



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
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DEPUTY COMPTROLLER FOR
AUDIT

BUREAU OF AUDIT

September 15, 2023

By Electronic Delivery

Commissioner Jessica Tisch
NYC Department of Sanitation
125 Worth Street, Room 720
New York, NY 10013

Re: Audit of the Department of Sanitation's Oversight of Its Solid Waste Management Service Contract with Waste Management of New York, LLC at the Harlem River Yard in the Bronx (FP23-068A)

Dear Commissioner Tisch:

This Final Audit Letter Report concerns the New York City Comptroller's audit of the Department of Sanitation's (DSNY) oversight of its solid waste management service contract with Waste Management of New York, LLC (WMNY) at the Harlem River Yard in the Bronx. As directed by this contract, WMNY provides municipal solid waste management, transportation, and disposal services at the Waste Management Bronx Project.

The objectives of this audit were to determine whether the payments by DSNY to WMNY for the Waste Management Bronx Project were accurate and in compliance with the contractual terms, and whether WMNY complied with other major contract terms and conditions. The scope of this audit was Fiscal Years 2021 and 2022 (July 1, 2020 through June 30, 2022).

Background

DSNY is responsible for the collection, transport, and disposal of municipal solid waste generated by residential and government buildings in New York City. On July 18, 2007, the City entered a 20-year, \$1.1 billion service contract with WMNY to manage a waste transfer station in the South Bronx and to provide transportation and disposal services from there (Waste Management Bronx Project).¹

WMNY has a long-term leasehold interest in and operates this site to receive and containerize municipal solid waste. The site is located in Bronx Community District 1. WMNY is responsible for obtaining, financing, maintaining, repairing, replacing, and managing all equipment and other necessary assets. In addition, the contract requires that WMNY maintain specific amounts of insurance coverage throughout the term of the contract.

¹ DSNY picks up waste from residential buildings and municipal buildings, and then transports the waste to the Waste Management Bronx Project, where it is weighed, collected, and transported to other locations outside of New York City.

The City pays a monthly Service Fee to WMNY as compensation for these services. The Service Fee is calculated monthly and is the sum of various components. According to the NYC Financial Management System (FMS), the City paid WMNY \$67.7 million in FY2021 and \$69.5 million in FY2022, pursuant to the contract.

Audit Findings

The auditors determined that DSNY generally maintained proper oversight of the WMNY operations at the Bronx Project location. Specifically, DSNY maintained strong supervision over the collection of receipts for the waste delivered to the site, as well as the calculation of the payments to WMNY.

However, the audit also found that DSNY did not have procedures in place to ensure that WMNY maintained proper insurance coverage from 2008 to the present. DSNY had no coverage documents for these years on file, and moreover, once obtained at the request of the auditors, it was determined that coverage amounts had not been adjusted based on the Consumer Price Index, in successive years. Insurance maintained by WMNY, therefore, may not have met the coverage requirements for the entire contractual period.

According to the contract, WMNY may be assessed liquidated damages for failing to maintain required insurance, including when, as here, insurance amounts were not adjusted in accordance with the Consumer Price Index.

Further information is provided below.

DSNY Did Not Have Procedures in Place to Ensure WMNY Maintained Annual Insurance Coverage as Required

Section 11.1(c) of the service contract requires that WMNY submit certificates of insurance “not later than 30 days prior to the beginning of each Contract Year.” However, when auditors requested copies of the certificates of insurance for FY2021 and FY2022, DSNY provided reprinted copies dated March 31, 2023. DSNY stated that it did not have the original copies on file.

During a meeting held on April 11, 2023, DSNY explained that in the procurement stage of the contract, the Agency Chief Contracting Officer (ACCO) ensures that the vendor follows the contract’s insurance requirements. The ACCO explained that once the contract is registered, the responsibility lies with the DSNY Bureaus.

In this instance, the Bureau of Solid Waste Management (SWM) was responsible for following up with WMNY on an annual basis to ensure they were complying with insurance requirements. However, the Deputy Director of SWM, who oversees this WMNY contract, stated that he had no previous knowledge of this responsibility.

As a result of this conversation, the auditors requested original certificates of insurance from DSNY, for the duration of the contract, from 2008 to the present. DSNY had to request them from WMNY.

The ACCO stated that WMNY may have been submitting the certificates to an incorrect address listed in the contract. DSNY further stated that it did not have a filing or tracking system in place to ensure that vendors were renewing their insurance coverage every year.

