Beacon Unit did not fully comply with and carry out the DYCD oversight and monitoring procedural requirements, including those performed by contract managers and their supervisor. The Beacon contract managers did not conduct all required field visits and did not retain or complete all required documentation to evidence the conduct of field visits or maintain uniform work files of monitoring activities. Therefore, there was limited assurance that DYCD maintains and provides adequate oversight and monitoring of Beacon Program contractors. Moreover, we noted that DYCD did not perform the appropriate VENDEX contractor performance evaluations.

Without ensuring that contract monitoring and oversight activities are carried out in accordance with DYCD's own established procedures, DYCD cannot be assured that the Beacon centers are operating at their optimum level by maximizing enrollment and by providing activities and services designed to meet the needs of the communities they serve. These matters are discussed in greater detail in the following sections of this report.

Inadequate Contract Oversight and Monitoring Activities

Our review determined that DYCD needs to improve its oversight and monitoring activities of Beacon Center contractors to ensure that the contractors are achieving their program goals, providing services and activities, and complying with their contracts.

Beacon Unit contract managers did not conduct all of the required field visits to observe and monitor the Beacon centers. Also, there were deficiencies in the supervision of the contract managers that allowed for inconsistencies in how monitoring activities were performed by the managers; and there was noncompliance with DYCD contract monitoring procedures. Further, there was a lack of uniformity in the documentation completed and maintained by the contract managers to attest to their contract oversight and monitoring activities. These matters are discussed below.

Contract Managers Did Not Conduct All Required Field Visits

Our initial assessment of documentation contained in the contract manager files showed that the contract managers did not complete all required field visits for the 16 sampled Beacon

centers in Fiscal Year 2005. Similarly, a more in-depth analysis of supporting documentation for Fiscal Year 2006 disclosed that the Beacon contract managers did not conduct all of the required field visits for the 16 sampled Beacon centers in that year.

For Fiscal Year 2005, DYCD procedures required that contract managers complete four field visits each year to their assigned Beacon centers. For Fiscal Year 2006 updated DYCD procedures required that Beacon Unit contract managers perform at least six field visits⁸ to each of their assigned Beacon centers annually, including five program visits and one administrative visit. Program visits are intended to observe and verify the provision of contracted activities and services, and administrative visits are intended to review the completeness of each Beacon center's record keeping. When conducting field visits, contract managers must use the Beacon monitoring form—a detailed checklist used to record the contract manager's observations. The monitoring form is the basis for generating summary Site Visit Reports in the DYCD CCMS database and for completing annual contractor performance evaluations. Site Visit Reports summarize the result of field visits and contain ratings for different aspects of each Beacon contractor's performance, based on the contract managers' observations and evaluations.

DYCD Procedures for Field Visits specifically require that each contract manager: (1) complete the field visit monitoring form in ink during the scheduled site visit; (2) meet with the Beacon director or representative at the end of each field visit to review the report; (3) sign the form and obtain the Beacon representative's signature on the completed form; and (4) submit the completed, signed form to the Beacon Unit supervisor no later than Friday of the week during which the site visit was conducted. As the document of record, DYCD should maintain the original, completed monitoring forms for all field visits.

For the 16 contracts in our sample DYCD contract managers should have completed at least 64 field visits in Fiscal Year 2005 and 96 field visits (80 program visits and 16 administrative visits) in Fiscal Year 2006. However, based on the dates of the field visits reflected in documentation found in the contract manager files, during Fiscal Year 2005, contract managers conducted only 42 (67%) of the required minimum of 64 field visits. In Fiscal Year 2006, 41 (43%) of the required minimum 96 field visits were conducted, according to CCMS printouts listing the dates of completed visits provided to us by the contract managers, and by supporting documentation. No evidence was recorded either in CCMS or in the files to demonstrate that the contract managers conducted the remaining 54 (56%) required field visits for Fiscal Year 2006.

In addition to the Beacon Unit not completing the required minimum number of visits to the Beacon centers, our review of supporting documentation for Fiscal Year 2006 disclosed general inconsistencies and deficiencies in the timely completion of monitoring forms and site visit reports. These matters are discussed below.

⁸ Based on the "Procedures for Field Visits" section of the DYCD *Beacon Program Management Guide* (dated October 2004), for the Fiscal Year 2005 contract year we used four as the required minimum number of field visits to be performed by contract managers. For Fiscal Year 2006, we used six as the required minimum field visits required by contract managers, based on the *Beacon Program Operating Manual*, which was updated in March 2005 and distributed to the Beacon center operators.

