

# AUDIT REPORT

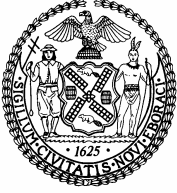


CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF MANAGEMENT AUDIT  
**WILLIAM C. THOMPSON, JR., COMPTROLLER**

## **Audit Report on the Controls of the Department of Design and Construction Over Contractor-Provided Vehicles**

*MH06-130A*

**June 26, 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 responsibilities of the Comptroller contained in Chapter 5, §93, of the New York City Charter, my office has conducted an audit of the controls of the Department of Design and Construction (DDC) over contractor-provided vehicles.

Under the terms some of some large DDC Construction contracts, contractors provide vehicles for use by the DDC engineers who perform inspections and attend meetings at job sites. We conduct audits such as this to ensure that agencies exercise adequate controls and oversight of their resources.

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

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

Very truly yours,

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

William C. Thompson, Jr.  
WCT/ec

**Report:** MH06-130A  
**Filed:** June 26, 2007

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

**Audit Report on the Controls of the  
Department of Design and Construction  
Over Contractor-Provided Vehicles**

**MH06-130A**

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**AUDIT REPORT IN BRIEF**

This audit determined whether the Department of Design and Construction (DDC) has adequate controls over the use and assignment of contractor-provided vehicles to DDC employees. The scope of this audit was Fiscal Year 2006.

Through the use of engineers, architects, and construction professionals, DDC designs and builds the City's streets, highways, sewers, and water mains as well as its public buildings. As of May 15, 2006, DDC oversaw 354 construction contracts totaling \$1.5 billion.

DDC provides its engineers at the Technical Support Division and the Infrastructure Division with vehicles to perform on-site inspections for construction-related projects across the City and to attend meetings at the various job sites. Some large construction contracts have provisions that provide for one or more vehicles to be used by DDC engineers for the duration of the contract. Those vehicles are registered to the City even though they are owned by the contractors. All expenses related to those vehicles (including insurance, parking, repair, gas, and maintenance) are considered contractor expenses. In Fiscal Year 2006, contractors provided DDC a total of 107 vehicles, which cost approximately \$1.4 million, an average of \$1,100 per vehicle per month.

**Audit Findings and Conclusions**

While DDC has established some controls over the use and assignment of contractor-provided vehicles (including maintaining assignment forms on file, using trip logs to record how vehicles are used, and instituting procedures for assigning vehicles), we believe that DDC controls over contractor-provided vehicles are inadequate. Specifically, six of the 154 DDC drivers we reviewed drove contractor-provided vehicles while having suspended drivers licenses or privileges. In addition, DDC could not provide evidence that one employee, who drove a contractor-provided vehicle on five separate days during Fiscal Year 2006, had a driver's license. New York State DMV records contained a non-driver ID only for this driver.

Our review of DDC files for the 154 drivers also revealed that the agency did not have a copy of current licenses for 25 of the 154 drivers. For 20 of the drivers there was a copy of an expired license on file, and for the other 5 drivers (including the one for whom we could find only a New York State non-driver ID) there was no copy of a license on file.

In addition, contractor-provided vehicles assigned to the Technical Support Division were used primarily for commuting rather than work-related purposes. For six of the eight contractor-provided vehicles assigned to the Technical Support Division during Fiscal Year 2006, the percentage of days that they were used exclusively for commuting ranged from 67 percent to 98 percent.

Four (13%) of the 32 engineers in our sample of drivers kept their vehicles at home for a week or more while they were on vacation, making these vehicles unavailable for use by other engineers in the division. DDC also failed to ensure that accurate records were maintained detailing how contractor-provided vehicles assigned to the Infrastructure Division were used and drivers did not complete their trip logs in accordance with DDC procedures.

### **Audit Recommendations**

Based on our findings, we make eight recommendations, including those listed below. DDC should:

- Update and review its manual files to ensure that all DDC drivers have valid and up-to-date driver's licenses.
- Follow up more effectively upon notification by DMV that employee licenses have been revoked or suspended and take appropriate action—either by having those employees correct their license status or by suspending the employees' driving privileges.
- Better utilize the contractor-provided vehicles assigned to Technical Support.
- DDC should establish a written policy that clearly incorporates procedures for assigned vehicles when an engineer is planning to be away for a week or more and distribute this policy to all drivers.
- Require that Infrastructure Division drivers complete the trip logs as required.