It is WMNY’s responsibility to have the proper insurance throughout the term of the contract, and DSNY’s responsibility to hold its contractors accountable and ensure they comply with all contract terms and conditions. Vendor contracts require proper insurance coverage to protect the City from liability claims. In FY 2022, there were 1,413 claims filed against DSNY and \$79.9 million paid in settlement of claims brought against DSNY. While these numbers represent overall claims and

settlement payouts and are not specific to claims related to WMNY, they do underscore the need for DSNY to protect itself and the City with proper insurance coverage.

On May 31, 2023, in response to the audit findings, DSNY submitted new procedures implemented by its ACCO's office, with detailed instructions for DSNY's project managers to follow when reviewing insurance forms. In addition, the ACCO now requires that all payment tracking sheets be accompanied by proof of valid and current insurances. Payment requisitions will no longer be processed unless they include current and valid insurance forms.

WMNY May Not Have Met All the Contract's Insurance Coverage Requirements

While the auditors were able to verify that most insurance coverage was in place during this period, the insurance may not have met the Contract's coverage requirements.²

The contract requires several types of insurance coverage, including commercial general liability, excess liability, all risk property damage, and pollution legal liability. Appendix 4, Section 4.3 of the contract further requires that the insurance coverage "shall be escalated by the Consumer Price Index of New York (CPINY) Adjustment Factor" each year of the contract.³

The auditors' review of certificates of insurance from the start of the contract in 2007 to 2022 found that WMNY did not adjust coverage for most required insurances. For example, WMNY's commercial general liability coverage remained static (set at \$5 million) every year from 2007 to 2022. Using the CPINY Adjustment Factor, general liability coverage in 2022 should have been \$6.6 million.

At an exit conference held on June 16, 2023, DSNY stated that WMNY currently has an excess liability insurance of \$100 million which exceeds the contract requirement. DSNY further explained it had consulted the City's Law Department and confirmed that the excess liability insurance coverage covers the CPINY increase for general liability, automobile liability, and employer's liability, and that additional adjustments are not needed for the present.

However, the auditors' review found that it was not until 2016 that the excess liability insurance coverage increased from \$65 million to \$100 million, which means WMNY did not have the required CPINY adjusted insurance coverage for excess liability from 2008 through 2015.

In an e-mail dated June 19, 2023, DSNY stated, "The contract requires 'excess liability' in the amount of \$10 million. Waste Management provided \$65 million in umbrella liability at the start of the contract, which far exceeded that required amount and which more than covered for the CPINY-escalated insurance limits for the other types of insurance throughout the term of the contract. Waste Management was not required to increase its \$65 million in umbrella liability coverage by the CPINY Adjustment Factor because it was already 6.5 times larger than the required contract amount. Waste Management then increased its umbrella liability coverage to \$100 million during the contract term, which served to further make the umbrella coverage that much larger than the CPINY-escalated insurance limits for the other types of insurance." DSNY restated this in a letter sent to our office on June 27, 2023.

² The auditors were unable to determine whether WMNY maintained All Risk Property Insurance for 2008 through 2010. DSNY only submitted related coverage certificates for 2007, and 2011 to the present. For the years of 2008 through 2010, DSNY in a letter sent to our office on July 6, 2023, stated that WMNY Legal Counsel affirmed that coverage existed.

³ According to the contract, CPINY "means the final annual value in a given Calendar Year for the Consumer Price Index, All Urban Consumers (CPI-U), not seasonally adjusted, as reported by the U.S. Department of Labor, Bureau of Labor Statistics." The CPINY Adjustment Factor is composed of the following formula: $CPINY\ AF_n = CPINY_{n-1} \div CPINY_{base}$. Where for example, CPINY AF1 is the CPINY Adjustment Factor for the Contract Year beginning July 1, 2007, and ending June 30, 2008, which is 1.0. The CPINY_{n-1} is the annual average of the 12-monthly CPINY values occurring in the Calendar Year preceding the Contract Year with respect to which a calculation is to be made thereunder. The CPINY_{base} is the average of the 12-monthly CPINY values occurring in the Calendar Year ending on the December 31 that immediately precedes the commencement date of the Initial Renewal Term.