Missing Monitoring Forms

DYCD had original monitoring forms for only 15 (37%) of the 41 Fiscal Year 2006 completed field visits. The lack of original monitoring forms for completed field visits may be attributed to the fact that one contract manager used a notebook rather than the required form to record field visit observations. Another contract manager used the monitoring form to conduct field visits; however, at times he recreated the monitoring form electronically. In such instances, he disposed of the original, completed form.

Of the 15 completed monitoring forms that DYCD had on file, 7 were signed and dated by the contract manager within a few days of the site visit. Two were signed but not dated. The other 6 did not have a signature page attached to the form, nor were they signed in any fashion by the contract manager. Further, none of the 15 completed monitoring forms were signed by a Beacon director or representative upon the completion of the site visit as required by DYCD procedures. Consequently, there was no proof that any of the findings identified by the contract managers during their field visits were discussed with the Beacon operators. Without such discussions, areas of concern are at risk of remaining uncorrected.

Site Visit Report Inconsistencies

DYCD had Site Visit Reports for 36 (88%) of the 41 completed visits. We noted that 35 of the 36 Site Visits Reports were signed by the contract manager. Thirty of the 35 signed reports were also dated by the contract managers; however, we question the dating of these reports. DYCD procedures require that “supervisors must review and sign-off on all monitoring report forms.” This includes Site Visit Reports. Our review showed that 23 of the completed Site Visit Reports contained discrepancies between the dates the reports were printed (generated from CCMS) and the dates the reports were signed by the contract managers and supervisor. These 23 Site Visit Reports were backdated by either the contract manager or the Beacon Unit supervisor. For example, there was a Site Visit Report (printed on July 17, 2006) for a November 19, 2005 field visit. The contract manager signed and dated the report November 28, 2005, and the supervisor signed and dated the report December 7, 2005. Similarly, there was a report printed on November 4, 2005, for a July 15, 2005 field visit. The report was not signed by the contract manager, yet the supervisor signed and dated the report July 15, 2005.

At the exit conference, DYCD officials asserted that the measure of the agency’s contract monitoring and oversight is whether Beacon contractors meet the contract-specified, minimum annual enrollment of 1,350 unduplicated enrollees—DYCD’s primary measure of contract compliance. However, we disagree. Contractor performance in and of itself is not an adequate measure of contract monitoring; it is possible that a contractor can reach certain goals without any involvement or oversight on the contracting agency’s part. To the contrary, contract monitoring and oversight constitute an ongoing process intended to provide for the early identification and timely correction of program difficulties to ensure that the Beacons are working toward achieving their program goals and providing services and activities to the youth and community. In addition to

providing continuous monitoring and oversight, the DYCD contract managers' role is to serve as a resource for Beacons, provide technical assistance, and assist the Beacons in meeting their goals.⁹

Without ensuring that sufficient and consistent contract monitoring and oversight are carried out, and done so in a timely manner, DYCD cannot be assured that the Beacon centers are providing optimal services to their participants and to the communities that they serve.

Recommendations

DYCD should:

1. Ensure that contract managers conduct all required field visits to the Beacon centers each year.
2. Require that contract managers uniformly complete, sign, date, and retain all monitoring forms and Site Visit Reports for completed Beacon center field visits. These documents should be completed and dated timely and appropriately.
3. Ensure that all Beacon Unit contract managers comply with DYCD contract oversight and monitoring policies and procedures to document and record field visits and other monitoring activities.
4. Ensure that site visit findings are discussed with Beacon operators and that those discussions are documented.

DYCD Response: DYCD generally agreed with recommendations #1 through #4, stating: "To clarify the connection between contract requirements and internal monitoring procedures for the FY 2008 Program, DYCD is also reviewing and revising its internal management and monitoring procedures and instruments. Those procedures will include both communication with Beacon operators as to site visit findings and documentation of such communication [and] result in monitoring instruments better designed to ensure uniform completion, signatures, dating, and retention, especially in light of available technology enhancements. . . . All Beacon Unit staff, including contract managers, will be trained on (i) Fiscal Year 2008 Program requirements set forth in contracts; (ii) revised policies and procedures; and (iii) revised monitoring instruments, both paper and electronic. The training will include direction intended to ensure compliance."

Inadequate Supervision of Contract Managers

The Beacon Unit supervisor appropriately reviewed and approved contract manager field visit schedules. However, the supervisory oversight of contract managers should be strengthened to ensure that contract monitoring activities over the 80 Beacon contractors are appropriately performed and carried out.

⁹ *Beacon Program Operating Manual* (updated March 2005), "Role of the Contract Manager," p 15.

DYCD Procedures for Contract Monitoring states: “Contract managers should provide the completed contract monitoring instrument to their supervisor for review and approval. . . . Supervisors must review and sign-off on all monitoring report forms.”