### **Agency Response**

DDC generally agreed with the audit's findings and recommendations.

## INTRODUCTION

### **Background**

The Department of Design and Construction (DDC) was created in 1995 by Local Law 77, which authorized DDC to assume responsibility for City capital construction projects that were formerly the responsibility of the Departments of Transportation, Environmental Protection, or Citywide Administrative Services. DDC oversees projects for some 22 City agencies. Through the use of engineers, architects, and construction professionals, DDC designs and builds the City's streets, highways, sewers, and water mains as well as public buildings such as firehouses, police stations, jails, and courts.

As of May 15, 2006, DDC oversaw 354 construction contracts totaling \$1.5 billion. The projects under those contracts were the responsibility of three divisions: the Infrastructure Division (responsible for the design and construction of roadways, sewers, and water mains for the Department of Environmental Protection and the Department of Transportation); the Structure Division (responsible for the design and construction of buildings); and the Technical Support Division (responsible for on-site engineering inspections, quality assurance, and environmental health and safety services).

DDC provides its engineers at the Technical Support Division and the Infrastructure Division with vehicles to perform on-site inspections for projects across the City and to attend meetings at the various job sites. In July 2006, DDC owned and operated 93 vehicles, including small, intermediate, and large utility vehicles. In addition, some large construction contracts have provisions that provide for one or more vehicles to be used by DDC engineers for the duration of the contract. Those vehicles are registered to the City even though they are owned by the contractors. All expenses related to those vehicles (including insurance, parking, repair, gas, and maintenance) are considered contractor expenses. The insurance liability for contractor-provided vehicles is the responsibility of the contractor; however, improper use of the vehicle is considered the City's liability.

In Fiscal Year 2006, contractors provided DDC a total of 107 vehicles, which cost approximately \$1.4 million, an average of \$1,100 per vehicle per month. The vehicles included large utility-type vehicles with space provided for equipment and mid-sized vehicles. Of the 107 contractor-provided vehicles, 99 were assigned to the Infrastructure Division and 8 were assigned to the Technical Support Division.

According to DDC procedures, all employees who drive a DDC vehicle or vendor-provided vehicle must have a valid driver's license, copies of which are maintained at the office of Fleet Management. In addition, each driver assigned a vehicle for commuting must complete a Request for Assignment of Passenger Vehicle (Assignment) form. Among other things, this form includes a reason the vehicle is needed for commuting.

## **Objective**

The objective of this audit is to determine the adequacy of Department of Design and Construction controls over the use and assignment of contractor-provided vehicles to DCC employees.

## **Scope and Methodology**

The scope of this audit was Fiscal Year 2006. To gain an overall understanding of DDC procedures and controls over contractor-provided vehicles, the City of New York's *Regulations for City Vehicle Drivers* (January 1997), the DDC Division of Administration *Vehicle Manual* (July 2004), and the DDC Bureau of Quality Assurance and Construction *Safety Vehicle Usage Protocol* (June 2006) were reviewed. In addition, we interviewed DDC officials, administrative staff members, and several engineers in the Technical Support Division who drove contractor-provided vehicles during our scope period.

DDC provided a listing of 107 contractor-provided vehicles in use as of June 13, 2006; these vehicles were associated with 75 contracts. To determine the completeness and validity of this list, the following steps were performed:

- A listing of all DDC contracts active during Fiscal Year 2006 was obtained from the Comptroller's Office of Contract Administration and was sorted by contract type.
- To determine which of the contract types had the majority of contractor-provided vehicles, we conducted a preliminary review of a limited number of contracts on the Omnibus Automated Images Storage Information System (OASIS) by contract type. Based on this review, we determined that the majority of contractor-provided vehicles were obtained through DDC's construction contracts (type 05).
- Of the 354 DDC construction contracts (type 05), we reviewed all 110 contracts that were valued at \$3.7 million and above and found 67 contracts with provisions for a vehicle.
- We compared our list of contracts with vehicles to DDC's listing of contractor-provided vehicles. Any differences between the two lists were reconciled so that we could be satisfied that the list of 107 contractor-provided vehicles was complete and valid.