However, Appendix 4, Section 4.1 (f) of the contract requires excess liability insurance coverage in the amount of \$65 million per occurrence, not \$10 million. Further, the \$10 million excess liability coverage cited by DSNY refers to the minimum excess liability coverage allowable only if WMNY first notifies DSNY of its intention to reduce insurance coverage. While the contract does allow WMNY to request a waiver of the required escalation of excess liability coverage by the CPINY Adjustment Factor, DSNY informed the auditors that WMNY never requested such a waiver.

On August 10, 2023, as part of its response to the Draft Report, DSNY provided an additional eight certificates of insurance covering the periods of 2008 through 2015 that were not previously provided during the audit. These certificates purport to show excess liability coverage ranging from \$100 million in 2008 to \$125 million in 2015. However, these certificates differ from the certificates provided during the audit for the same period, do not cite the specific project location for insurance coverage, and appear to have been printed seven days after the Draft Report was issued. The differences in content to those printed and provided after issuance of the Draft Report raise questions about which coverage was actually in place during the relevant period. At the very least, it is clear that DSNY had not previously verified required insurance was in place and had not retained original copies of insurance certificates on file.

DSNY should be overseeing all aspects of its contracts including insurance requirements and should consult with the City's Law Department concerning those requirements as needed. It is in the best interest of the City that proper insurance is in place to protect it from future liabilities.

Recommendations

1. DSNY should ensure that it enforces its newly created policy for the annual receipt, review, filing, and tracking of insurance certificates. DSNY should consider centralizing this process for the whole agency using software or some other tracking and notification system.

DSNY Response: DSNY agreed with this recommendation.

2. DSNY should review all other contracts with WMNY to ensure that it is complying with the insurance requirements.

DSNY Response: DSNY agreed with this recommendation.

Audit Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions within the context of our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the City Charter.

The scope of this audit was July 1, 2020 through June 30, 2022.

To obtain an understanding of the service contract between DSNY and WMNY for the Waste Management Bronx Project's responsibilities and obligations, the auditors obtained and reviewed the following:

- *Procurement Policy Board (PPB) Rules of the City of New York*
- Comptroller's Directive #1 – "Principles of Internal Control"

- DSNY service agreement with WMNY Bronx Project and its associated amendments
- Contract Administration Memoranda NO. 2007-1, dated July 18, 2007

To achieve the audit objectives and obtain an understanding of DSNY's oversight of its service contract with WMNY and its payments processes, auditors conducted walkthroughs with the following DSNY officials:

- Supervisor and bookkeeper of the Bronx Borough Office to obtain a general overview of operations, including observation of how the Borough Office creates daily export tracking reports based on the SMART system data and Export Tonnage Delivery receipts received.
- Assistant Chief and staffs of the Manhattan DSNY District Office, who collect the receipts daily, enter the information into the SMART system, and claim the loads when receipts are matched with the information in the system.
- Supervisor and staffs of the Export Contract Management Unit, to obtain an understanding of the payment process, which includes the calculation of payments and verification process.
- Director and staffs of the Engineering Unit, whose primary function is to audit the calculation of the payments to vendors.
- Director and staffs of the Fiscal Service Unit, whose functions are to approve and process the payments.
- Director and staffs of the Information and Technology (IT) unit, to obtain an understanding of their roles in the management of the SMART system used in the Waste Management Bronx Project.

To obtain an understanding of the waste delivery and weighing process, auditors visited and conducted observations at:

- WMNY facilities at Harlem River Yard (HRY), to observe how DSNY and OCD (Other authorized City Departments) trucks arrive from their respective routes at the HRY transfer station. The auditors conducted observations of the inbound and outbound scale weigh-in and receipt production.
- Manhattan District Office, to observe the claiming process in which the office collects the receipts from operators and matches the receipts to the information recorded in the SMART system.⁴

Auditors independently extracted the Payments Request History per Vendor data file (AP) from the City's Financial Management System (FMS) for FY2021 and FY2022, which shows the payment vouchers, invoice numbers, and amounts certified and paid in the audit scope years. Then, auditors obtained certifications of monthly service fees, loads and tons report, daily tracking sheets, and invoices for the same scope periods from DSNY.

Auditors randomly selected May 2021 and November 2021 from FY2021 and FY2022 respectively using RATS-STATS statistical sampling software, and requested supporting documentation to verify the invoice, loads and tons, etc., to assess the accuracy and validity of computer data provided by DSNY.