The DYCD Beacon Unit supervisor did not consistently review, sign-off, and date the completed monitoring forms and summary Site Visit Reports submitted by the contract managers, as required by DYCD procedures. In addition, the supervisor did not ensure that the contract managers submitted the Beacon monitoring forms along with the related Site Visit Reports for review and approval, as required.

Of the 15 completed monitoring forms found in the Fiscal Year 2006 contract files (previously discussed), 9 (60%) were signed by the Beacon Unit supervisor, the other 6 (40%) were not. Seven of the monitoring forms were signed and dated both by the supervisor and the contract manager, but not always promptly. For example, four of the forms were signed and dated by the supervisor either the same day or one day after the contract manager signed them. The remaining three monitoring forms were signed by the supervisor between 90 and 145 days after the contract managers signed the forms.

Of the 36 completed Site Visit Reports, 23 (64%) were signed and dated by the Beacon Unit supervisor. We noted that 21 of the reports signed and dated by the supervisor were also signed by the contract managers. When addressing the timeliness of supervisory review of the documents, we noted that 18 of the reports were signed and dated by the supervisor from the same day to 11 days after being signed by the contract managers. The remaining three, however, were signed and dated between 111 and 199 days after being signed by the contract managers.

During the audit, the Beacon Unit supervisor assumed many of the duties of the Director, since the position was vacant, which contributed in part to the weak supervision of the unit. We recognize that the search for a qualified candidate to fill the vacancy of Beacon Unit Director may be a lengthy process. Nevertheless, the lack of strong supervision over contract managers hindered DYCD’s oversight and monitoring activities.

Recommendations

DYCD should ensure that the Beacon Unit supervisor:

5. Review, approve, sign, and date all monitoring forms, Site Visit Reports, and other required documentation promptly, as required by DYCD procedures.
6. Complies with DYCD contract monitoring policies and procedures to ensure that contract managers, and therefore the agency’s contract monitoring activities, are being carried out appropriately.

DYCD Response: DYCD generally agreed with recommendations #5 and #6, stating: “In October 2006, at the end of the audit period, DYCD hired [a] Unit Director . . . [who] . . . now actively coordinates and supervises the work of the Beacon Unit, including the development of the FY2008 Program as well as management and monitoring of current

contracts. A new deputy director and additional staff have also been added to the Beacon Unit. These staff enhancements have produced increases in monitoring actions and filing of correcting action plans. Monthly staff training sessions focus on monitoring activities and compliance procedures . . . including requirements for timely supervisory review and approval of all monitoring instruments.”

Inadequate Evaluation of Beacon Monthly Reports

Our review of the March 2006 Beacon Monthly Reports for the six centers visited in June 2006 disclosed that the contract managers did not review and evaluate the monthly reports as part of their routine contract monitoring activities.

According to the Beacon contract and the DYCD *Beacon Program Operating Manual*, each Beacon contractor “shall regularly submit required reports.” Contract managers are required to “review all documents related to the Beacon Contract,” including monthly reports to ensure that Beacon contracts are in compliance.

We identified deficiencies in offered activities as well as shortcomings not addressed by program modifications or Corrective Action Plans. We also found that the monthly reports contained unreliable information. These deficiencies are discussed below.

Deficiencies in Offered Activities

The Fiscal Year 2006 Work Programs for the six Beacons visited in June 2006, which were obtained from the CCMS electronic contractor files, specified 160 activities that were scheduled to be offered by the six Beacon centers. As shown in Table I, below, upon comparing the activities listed in the Beacon Monthly Reports for March 2006 for the six centers to the Work Programs, we found that three of the six contractors offered all of the activities specified in their Fiscal Year 2006 Work Programs, while the other three did not. Collectively, 133 (83%) of the scheduled activities were offered in March 2006, according to the Beacon Monthly Reports; the remaining 27 (17%) activities were not offered. Some examples of activities specified in the three Beacons’ Fiscal Year 2006 Work Programs that were not offered included career counseling, tutoring, and computer training. (Activities not scheduled to occur in March 2006 were excluded from this analysis.)

Table I

Beacon Fiscal Year 2006 Scheduled Activities Not Offered in March 2006

Beacon Contract ID	Number of Scheduled Activities Specified in Beacon Work Program	Number of Activities Not Reported (Offered) in March 2006 Beacon Reports	Percent
9804	19	6	32%
9806	20	11	55%
9821	21	0	0%
9826	44	10	23%
9856	24	0	0%
9861	32	0	0%
Total	160	27	17%

At the exit conference, DYCD officials asserted that the program activities specified in the Beacon’s annual Work Program are not specifically required under the contract and therefore can be changed or modified by the Beacons as they deem necessary in response to the changing needs of the communities they serve. However, the Beacon contracts awarded for the three-year term, June 1, 2003, through July 31, 2006, specifically state, “Contractors shall implement and maintain a balanced, comprehensive program, designed by it and described in the Work Program” for each year of the contract, which is attached to the contract as Part III, Appendix A. As previously discussed, the Work Program (also referred to as the Program Summary Chart in CCMS) summarizes the Beacons’ planned annual activities, which are supplemented and detailed in “Activity Description” sheets contained in the CCMS electronic contract records for each of the existing Beacon contracts.