The DDC listing of the 107 contractor-provided vehicles identified the 105 employees who were assigned contractor-provided vehicles as of June 13, 2006. We reviewed the 107 vehicle files maintained by the Fleet Management Division. In addition, we judgmentally selected 33 of the 107 contractor-provided vehicles—the 8 vehicles assigned to the Technical

Support division and 25 randomly selected vehicles assigned to the Infrastructure Division. We reviewed the files of 32 drivers who had been assigned to these vehicles during June 2006. (The remaining vehicle was not assigned to a specific driver during June 2006). In addition, we reviewed the 32 Assignment forms to determine whether those forms were completed and approved and (if appropriate) contained a reason the vehicles were needed for commuting.

Based on our review of the vehicle mileage logs (trip logs) for the sampled 33 vehicles, we determined that an additional 49 drivers used these vehicles during our scope period. We therefore reviewed DDC files to ascertain whether DDC had copies of the current driver's licenses on file for our total of 154 drivers (the 105 employees who had been specifically assigned a vehicle as of June 13, 2006 and the additional 49 drivers whom we identified).

The State Department of Motor Vehicles (DMV) was queried to determine whether all 154 drivers who had driven contractor-provided vehicles during our scope period had valid driver's licenses and were therefore allowed to drive those vehicles. If we found that a driver had suspended driving privileges in New York State as of January 31, 2007, we reviewed the trip logs to find out whether the driver used these vehicles at the time of the suspension.

We reviewed all of the 263 trip logs for the sampled 33 vehicles (75 logs from the Technical Support Division and 188 logs from the Infrastructure Division) that were available as of June 13, 2006, to determine:

- Whether the trip logs were completed properly by the drivers and maintained at the Fleet Management Division.
- How often the vehicles were used for business purposes and how often for commuting.
- How often vehicles were not being used while employees were on vacation. (We queried the Payroll Management System to determine the type of leave taken by these employees.)
- Whether the commuting mileage recorded on the trip logs was reasonable, by comparing those miles with the distance the employee lived from work, as determined by online mapping programs.

Between August 2 and August 14, 2006, we performed seven physical observations at the desk of the Technical Support Division Vehicle Coordinator, where the vehicles are assigned and the keys maintained, as well as at the parking lot where the vehicles are kept, to determine: whether all the vehicles were brought back in the morning and the keys given to the Vehicle Coordinator; whether there was an adequate number of vehicles for engineers to visit job sites; and whether the mileage indicated on the vehicles' odometers matched the mileage recorded on the trip log kept in the driving compartment of the vehicle.



The results of the above tests, while not statistically projected to the populations from which the samples were drawn, provided a reasonable basis for us to assess the adequacy of DDC controls over the use and assignment of contractor-provided vehicles to its employees.

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. It was performed in accordance with the audit responsibilities of the City Comptroller 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 DDC officials during and at the conclusion of this audit. A preliminary draft report was sent to them and discussed at an exit conference held on April 19, 2007. On May 10, 2007, we submitted a draft report to DDC officials with a request for comments. We received a written response from DDC officials on May 24, 2007. In their response, they generally agreed with the findings and the eight recommendations.

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

## FINDINGS AND RECOMMENDATIONS

While DDC has established some controls over the use and assignment of contractor-provided vehicles (including maintaining Assignment forms on file, using trip logs to record how vehicles are being used, and instituting procedures for assigning vehicles), we believe that DDC controls over contractor-provided vehicles are generally inadequate. Six of 154 DDC employees drove contractor-provided vehicles while having suspended drivers licenses or privileges. In one instance, DDC provided no evidence that an employee who drove a contractor-provided vehicle had a driver's license. (New York State DMV records contained a non-driver ID only for this driver.) In addition, contractor-provided vehicles assigned to the Technical Support Division were used primarily for commuting and not work-related purposes. DDC also failed to ensure that accurate records were maintained detailing how contractor-provided vehicles assigned to the Infrastructure Division were used.

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

### **Failure to Adequately Monitor Driving Records**

#### **Drivers without Valid Drivers Licenses Operated Contractor-Provided Vehicles**

The City's policy recommends that agencies participate in the DMV License Event Notification Service (LENS) to assist them in monitoring the driving behavior of their employees. LENS is a free service to the City provided by DMV that enables an agency to supply DMV a motorist's identification number (driver's license number) and birth date. In return, DMV notifies the participating agency whenever an employee's driver's license has been suspended or revoked, when an employee has been charged with driving while impaired by alcohol or drugs, or when an employee has left the scene of an accident. Once notified, an agency is responsible for taking action to prevent the employee from driving a vehicle, such as taking the vehicle from the driver.