⁴ An Operator is a person who drives or operates a truck dispatched to a WMNY export dump site and returns with a corresponding receipt.

To test the accuracy and validity of this computer data (total tonnage and loads) which is used to calculate of the service payments to vendor, auditors used RANDBETWEEN formula to select three days from each of the sampled months of May 2021 and November 2021. Auditors requested and received the computer-generated Daily Tracking reports and the original delivery receipts which contained data fields of Date, Loads, Tonnage, District and Department code (DS 66/DS 66A), and verified information on the reports to the original delivery receipts to ensure each data field in the Daily Tracking reports were correctly calculated.⁵

To test the completeness and further test the accuracy and validity of this computer processed information, auditors randomly picked the original documentation for May 4, 2021, and November 10, 2021, from the DSNY premises, which includes the daily tracking report and original delivery receipts. Then, auditors traced all the original DSNY delivery receipts and non-DSNY delivery receipts to the Daily Tracking report for the day to ensure that each original receipt was accounted for, and that total tonnages were accurately reported.⁶

To further assess the reliability of the original data generated from vendor's weigh scales, auditors requested records of calibration and copies of the certification and seals of weigh scales which were used in the HRY Bronx Scale House for the audit scope period (FY2021 and FY2022).

To ensure the accuracy of calculation of the fixed and variable costs, auditors randomly selected another two months of September 2021 and April 2022, in addition to the sample months of May 2021 and November 2021. Auditors then obtained fixed and variable cost schedules, along with the cost certifications and supporting documentation for the computation from DSNY. For each component of the fixed and variable costs, auditors then used the Service Fee Formula cited in Article IX, Section 9.2 of the contract to re-calculate each cost component separately and verified the sources of the amounts and numbers in each component.

To determine whether DSNY ensured that WMNY complied with other major terms of the service contract, auditors requested and reviewed the updated certificates of insurance policies, updated inventory lists of designated railcars and containers, records of scale calibration, certifications, and seals of weigh scales, as required by the service contract. In addition, to ensure whether WMNY maintained proper insurance coverage as per Appendix 4, section 4.3 of the contract which states that the levels of insurance coverage should be increased by CPINY Adjustment Factor each year, auditors obtained Consumer Price Index report for New York and calculated annual CPINY adjustments to the annual insurance coverage from 2008 to 2022.

While the results of the tests are not projectable, they do provide sufficient and appropriate evidence to support the findings and conclusions as to whether DSNY maintained proper oversight of the WMNY Bronx Project contract, made correct payments to WMNY, and whether WMNY complied with some major terms of the contract.

The matters covered in this Final Audit Letter Report were discussed with DSNY officials during and at the conclusion of this audit. An Exit Conference Summary was sent to DSNY on June 8, 2023 and discussed with DSNY officials at an exit conference held on June 16, 2023. On July 25, 2023, we submitted a Draft Audit Letter Report to DSNY with a request for written comments. A written response from DSNY was received on August 10, 2023.

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

⁵ DS 66 form – Export Tonnage Delivery Receipts; DS 66A form – Non-DSNY Export Tonnage Delivery Receipts

⁶ A Non-DSNY Export Tonnage Delivery Receipt is generated by a vendor export scale after weighing authorized vehicles that are other than DSNY vehicles.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Maura Hayes-Chaffe", with a long horizontal flourish extending to the right.

Maura Hayes-Chaffe

Cc: Adam Conanan, Deputy Director of Solid Waste Management, DSNY
Javier Lojan, Director of Administration, DSNY
Patrick Shannon, Director of Audit, DSNY
Jeffrey Beatty, Internal Auditor, DSNY
Roosevelt Eastmond, Internal Auditor, DSNY
Marjorie Landa, Director, Mayor's Office of Risk Management and Compliance
Douglas Giuliano, Deputy Director, Audit Management, Mayor's Office of Risk Management and Compliance



sanitation

Jessica S. Tisch Commissioner

August 10, 2023

Maura Hayes-Chaffe
Deputy Comptroller for Audit, Bureau of Audit
Office of New York City Comptroller Brad Lander
One Centre Street, 11th Floor
New York, NY 10007

Dear Deputy Comptroller Hayes-Chaffe:

Thank you for the opportunity to respond to the Draft Letter Report on the New York City Department of Sanitation's oversight of its Solid Waste Management Service Contract with Waste Management of New York, LLC at the Harlem River Yard in the Bronx (Draft Letter Report # FP23-068A, dated July 25, 2023).