Program modifications must be submitted by the Beacon contractors and approved by DYCD for any changes in a particular activity (e.g., change in time or frequency of the activity, targeted enrollment, activity deletions, additions, and modifications, or lack of funding or staff, etc). If a Beacon contractor is found not to be performing satisfactorily or to be having difficulty, a Corrective Action Plan is to be designed in tandem with the contract manager to address and correct the program deficiencies. None of the deficiencies in offered activities for the three Beacons (shown in Table I) were addressed in program modifications or Corrective Action Plans.

Activity Deficiencies Not Addressed by Program Modifications or Corrective Action Plans

Two of the six Beacons for which we reviewed the March 2006 Beacon Monthly Reports had either program modifications or Corrective Action Plans during the contract period. However, the modifications and Corrective Action Plans did not address a large number of the activities for which these two Beacons had deficiencies or did not meet enrollment goals in March 2006. For example, for one contract (#9821) with East NY Development Corp., there was a Corrective Action Plan that addressed that Beacon’s enrollment deficiencies. While the

plan cited four activities for having zero attendance, it did not address any of the remaining 17 activities offered in March 2006 for which enrollment goals were not met. In addition, there were 28 program modifications for another contract (#9826) with Goodwill Industries of Greater New York, none of which addressed the fact that activities reported on the March 2006 Beacon Monthly Report did not appear in the Fiscal Year 2006 Work Program.

Beacon Monthly Report Discrepancies

In addition to the deficiencies discussed above, there were other discrepancies and anomalies contained in the March 2006 Beacon Monthly Reports for the six Beacons visited in June 2006 that went undetected and that were therefore not addressed by the contract managers. For example, the “Planned Enrollment” figures listed on the March 2006 Beacon Reports for four of the six Beacons programs were lower than the “Planned Enrollment” figures specified in the contract. Further, the centers did not consistently report the activity ratings in the report under a column entitled “% *Achieved Positive Outcome*.” This rating is a function of the actual enrollment compared to the enrollment target goals.

Collectively, these deficiencies and discrepancies indicate that the contract managers do not analyze the information contained in the Beacon Monthly Reports to determine their reasonableness as part of their contract oversight and monitoring activities. Without ensuring that the Beacons are accurately reporting the results of their programs, DYCD is not adequately managing its contractors to ensure contract compliance.

Recommendation

DYCD should:

7. Ensure that the contract managers carefully review and evaluate the Beacon Monthly Reports as part of their routine contract monitoring activities to identify and address program deficiencies and investigate any reported discrepancies.

DYCD Response: DYCD generally agreed, stating: “All Beacon monitoring instruments, including the Beacon Monthly reports, are also under review to assure conformity with contract requirements and internal procedures. Revised monitoring instruments will include documents and procedures designed to identify and address program deficiencies and to assure investigation of reported discrepancies. Further, the documents and procedures will be designed to foster uniformity, accuracy, and timeliness.”

Lack of Uniformity in Documentation to Support Contract Monitoring Activities

Our review of DYCD contract manager records for the 16 sampled Beacon contracts disclosed a lack of uniformity in the documentation completed and maintained by the contract managers for contract oversight and monitoring activities.

While DYCD policies and procedures do not specifically require the Beacon contract managers to maintain specific documentation of their monitoring activities in their work files, PPB rules §1-04, states: “Each agency shall maintain files that contain all documentation pertaining to the solicitation, award, and *management* of each of its contracts.” (Emphasis added.) In addition, Comptroller’s Directive #1 states that “control activities should exist at all levels and functions of an agency. They include a wide range of diverse activities such as . . . approvals, authorizations, verifications, record reconciliations, open item agings, transaction analyses, performance reviews, security evaluations, and the creation and maintenance of related records that provide evidence of the execution of these activities.”

In addition to completing monitoring forms and Site Visit Reports of their field visits, contract managers are also required to review Beacon program budgets, budget modifications, program modifications, and Beacon Monthly Reports, and must prepare Corrective Action Plans, when necessary. However, we observed inconsistencies in the documentation maintained in the contract manager work files. For example, for the 16 sampled Beacon contracts, only 8 (50%) of the work files for the contracts contained Beacon Monthly Reports. In addition, only 6 (38%) of the 16 contract managers’ work files contained field visit notes. Further, we noted differences within each contract managers’ own files as to how they documented their monitoring efforts. For example, a contract manager may maintain field visit notes for one Beacon contract but not for another.