Our review of DMV records for 154 DDC drivers found that one employee had been issued only a New York State non-driver ID, yet drove a contractor-provided vehicle on five separate days during Fiscal Year 2006. In addition, six of the drivers were operating contractor-provided vehicles during periods when their driving privileges had been suspended. These violations should not have occurred since DDC participates in the LENS program and would have been electronically notified by DMV of any suspensions of driver's licenses of DDC drivers. Employees who drive contractor-provided vehicles while having suspended licenses are not only breaking the law, but are also putting the public safety at risk and increasing the potential for City liability.

According to *City of New York Regulations for City Vehicle Drivers Accident Reporting and Loss Control*, issued January 1997, p, 8, §B., "Violations":

“No employee may be authorized to drive a City vehicle or personally owned vehicle for City business/operations if the employee has accumulated or been found guilty of: . . . .A suspended or revoked license.”

In addition to City regulations, Chapter 2 of the DMV manual *Driving While Suspended or Revoked* states:

“It is a criminal violation to drive while your license is suspended or revoked, and there are mandatory fines from \$200 to \$5,000. You also may face mandatory imprisonment or probation, and seizure and possible forfeiture of the vehicle being driven. More severe penalties apply to drivers who are caught driving while intoxicated or impaired by alcohol or drugs while their licenses or privileges are already under suspension or revocation for a previous alcohol or drug-related incident, and to drivers caught driving with 10 or more suspensions for failure to answer traffic tickets or pay fines.”

Table I, below, shows the six DDC drivers who, during Fiscal Years 2005 and 2006, were operating contractor-provided vehicles while their driving privileges were suspended in New York State and includes additional driving incidents on their driving records.

**Table I**

DDC Drivers Using Contractor-Provided Vehicles  
While Driver’s Licenses or Privileges Were Suspended in New York State  
Fiscal Years 2005 and 2006

<b>Driver</b>	<b>State Issuing License</b>	<b>Reason for Suspension</b>	<b>Additional Driving Infractions</b>	<b>Dates of Suspension in New York State</b>
1	NY	Driving While Impaired*	Conviction for Speeding	May 6, 2005, to June 14, 2005
2	NY	Failed to Pay Fine	Conviction for using cell phone while driving	June 1, 2006, to June 18, 2006
3	NY	Failed to Answer Summons	Convictions for disobeying traffic device and no seat belt	August 17, 2005, to September 1, 2005
4	NY	Failed to Answer Summons	Conviction for using cell phone while driving	December 16, 2005, to January 8, 2006
5	NJ	Failed to Answer Summons	Convictions for using cell phone while driving and Failure to stop at sign	November 14, 2005, to November 29, 2005
6	NJ	Failed to Report an Accident		February 22, 1996, to April 6, 2006

\*Driver’s license was revoked on May 19, 2005, and a conditional license was issued on June 15, 2005.

As shown in Table I, above, two of these drivers held New Jersey licenses. New York State has the authority to suspend the driving privileges in this state for out-of-state drivers. It has a reciprocal agreement to report infractions with 44 other states (including New Jersey), which enables it to suspend an out-of-state driver's driving privileges in this state. Drivers from any state except six (Alaska, California, Michigan, Montana, Oregon, and Wisconsin) will have their driver licenses suspended in their own state for failure to answer a moving-violation summons in New York State. Until their suspensions are cleared, the drivers would not have permission to drive any vehicles in New York State.

To help prevent accidents and injuries, the City requires that only those employees who exercise reasonable care in operating City- or personally-owned vehicles be allowed to use vehicles to conduct City business. DDC has an obligation to ensure that its drivers comply with all regulations regarding the use of vehicles and that only drivers with valid licenses operate vehicles while conducting City business.

### **Failure to Maintain Copies of Current Drivers Licenses**

According to the *Regulations for City Vehicle Drivers*, all employees who are assigned a City-owned or leased vehicle for either full-time or temporary use must have a valid driver's license from New York State (or other state of residence) before they have authorization to drive the vehicle. In addition, City regulations require that all City agencies keep a copy of all valid driver's licenses on file and establish a system to ensure that all driver's licenses are renewed after their expiration date.