The New York City Department of Sanitation (“DSNY” or “the Department”) keeps New York City clean, safe, and healthy by collecting, recycling, and disposing of waste, cleaning streets, cleaning vacant lots, as well as clearing snow and ice. Since its inception in 1881, DSNY has remained steadfast in its commitment to protecting public health and improving quality of life in New York City.

The Department currently employs more than 9,500 men and women who are responsible for carrying out this mission, under all conditions, serving nearly every block of the city, week after week year-round. Consistency and dependability in our services along with our ability to pivot and adapt to unforeseen or special circumstances ensures a high level of service delivery.

In June 2002, then-Mayor Michael Bloomberg outlined a new approach to the City’s Long Term Export Program. Pursuant to this new approach, on December 22, 2003, DSNY issued a request for proposals for Municipal Solid Waste Management, Transportation, and Disposal in the Borough of the Bronx. DSNY entered into a contract for such services, including having the waste exported from the City by rail instead of by truck, with Waste Management of New York, LLC (“WMNY”) on June 18, 2007.

Regarding the audit of the above-referenced contract, the Draft Letter Report states that a primary objective of the subject audit was to determine whether the payments DSNY made to WMNY under the Bronx Service Contract “were accurate and in compliance with the contractual terms” during Fiscal Years 2021 and 2022 (Draft Letter Report page 1). The Draft Letter Report concludes that “DSNY maintained strong supervision over the collection of receipts of the waste

delivered to the site, as well as the calculation of the payments to WMNY” (Draft Letter Report page 2).

The Comptroller’s Office conducted its audit using Generally Accepted Government Auditing Standards (“GAGAS”). To gain an understanding of DSNY’s oversight of the Bronx Service Contract, auditors spoke with many DSNY officials, including the supervisor and bookkeeper of the Bronx Borough Office; the Assistant Chief and staff members of the Manhattan District Office; the Supervisor and staff members of the Export Contract Management Unit; the Director and staff members of the Engineering Audit Office; the Director and staff members of the Bureau of Fiscal Services; and the Director and staff members of the Bureau of Information Technology. Auditors also visited and conducted observations at the WMNY facility at Harlem River Yard, as well as DSNY’s Manhattan District Office. In addition, auditors chose random months and days within the audit period of Fiscal Year 2021 and Fiscal Year 2022 to test and compare information regarding payments and loads delivered by reviewing certifications of monthly service fees, delivery receipts, loads and tons reports, daily tracking sheets, and invoices.

Following this thorough audit, we are very pleased that the Comptroller’s Office did not note *any* issues regarding payments by DSNY to WMNY, nor *any* issues with service provided by WMNY under the subject contract. The audit found the \$137.2 million in payments DSNY made to WMNY in Fiscal Years 2021 and 2022 pursuant to the Bronx Service Contract to be accurate and appropriate. The audit demonstrated that DSNY is protecting taxpayers’ money by overseeing the Bronx Service Contract professionally and responsibly.

In its Draft Letter Report, the Comptroller’s Office states that in Fiscal Year 2022 there were 1,413 claims filed against DSNY and \$79.9 million paid in settlement claims against DSNY, but that this is an “overall number of claims and settlement payouts and not specific to WMNY claims that might have been filed.” DSNY conducts dangerous operations throughout the City, and the number of claims cited by the Comptroller’s Office has no connection to its Bronx Service Contract with WMNY, which is the subject of the audit.

As shown throughout this audit process, DSNY has done an excellent job in overseeing the Bronx Service Contract, and WMNY has fully complied with the insurance requirements therein. Detailed responses to the audit findings and recommendations included in the Draft Letter Report are appended to this letter. Thank you for the opportunity to provide these responses to the Draft Letter Report. I appreciate your consideration of these responses as you finalize the audit.

Sincerely,



Jessica Tisch
Commissioner

DSNY RESPONSES TO AUDIT FINDINGS AND RECOMMENDATIONS:

Audit Findings:

Finding # 1 - DSNY Did Not Have Procedures in Place to Ensure WMNY Maintained Annual Insurance Coverage as Required (Page 2)

Section 11.1(c) of the service contract requires that WMNY submit certificates of insurance “not later than 30 days prior to the beginning of each Contract Year.” However, when auditors requested copies of the certificates of insurance for Fiscal Year 2021 and Fiscal Year 2022, DSNY provided reprinted copies dated March 31, 2023. DSNY stated that it did not have the original copies and had to request reprinted copies from WMNY.