The absence of standards in regards to documentation to support monitoring activities makes it more difficult to ensure that DYCD is using consistent criteria in evaluating the performance of the various Beacon contractors. To ensure consistency in the monitoring of Beacon contractors, DYCD should ensure that each of the contract managers retains uniform documentation (i.e., work papers) to document their analyses, ongoing oversight, and monitoring activities of their assigned Beacon contracts.

Recommendation

DYCD should:

8. Establish standards for contract manager work files to ensure that contract management activities are uniformly documented.

DYCD Response: Refer to DYCD response to recommendation #7.

Activity Outcome Measurements for Beacon Program Activities Not Maintained or Reported

DYCD does not enforce its requirement that each Beacon center use and report measurable outcomes for each of the activities offered. Further, DYCD has not clearly defined and established activity-outcome measurements for the Beacons to follow. Therefore, other than enrollment and attendance data, there is no data available for DYCD to use to determine whether

Beacon participants are meeting the outcome goals established for the activities offered at each center.

The DYCD *Beacon Program Operating Manual* requires that the Beacons keep complete and clear program records, including outcome measures. The manual states that each Beacon is to “utilize and report on measurable, time-limited program outcomes to be attained by the participants.” Each Beacon center is required to choose or construct how it will measure its own impact by activity. Accordingly, the Beacons should have a plan that: (1) estimates the number of activity participants expected to improve their behavior¹⁰; (2) describes the behavior expected to improve; (3) estimates of participants’ behavioral levels prior to involvement in the activity (i.e., baseline assessment); (4) specifies the activity, frequency, and duration of services needed to achieve the performance targets (the improvement in behavior); (5) indicates the time frame for the performance target to be reached; and (6) describes how the change in the participants behavior will be measured.

Contrary to these requirements, DYCD officials initially stated that the Beacon centers were not required to report activity outcome measures. Instead, they said, the activity outcomes are intended for the Beacons to assess their own success in achieving their stated goals.

Upon requests for further clarification, in a written communication of August 18, 2006, DYCD officials stated that in 2003, the agency had contracted with an outside vendor to design an agency-wide outcome measurement and tracking program; however, the contract was canceled and the development of activity outcome measurements was delayed because of the contractor’s failure to perform. They added that in December 2005, DYCD created an internal unit to pilot the development of activity-outcomes measurements for all the Beacon centers. By the end of audit fieldwork, the DYCD pilot was still in operation.

We noted that the “Activity Description” sheets, supplemental to the Fiscal Year 2006 Work Programs for the 16 sampled Beacon contracts, contained a section entitled “Activity Outcome” that stated the activity outcome (goal), the estimated number of enrollees expected to meet the outcome, and a description of the method to be used to assess the activity outcome (i.e., observations, group report, pre-test assessment, etc.). However, aside from the Beacon Monthly Reports (previously discussed) that did not contain valid information about activity outcome measures, there was no evidence in the DYCD files to show that activity outcome measures were either actually employed or accurately reported by the Beacon center operators.

Without adequate measures of outcomes and attainable goals for activities, especially those directed at building literacy, reading, and academic skills, DYCD cannot be assured that the Beacon centers are meeting stated activity outcomes (goals) and thereby meeting the needs of the program participants and the communities where the centers operate.

¹⁰ DYCD defines “behavior” as any goals, such as academic performance, school attendance, involvement in Beacon activities, vocational training, etc.

Recommendation

DYCD should:

9. Intensify its efforts to develop performance-outcome measures that are measurable and feasible and that do not rely exclusively on enrollment and attendance figures.

DYCD Response: DYCD generally agreed, stating: “System needs were reevaluated in light of the anticipated FY 2008 Program with a greater emphasis on outcome measures. As the Draft Report further notes, two pilot projects on outcome tracking have been conducted at Beacon programs, one during the summer of 2006 and one to be completed in June 2007.”

Beacon Contractor Performance Rating Not Filed Annually

DYCD did not regularly submit annual Beacon contractor performance evaluations (ratings) for the 16 sampled Beacon contracts to MOCS for the three-year period July 1, 2003, through June 30, 2006 for entry into the City’s VENDEX database; nor did DYCD submit performance evaluations for the 17 additional Beacon contractors (eight of nine terminated contractors and nine replacements) awarded during the three-year contract period that we reviewed. As a result, any Beacon operator that was performing unsatisfactorily could have been considered for contract award by another City agency without being aware of the operator’s deficiencies.