Our review of DDC files for the 154 drivers revealed that the agency had a copy of the current licenses for only 129 of the 154 drivers. For the remaining 25 drivers, a copy of a valid driver's license was not on file. For 20 of these 25 drivers, there was a copy of an expired license on file, and for the other 5 drivers, there was no copy of a license on file, including the one for whom we could find only a New York State non-driver ID. By failing to review and update its driver's-license files, DDC creates a potential risk to the City should a DDC driver have an accident while not having a valid driver's license.

### **Recommendations**

DDC should:

1. Update and review its manual files to ensure that all DDC drivers have valid and up-to-date driver's licenses.

***DDC Response:*** DDC generally agreed stating that “the Department is also updating its manual files to reflect all current drivers’ licenses.”

2. Follow up more effectively upon notification by DMV that employee licenses have been revoked or suspended and take appropriate action—either by having those employees correct their license status or by suspending the employees’ driving privileges.

***DDC Response:*** DDC generally agreed stating, “DDC has issued a Commissioner’s Directive requiring all personnel to immediately notify DDC if their license is suspended or in danger of being suspended.”

3. Better monitor its drivers through the LENS program by ensuring that the list of DDC drivers sent to LENS is complete and includes all drivers, including those with out-of-state licenses.

***DDC Response:*** DDC generally agreed stating, “DDC is researching with NYS and other states to determine the best method for obtaining timely suspension information for out-of-state employees.”

**Vehicles Assigned to Technical Support Division Are Primarily Used for Commuting and not for Work-Related Purposes**

Based on our review of the trip logs, we found that six of the eight contractor-provided vehicles assigned to the Technical Support Division during Fiscal Year 2006 were primarily used for commuting. The percentage of days that those six vehicles were used exclusively for commuting ranged from 67 percent to 98 percent.

According to DDC officials, eight vehicles were shared by staff members throughout the Technical Support Division and assigned to engineers on an as-needed basis. DDC stated that during the day, vehicles not in use were parked in a paid parking facility near DDC headquarters at 30-30 Thompson Street, Long Island City. In the evening, the vehicles were driven home by the assigned staff members. Each morning the vehicles were brought back to headquarters. Over the weekend, those vehicles assigned to a staff member could have been taken home by the employees but were not to be used for personal purposes. The vehicles that were not assigned to a specific employee for commuting were left in the parking facility overnight and on weekends.

While DDC allows drivers to use these vehicles for commuting, the primary purpose of the vehicles is that they be available to all engineers who perform on-site visits, attend meetings, and perform inspections at the various job sites throughout the city. The costs assigned by the contractors for those eight vehicles ranged from \$700 to \$4,000 per month. The expenses covered by the contract include fuel, oil, maintenance, tires, repairs, and parking for the vehicle. Officials from the Technical Support Division stated that during the day, those vehicles are parked in a parking facility across the street from DDC headquarters and made available to all Technical Support Division engineers whenever needed to go to the field for site visits.

***DDC Response:*** In his letter, the Commissioner stated that in addition to the steps noted in his response with regard to the recommendations, “DDC will modify construction contract language to fix the monthly cost for a contractor vehicle at a standard rate. This process will eliminate fluctuations in the monthly rates between vehicles and should also help lower the overall expense of this item.”

Based on our review of the individual trips recorded on the trip logs for all eight vehicles, these vehicles were used a total of 1,232 days during Fiscal Year 2006. However, according to the logs, the vehicles were used for work-related purposes (i.e., to visit a work site, to attend meeting, etc.) on only 431 of those days. For the remaining 801 (65%) days, the vehicles were used exclusively for commuting purposes. Table II, below, shows how many days the vehicles were used for work-related purposes versus for commuting purposes only, listed by vehicle.

**Table II**

Breakdown of Vehicle Use by Technical Support Staff  
During Fiscal Year 2006

<b>Vehicle Number</b>	<b>A Total Number of Days Vehicle Was Used</b>	<b>B Number of Days Vehicle Was Used for Work-Related Purposes</b>	<b>C Number and Percentage of Days Vehicle Was Used For Commuting Only</b>	<b>D Number of Months Vehicle Was Used During Fiscal Year*</b>	<b>E Cost of Vehicle During the Fiscal Year</b>	<b>F Cost of Vehicle for Days Used for Commuting Only (Col. C x Col. E)</b>
CTR 3	221	149	72 (33%)	12	\$8,400	\$2,772
CTR 14	135	35	100 (74%)	8	\$12,000	\$8,880
CTR 25	54	15	39 (72%)	3	\$12,000	\$8,640
CTR 57	211	70	141 (67%)	12	\$13,800	\$9,246
CTR 72	183	110	73 (40%)	12	\$24,000	\$9,600
CTR 73	116	13	103 (89%)	7	\$9,100	\$8,099
CTR 121**	187	4	183 (98%)	11	\$16,500	\$16,170
CTR 129	125	35	90 (72%)	10	\$15,000	\$10,800
<b>Totals</b>	1,232	431	801 (65%)	75	\$110,800	\$74,207

\* Not all vehicles were in use during the entire fiscal year.

