



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

April 17, 2020

Richard Carranza
Chancellor
New York City Department of Education
Tweed Courthouse
52 Chambers Street
New York, NY 10007

Re: Emergency Contract Extensions for School Bus Transportation

Dear Chancellor Carranza:

In reviewing the Contract Agenda for the April 22, 2020 meeting of the Panel for Educational Policy, my office has noted several emergency extensions for school bus contracts totaling nearly \$200 million retroactively for the entire month of March, as well as automatic extensions to cover an additional month of service through April. Nothing in the documents references the current state of school closures due to the ongoing COVID-19 crisis, nor the fact that the school bus fleet has been effectively idled since the last full day of school in New York City on March 13th. This lack of information and context engenders confusion and begs for an explanation.

Given the extreme budgetary pressures faced by the City amid the COVID-19 pandemic, it would seem contrary to all sense of fiscal prudence that the City would continue to pay for services that can no longer be rendered for the remainder of the school year. Every dollar must be leveraged to respond to our current public health crisis and to offset other proposed cuts to city schools. And yet nothing in the public documents outlines any alternative uses for the school buses during the period of school closures, nor has my office been informed of any plans to repurpose school buses for other uses, such as delivery of food or supplies, as other cities have done.

Furthermore, a review of bus contracts by my office shows that many contain a *force majeure* clause that outlines certain extraordinary circumstances which free the DOE from obligations to pay for services that were not provided or supplied. Such events specifically include “epidemics” and “quarantine restrictions.” Clearly, there is a mechanism for withholding payment for services not rendered due to circumstances like those we are currently experiencing.

Given the above, I urge you to withdraw these emergency contract extensions from the PEP meeting agenda until greater transparency and clarification can be made. Specifically, before

approving such contract extensions, members of the PEP and the public should be provided information about the following:

- What is the DOE's rationale for scheduling a vote to approve these contracts on a retroactive basis, and to extend them going forward?
- What other uses has DOE considered for deployment of buses during the time of school closures?
- Has DOE exhausted every other possible use for these valuable resources in response to our current public health crisis?
- Given the current circumstances involving both a global pandemic and citywide quarantine, what reasons, if any, prevent DOE from using the contracts' authority to withhold payment under the *force majeure* clause?

As you are aware, my office has submitted a previous inquiry concerning contract oversight of city school buses. That communication, dated February 28, 2020, sought clarification on DOE's process of performance evaluation of bus vendors, and once again underscored the need for greater transparency and accountability for such costly contracts. My office has not yet received a response to that inquiry.

Your prompt attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott M. Stringer". The signature is fluid and cursive, with the first name "Scott" being more prominent.

Scott M. Stringer
New York City Comptroller