PPB rules require that agencies prepare and submit evaluations of contractor performance for entry in VENDEX. Specifically, PPB rules §4-01 states that each agency is to monitor continually a vendor’s performance against established standards and indicators 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.” A performance evaluation must be performed at least once annually and at the termination or expiration of the contract.

According to MOCS, when considering human services contracts, agencies should perform evaluations within a reasonable amount of time prior to the expiration or anniversary date of the contract so that the results can be used to make renewal determination. MOCS will generally enter contractor performance evaluations in VENDEX within two to three weeks of receipt. As of October 10, 2006, more than 90 days past the June 30, 2006 expiration of the 80 three-year Beacon contracts, DYCD had completed and submitted to MOCS for entry into VENDEX one annual performance evaluation for 10 (62.5%) of the 16 sampled Beacon contracts. The evaluations for these 10 Beacon contractors were entered in VENDEX during December 2004.

In addition, as of October 10, 2006, no performance evaluations were posted in VENDEX for seven of the nine replacement contractors, despite more than one year having elapsed since the effective start date of these contracts. We expected no evaluations for the two remaining replacement contracts since it was too early in the contract term. Our greater concern

is that performance evaluations were not listed for any of the nine terminated contractors at the termination of their contracts, as required by PPB rules.

At the exit conference, DYCD officials stated that not all of the nine terminated contracts were terminated for poor performance. Rather, “several of those contractors asked to be relived of contracts because of internal organizational changes within their agency unrelated to their agency’s program performance.”

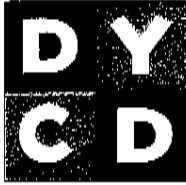
Whether or not a contract is terminated for poor performance or at the request of the contractor, it is essential that performance ratings be completed at least once a year and submitted promptly to MOCS. This is especially important in the case of poorly-rated contractors to ensure that other City agencies are made aware of their performance before possibly procuring the services of these vendors.

Recommendation

DYCD should:

10. Ensure that Beacon contractor-performance evaluations are completed for all contractors at least once a year and submitted in a timely manner to MOCs for entry in VENDEX. Performance evaluations of terminating or expiring contracts should be conducted reasonably in advance of the contract’s termination or expiration to ensure entry in VENDEX.

DYCD Response: DYCD generally agreed, stating: “DYCD in spring 2007 held training sessions for contract managers in all program units, including the Beacon Unit, on this topic. It is expected that the training will result in more careful observation of filing requirements.”



**NEW YORK CITY
DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT
SERVING NEW YORK CITY YOUTH, FAMILIES, AND COMMUNITIES**

156 William Street
New York, New York 10038
Phone 212.442.5900 Fax 212.442.9180
TTY 212.442.5903 www.nyc.gov/dycd

JEANNE B. MULLGRAV
Commissioner

June 14, 2007

Deputy Comptroller John Graham
Office of the Comptroller
1 Centre Street
New York, New York 10007-2341

Re: **DRAFT REPORT**
Audit Report on Department of Youth and Community Development
Oversight and Monitoring of Beacon Centers MJ06-080A (Draft Report)

Dear Mr. Graham:

The Department of Youth and Community Development (DYCD) appreciates this opportunity to review and provide the attached response to the Draft Report. It is respectfully requested that the response be attached as part of the Final Report.

DYCD, which in May 2006 began to develop significant revisions of the Beacon program designed to enhance its effectiveness, welcomes suggestions in its ongoing efforts to improve these and other youth and community development services for New Yorkers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeanne B. Mullgrav', is written over the typed name below it.

Jeanne B. Mullgrav

Attachment

**Response to the Draft Audit Report on Department of Youth and Community
Development (DYCD) Oversight and Monitoring of Beacon Centers
MJ06-080A (Draft Report)**

Recommendation #1: DYCD should ensure that contract managers conduct all required field visits to the Beacon centers each year.

Recommendation #2: DYCD should require that contract managers uniformly complete, sign, date, and retain all monitoring forms and Site Visit Reports for completed Beacon center field visits. These documents should be completed and dated timely and appropriately.

Recommendation #3: DYCD should ensure that all Beacon Unit contract managers comply with DYCD contract oversight and monitoring policies and procedures to document and record field visits and other monitoring activities.

Recommendation #4: DYCD should ensure that site visit findings are discussed with Beacon operators and that those discussions are documented.

DYCD Combined Response to Recommendations #1, #2, #3, and #4: In May 2006, DYCD began a comprehensive analysis of the Beacon program in preparation for the issuance of a Request for Proposals (RFP) in February 2007 for programs to begin in Fiscal Year 2008 (FY 2008 Program). Key features of the FY 2008 Program include both a refined program design emphasizing services to middle school youth and the use of information technology systems to record and track enrollment, attendance, and outcomes.