\*\* Trip logs for one month of the fiscal year were not present in the files.

Assignment forms indicated that five of the eight vehicles were mainly assigned to upper management employees, including an Assistant Commissioner, a Deputy Assistant Commissioner, and three Directors. As shown in Table II, above, six of the eight vehicles (including five assigned to upper management employees) were used strictly for commuting purposes at least two-thirds of the time; one vehicle (#CTR121) was used for commuting purposes 98 percent of the time. Nevertheless, the justification stated on the Assignment form for this vehicle stated, "Vehicle used for daily site visits, inspections and for emergency response."

On the Assignment form for another vehicle (#CTR25), the driver omitted the reason he needed a vehicle full-time for commuting. His form also lacked the necessary authorization signature. On June 14, 2006, this driver (who is a Director) prepared the Bureau of Quality Assurance and Construction Safety Vehicle Usage Protocol and included the following statement: "Vehicle CTR-025 shall be exempt from regular daily assignment so as to be available for emergency response call out or Commissioner's Request."

These vehicles are intended to aid DDC in monitoring the work of contractors. The fact that these vehicles are being used primarily for commuting indicates that either the vehicles are being poorly utilized or that DDC has more vehicles than needed to monitor contractors. We acknowledge that vehicle cost is a small percentage of the total contract. Nevertheless, we believe that the \$74,207 could be put to better use than to provide a transportation benefit to certain employees.

### **Recommendations**

DDC should:

4. Perform an analysis of the contractor-provided vehicles assigned to Technical Support to assess the Division's true transportation needs in regard to performing site visits and any other work-related tasks.

***DDC Response:*** DDC agreed stating, "DDC is doing a complete review of the cost and use of the vehicles in the Technical Support Unit to ensure that they are being utilized efficiently and effectively for City work."

5. Better utilize the contractor-provided vehicles assigned to Technical Support.

***DDC Response:*** DDC agreed stating, it "has instructed all unit heads that vehicles be made readily available during work hours for work-related usage."

### **Vehicles Not in Use While Drivers Took Off From Work**

Four (13%) of the 32 engineers in our sample of drivers kept their vehicles at home for a week or more while they were on vacation. According to the Chief Administrator at the Infrastructure Division, although there is no written policy regarding this issue, DDC expects drivers who plan to be away for a week or more to return the vehicles to DDC offices so that they are available for use by other engineers in the division. She stated that when an engineer is on vacation, the vehicle can be used by another engineer who is temporarily overseeing the contract.

Based on the gaps in dates we observed on the daily trip logs, four vehicles were not being used by the assigned drivers for periods ranging from 5 to 18 business days. Table III,

below, shows the number of days the assigned vehicles were not in use and were unavailable to other DDC engineers.

**Table III**

Number of Days Vehicles Unavailable  
Fiscal Year 2006

<b>Vehicle Number</b>	<b>Division Assigned</b>	<b>Dates Vehicle Kept at Home of Engineer</b>	<b>Total Number of Business Days Vehicle Not Available</b>
CTR 76	Infrastructure Division	December 16, 2005–January 13, 2006	18 days
		March 30, 2006–April 14, 2006	12 days
		May 24, 2006 thru June 12, 2006	9 days
CTR 24	Infrastructure Division	September 26 2005–September 30, 2005	5 days
CTR 54	Infrastructure Division	December 13, 2005–January 6, 2006	18 days
CTR 12	Infrastructure Division	August 5 2005–August 12, 2005	7 days

Since these vehicles are being provided to DDC for the DDC engineers to oversee the contract, DDC should not be paying for these vehicles to be parked unused for up to three and a half weeks simply because an engineer is on vacation. DDC should establish an official written policy and ensure that all employees are aware of it and follow it.