Agency Response:

WMNY had insurance coverage that met or exceeded that which is required by the Bronx Service Contract for the entire term of the contract, including during the audit period of Fiscal Year 2021 and Fiscal Year 2022. In addition, DSNY has implemented a procedure to ensure that all agency contractors submit proof of required insurance on at least an annual basis.

The Agency Chief Contracting Officer (“ACCO”) has implemented an improved process to ensure that all agency contractors (including WMNY) submit proof of required insurance on at least an annual basis. All DSNY payment requisition tracking sheets now require both contractors and agency personnel to certify that the contractor in question meets the minimum insurance requirements under the subject contract and the contractor must provide the requisite proof of current and valid insurance. No payment requests will be processed without this information. The ACCO’s Office has distributed guidance to DSNY operating bureaus regarding how to check and validate contractors’ insurance certificates. In addition, the ACCO’s office and the DSNY Bureau of Legal Affairs are consulting with the agency’s operating bureaus to answer any questions they may have regarding insurance issues.

By making the provision of proof of insurance coverage a prerequisite to receiving payments, DSNY has created a process which ensures that contractors will provide valid proof of insurance to DSNY.

Finding # 2 - WMNY Did Not Meet All the Contract's Insurance Coverage Requirements (Page 3)

While the auditors were able to verify that most insurance coverage was in place during this period, the insurance did not meet the Contract's coverage requirements.

Agency Response:

WMNY has complied with the insurance requirements throughout the term of its Bronx Service Contract with DSNY and, in particular, during the audit period of Fiscal Years 2021 and 2022.

The Comptroller's Office requested valid proof of WMNY's insurance from DSNY for the audit period of Fiscal Years 2021 and 2022. In addition, DSNY was then requested to provide proof of proper insurance from 2008-2020 (the entire term of the Bronx Service Contract), and DSNY has provided such proof to the Comptroller's Office. The Draft Letter Report states that "WMNY did not have the required CPINY adjusted insurance coverage for excess liability from 2008 through 2015."

However, WMNY has provided insurance certificates (attached herein) showing more clearly that it had at least \$100 million worth of excess liability coverage during every year of the contract term, including 2008 through 2015. Each of WMNY's general liability certificates from the start of the contract through 2015 contains a second page that shows an additional layer of excess liability coverage that causes the total value of the excess liability coverage to meet or exceed \$100 million. In addition, all of the certificates from 2016 to the present show a value of at least \$100 million of excess liability coverage on the certificate itself. For each year of the contract term, including during Fiscal Year 2021 and Fiscal Year 2022, the years of the audit period, this excess liability coverage exceeds both the \$10 million and \$65 million minimum thresholds for excess liability coverage that are mentioned in Section 4.1 of Appendix 4 of the Contract. In addition, this additional excess liability coverage has more than covered for the CPINY-escalated insurance limits for the other required types of insurance throughout the term of the contract.

As we have discussed with the Comptroller's Office, umbrella or excess liability coverage generally sits above more than one type of insurance, and can provide additional coverage when the primary coverage is exhausted by claims. The New York City Law Department allows contractors to meet contractual insurance requirements through a combination of primary and excess policies (including umbrella coverage). The excess umbrella coverages provided by Waste Management include the specific primary policies for which they are being offered and therefore can be used to meet any required minimum amount of coverage.

Audit Recommendations:

Recommendation # 1 (Page 4)

DSNY should ensure that it enforces its newly created policy for the annual receipt, review, filing, and tracking of insurance certificates. DSNY should consider centralizing this process for the whole agency using software or some other tracking and notification system.

Agency Response:

DSNY will ensure that it enforces the above-described policy for the annual receipt, review, filing, and tracking of contractors' insurance certificates. The process has already been implemented and is in use throughout the entire agency. In addition, DSNY will consider the possibility of centralizing this process for the whole agency using software or another tracking and notification system.

Recommendation # 2 (Page 4)

DSNY should review all other contracts with WMNY to ensure that it is complying with the insurance requirements.

Agency Response:

DSNY will review all other contracts with WMNY to ensure that it is complying with the applicable insurance requirements.