To clarify the connection between contract requirements and internal monitoring procedures for the FY 2008 Program, DYCD is also reviewing and revising its internal management and monitoring procedures and instruments. Those procedures will include both communication with Beacon operators as to site visit findings and documentation of such communications. The analysis is expected to result in monitoring instruments better designed to ensure uniform completion, signatures, dating, and retention, especially in light of available technology enhancements.

This task will be completed contemporaneously with the execution of FY 2008 Program contracts. All Beacon Unit staff, including contract managers, will be trained on (i) FY 2008 Program requirements set forth in the contracts; (ii) revised policies and procedures; and (iii) revised monitoring instruments, both paper and electronic. The training will include direction intended to ensure compliance.

Recommendation #5: DYCD should ensure that the Beacon Unit supervisor reviews, approves, signs, and dates all monitoring forms, Site Visit Reports, and other required documentation promptly, as required by DYCD procedures.

Recommendation #6: DYCD should ensure that the Beacon Unit supervisor complies with DYCD contract monitoring policies and procedures to ensure that contract managers, and therefore the agency's contract monitoring activities, are being carried out appropriately.

DYCD Combined Response to Recommendations #5 and #6: The Draft Report duly attributes the deficiencies in supervision reflected in Recommendations #5 and #6 to the vacancy in the position of Unit Director for much of the audit period. After a thorough search for a qualified replacement, in October 2006, at the end of the audit period, DYCD hired as Unit Director an experienced senior manager from the City Department of Education, a critical partner in the Beacon program. The new Unit Director immediately enhanced the visibility and credibility of this position. She now actively coordinates and supervises the work of the Beacon Unit, including the development of the FY 2008 Program as well as management and monitoring of current contracts. A new deputy director and additional staff have also been added to the Beacon Unit. These staff enhancements have produced increases in monitoring actions and filing of corrective action plans. Monthly staff training sessions focus on monitoring activities and compliance with procedures. As noted in the Responses to Recommendations #1, #2, #3, and #4, above, all Beacon Unit staff, including the Unit Director, the deputy director, and the contract managers, will be trained on the FY 2008 Program requirements, including requirements for timely supervisory review and approval of all monitoring instruments.

Recommendation #7: DYCD should ensure that the contract managers carefully review and evaluate the Beacon Monthly Reports as part of their routine contract monitoring activities to identify and address program deficiencies and investigate any reported discrepancies.

Recommendation #8: DYCD should establish standards for contract manager work files to ensure that contract management activities are uniformly documented.

DYCD Combined Response to Recommendations #7 and #8: As noted in the Responses to Recommendations #1, #2, #3, and #4, above, for the FY 2008 Program, new contract forms will include a more specific scope of services, enrollment levels, and attendance requirements. All Beacon monitoring instruments, including the Beacon Monthly Reports, are also under review to assure conformity with contract requirements and internal procedures. Revised monitoring instruments will include documents and procedures designed to identify and address program deficiencies and to assure investigation of reported discrepancies. Further, the documents and procedures will be designed to foster uniformity, accuracy, and timeliness. All Beacon Unit staff, including contract managers, will be trained on the FY 2008 Program requirements, including the use of monitoring instruments; the need for early investigation of discrepancies so as to

identify and address program deficiencies in a timely manner; and the appropriate uses of paper and electronic records to produce accurate and uniform documentation of contract management activities.

Recommendation #9: DYCD should intensify its efforts to develop performance-outcome measures that are measurable and feasible and that do not rely exclusively on enrollment and attendance figures.

DYCD Response: The introduction of an outcome measurement system for the current Beacon programs was planned for their first fiscal year of operation but could not be implemented because, as noted in the Draft Report, the vendor selected to develop the system failed to deliver a functional product. Thereafter, system needs were reevaluated in light of the anticipated FY 2008 Program with a greater emphasis on outcome measures. As the Draft Report further notes, two pilot projects on outcome tracking have been conducted at Beacon programs, one during the summer of 2006 and one to be completed in June 2007. In addition, a web-based enrollment and attendance tracking system is being developed for the FY 2008 Program. That data tracking system, based on one currently used by other DYCD programs, will enable Beacon contractors to record, report, and track enrollment, activities, and attendance, as well as to share information as appropriate with the Department of Education.

Recommendation #10: DYCD should ensure that Beacon contractor-performance evaluations are completed for all contractors at least once a year and submitted in a timely manner to MOCS for entry in VENDEX. Performance evaluations of terminating or expiring contracts should be conducted reasonably in advance of the contract's termination or expiration to ensure entry in VENDEX.