**Recommendation**

6. DDC should establish a written policy that clearly incorporates procedures for assigned vehicles when an engineer is planning to be away for a week or more and distribute this policy to all drivers.

***DDC Response:*** DDC agreed stating, “DDC has issued a Commissioner’s Directive stating that cars must be reassigned during planned leave to get the most use from these vehicles. Drivers must notify their vehicle coordinators when out from work for a week or more and make the car available to alternative drivers who are assigned to this project(s) during this period.”



**Failure to Maintain Detailed Records  
That Accurately Reflect Vehicle Use**

Drivers at the Infrastructure Division did not complete their trip logs in accordance with DDC procedures. As a result, DDC is unable to effectively monitor vehicle use and ensure that vehicles are used primarily for work-related purposes.

According to DDC procedures:

“A vehicle mileage log (trip-log) must be submitted to your Divisions Vehicle Coordinator on the last day of each month. Coordinators are responsible for forwarding all logs to the Vehicle Management Unit. **This is an agency-wide mandatory procedure for all Department of Design and Construction City owned and contractor provided vehicles.** [Emphasis in original.] All requested information must be provided at the top of the form. The date, beginning and ending time and mileage must be provided for each trip. A trip consists of a starting point such as . . . and an ending point.”

Of the 107 contractor-provided vehicles, 99 were assigned to the Infrastructure Division. These vehicles were assigned to engineers who used the vehicles for both commuting and on-site visits. Over the weekend these vehicles were permitted to be taken home by the engineers but not allowed to be used for personal purposes.

Our review of 188 monthly trip logs completed by our sample of 25 Infrastructure Division drivers revealed that 149 logs completed by 19 drivers did not identify each trip individually, as required. All trips for a day were combined and listed as one trip. In some logs the trips were listed separately; however, the addresses of the destinations were often omitted or were illegible. For example, on his December 2005 trip log, the engineer for vehicle number CTR 97 typed in: “HOME–VARIOUS FIELD–OFFICE LOCATIONS–HOME” on one line for the entire day in both the Starting Point column and Destination column. In another example, on his November 2005 trip log the engineer for Vehicle number CTR 31 indicated each trip separately, but in the Starting Point column, instead of an address, he wrote, “F.O.” (Field office), and in the Destination column wrote “site.”

Although the 25 sampled drivers submitted their trip logs to the Vehicle Coordinator, according to DDC officials these trip logs were not reviewed by either the Vehicle Coordinator or the Vehicle Management Unit. A review would have shown that the established procedure requiring details of each trip was not being followed. In addition, had the procedure been followed correctly, it would have helped DDC to track vehicle use by drivers for both business and personal purposes.

## **Recommendations**

DDC should:

7. Require that the Infrastructure Division drivers complete the trip logs as required.

***DDC Response:*** DDC agreed stating, “DDC has strengthened its current policy by issuing a Commissioner’s Directive stating that trip logs must be correctly filled out reflecting each stop made.”

8. Require that Vehicle Coordinators review the trip logs and sign them as evidence of a review.

***DDC Response:*** DDC agreed stating that “logs will be reviewed and signed off by vehicle coordinators. DDC’s Fleet Management & Internal audit Units will randomly review trip logs to ensure that they are completed correctly. Drivers that complete logs incorrectly may face disciplinary action.”



DAVID J. BURNEY, AIA  
Commissioner

May 24, 2007

John Graham  
Deputy Comptroller  
NYC Office of the Comptroller  
1 Centre Street  
New York, NY 10007

Re: NYC Comptroller's Draft Audit Report on Controls of the Department of Design and Construction Over Contractor-Provided Vehicles  
MD06-130A

Dear Mr. Graham:

Thank you for the opportunity to respond to the draft audit on the Department of Design and Construction's (DDC's) Controls Over Contractor-Provided Vehicles before its public release. We appreciate your recommendations and have taken steps to further strengthen our policies and procedures related to vehicle use.

The following is DDC's response and comments to each of the audit recommendations contained in the draft audit report:

Audit Recommendation # 1: "Update and review its manual files to ensure that DDC drivers have valid and up-to-date licenses."

Audit Recommendation # 2: "Follow up more effectively upon notification by DMV that employee licenses have been revoked or suspended and take appropriate action – either by having those employees correct their license status or by suspending the employees' driving privileges."

Audit Recommendation # 3: "Better monitor its drivers through the LENS program by ensuring that the list of DDC drivers sent to LENS is complete and includes all drivers, including those with out-of-state licenses."

**DDC's Response to Recommendations # 1, 2 & 3:** DDC and City policy is that only qualified drivers with valid licenses operate vehicles while performing City business. In an effort to further strengthen our current policy on this important matter, DDC has issued a Commissioner's Directive requiring all personnel to immediately notify DDC if their license is suspended or in danger of being suspended. Failure to notify can



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result in disciplinary action against the driver. In addition, DDC is mandating additional training for all drivers. DDC maintains an up-to-date automated database of current DDC drivers' licenses. This database is our basis for ensuring that DDC drivers have current licenses. Drivers whose licenses are approaching expiration will be asked to bring in their new license and the database will be updated. In addition, the Department is also updating its manual files to reflect all current drivers' licenses.

DDC utilizes the New York State (NYS) License Event Notification Service (LENS) program and is working to address shortcomings on the LENS program. Some of these shortcomings include: it may not notify the user (DDC) immediately of a suspension (can be up to a three-week delay from suspension to notification); and there is no automatic notification of NYS violations for out-of-state drivers (a search must be performed on each individual out-of-state driver and will only work if that driver once held a NYS license). In order to maintain a proper audit trail, DDC will better document the notification of suspensions between LENS, DDC and our drivers.

In the draft report, the auditors cited cases of drivers operating vehicles while privileges were suspended. In one case, an employee's NYS driving privileges were suspended since he was charged with a DWI (Driving While Impaired). In this case, the employee immediately notified DDC of the incident that occurred while driving his personal vehicle during non-working hours. This driver did not operate a City vehicle during his suspension. The vehicle was returned to the contractor by another DDC employee and the paper work reflected the suspended driver's name only because the car was assigned to him. As an additional step, DDC revoked this employee's agency driving privileges for one year past the date the suspension was lifted by NYS. For the two NJ drivers listed on this schedule, notification of suspension information is not automatic from NYS and a separate search must be performed to obtain this information for each out-of-state employee. DDC is researching with NYS and other states to determine the best method for obtaining timely suspension information for out-of-state employees. In the remaining suspension cases, it is unclear if DDC was notified on a timely basis and to address this, as stated above, DDC will ensure that proper documents relating to suspensions are properly filed and maintained.

Audit Recommendation # 4: "Perform an analysis of the contractor-provided vehicles assigned to Technical Support to assess the Division's true transportation needs in regard to performing site visits and any other work-related tasks."



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Audit Recommendation # 5: "Better utilize the contractor-provided vehicles assigned to Technical Support."

**DDC's Response to Recommendations # 4 & 5:** DDC is doing a complete review of the cost and use of the vehicles in the Technical Support Unit to ensure that they are being utilized efficiently and effectively for City work. As stated below, DDC mandates proper completion of logs and has instructed all unit heads that vehicles be made readily available during work hours for work-related usage.

Audit Recommendation # 6: "DDC should establish a written policy that clearly incorporates procedures for assigned vehicles when an engineer is planning to be away a week or more and distribute this policy to all drivers."

**DDC's Response to Recommendation # 6:** To further strengthen our current policy, DDC has issued a Commissioner's Directive stating that cars must be reassigned during planned leave to get the most use from these vehicles. Drivers must notify their vehicle coordinators when out from work for a week or more and make the car available to alternate drivers who are assigned to this project(s) during this period.

Audit Recommendation # 7: "Require that the Infrastructure Division drivers complete the trip logs as required."

Audit Recommendation # 8: "Require that Vehicle Coordinators review the trip logs and sign them as evidence of a review."

**DDC's Response to Recommendations # 7 & 8:** DDC has strengthened its current policy by issuing a Commissioner's Directive stating that trip logs must be correctly filled out reflecting each stop made. In addition, logs will be reviewed and signed off by vehicle coordinators. DDC's Fleet Management & Internal Audit Units will randomly review trip logs to ensure that they are completed correctly. Drivers that complete logs incorrectly may face disciplinary action.



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In addition to all of the above steps, DDC will modify construction contract language to fix the monthly cost for a contractor vehicle at a standard rate. This process will eliminate fluctuations in the monthly rates between vehicles and should also help lower the overall expense of this item.

Sincerely,

A handwritten signature in black ink, appearing to read "David Burney".

David J. Burney, AIA