DYCD Response: Although not all Beacon contractor performance evaluations were filed within three months of the anniversary date of the Contract, DYCD considers unwarranted the conclusion on page 17 of the Draft Report: "any Beacon operator that was performing unsatisfactorily could have been considered for award by another City agency without being aware of the operator's deficiencies."

Details of the nine contracts that were assigned¹ were provided in a December 2006 writing to the audit staff. As explained therein, and as noted in the Draft Report, several of those contractors asked to be relieved of their contracts because of internal organizational changes within their agencies unrelated to their program performance.

For example, both Safe Horizon and Pius XII maintained satisfactory performance but asked to be relieved of their contracts. Safe Horizon did so upon an agency-wide reassessment which determined that the Beacon program was too remote from its core

¹If it determines that a client services contractor cannot meet its obligations, DYCD typically seeks to transfer the program by assignment to another contractor, rather than to create a break in services by terminating the contract.

mission. Pius XII, an affiliate of Catholic Charities, requested that its contract be assigned to Good Shepherd,² another affiliate of the group that had a stronger financial underpinning. Similarly, The Valley, a contractor in financial difficulties, ceased operations in early 2006 and thereafter was not in existence to seek a new City contract.

In addition to these three, two contractors with interlocking boards, Gloria Wise Boys and Girls Club (GW) and Pathways for Youth (PY), each of which had two Beacon contracts, were found by the Department of Investigation (DOI) to have misused City funds. As a result, DOI filed a VENDEX report/caution with respect to those contractors. Two other contractors, which had fiscal and administrative weaknesses, Aspects 27 and Hispanic Young People's Alternative, received ratings of "Needs Improvement" for FY 2006, notifying any City agency which would contract with either of the weakness of each.

In the case of a previously undetected contractor default, particularly a fiscal default as occurred with the GW and PY contracts, or the occurrence of a serious incident, termination or assignment may be effected with minimal notice to the contractor. In such instances it is impossible to conduct performance evaluations "reasonably in advance of the contract's termination or expiration to ensure entry in VENDEX."

In recognition of the importance of timely filing of performance evaluations, however, DYCD in spring 2007 held training sessions for contract managers in all program units, including the Beacon Unit, on this topic. It is expected that the training will result in more careful observation of filing requirements.

Conclusion: The Beacon program, begun in 1991, has received national attention for its use of school facilities for after-school and community programs for youth and adults. In its ongoing efforts to improve services, DYCD has developed the FY 2008 Program, designed to provide more focused services, especially for middle-school youth, as well as greater transparency, accountability, and efficiency in program operations.

² Good Shepherd hired existing staff of Pius XII, which had up to the time of the relinquishment of its contract, performed satisfactorily.

Agency Implementation Plan

DYCD has undertaken a comprehensive analysis of the Beacon program, including contract and monitoring documents and internal procedures, to develop the FY 2008 Program, which is expected to benefit from both a refined and focused program design and technology enhancements. To clarify the connection between contract requirements and internal monitoring activities for the FY 2008 Program, DYCD is also reviewing and revising its internal management and monitoring guides and instruments and developing information technology systems to track and record enrollment, attendance, activities, and outcomes. This task will be completed contemporaneously with the execution of FY 2008 Program contracts. Furthermore, the Beacon Unit staff has been augmented with a new director and deputy director experienced in and committed to youth program management. All Beacon Unit staff will be trained on the contracts, procedures, monitoring instruments, and technology systems to be used for the 2008 Program. The 2008 Program itself, and the training, are intended, depending upon the requirements of the revised procedures, to achieve the following:

1. Assurance that contract managers conduct all required field visits to the Beacon centers each year.
2. Assurance that contract managers complete, sign, date, and retain all monitoring documents in a timely and uniform manner.
3. Assurance that contract managers comply with all oversight and monitoring policies and procedures to document field visits and other monitoring activities.
4. Assurance that site visit findings are discussed with Beacon operators and that those discussions are documented.
5. Assurance that the Beacon Unit supervisor reviews, approves, signs, and dates all monitoring instruments and other documents promptly in compliance with DYCD procedures.
6. Assurance that the Beacon Unit supervisor complies, and directs contract managers to comply, with DYCD contract monitoring policies and procedures so that DYCD's contract monitoring activities are being carried out appropriately.
7. Assurance that contract managers carefully review and evaluate contractor reports and other monitoring instruments as part of their routine contract monitoring activities to identify and address program deficiencies and investigate any reported discrepancies.
8. Assurance that contract management activities are uniformly documented.
9. Intensified efforts to develop performance outcome measures that are measurable and feasible and do not rely exclusively on enrollment and attendance figures.
10. Assurance that performance evaluations are completed for all contractors in a timely manner as required by PPB rules.