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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

April 10, 2025

Ydanis Rodriguez  
Commissioner  
New York City Department of Transportation  
55 Water Street  
New York, NY 10041

Re: Street Construction-Related Permits  
Report 2024-F-20

Dear Commissioner Rodriguez:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III, Section 33 of the General Municipal Law, we have followed up on the actions taken by officials of the New York City Department of Transportation to implement the recommendations contained in our initial audit report, *Street Construction-Related Permits* ([Report 2020-N-6](#)).

**Background, Scope, and Objective**

The New York City Department of Transportation's (DOT) mission is to provide for "the safe, efficient, and environmentally responsible movement of people and goods in the City of New York and to maintain and enhance the transportation infrastructure crucial to the economic vitality and quality of life of our primary customers, City residents." DOT is responsible for over 6,300 miles of streets and highways, over 12,000 miles of sidewalks, and 789 bridges and tunnels, including 24 movable bridges and four tunnels.

DOT issues 150 different types of sidewalk and roadway construction permits that cover activities such as street openings, sidewalk construction, and installation of canopies over sidewalks. Street opening permits are required for excavations or other work on a City street or sidewalk that may cause damage to or compromise the street surface. These permits are issued to entities that need access to subsurface infrastructure, including utility companies and contractors such as licensed master plumbers.

The laws and regulations that govern street work and permits are found in the New York City Administrative Code, Title 19, Chapter 1, Subchapter 1 (Construction, Maintenance, Repair, Obstruction and Closure of Streets) and the Rules of the City of New York, Title 34, Chapter 2 (Highway Rules). These laws and regulations cover permits for street construction; schedules for fees; requirements for construction activity and sidewalk, curb, and roadway work; as well as rules regarding street openings and excavations. In addition, DOT's Street Works Manual (Manual) describes policies governing work on City streets and presents procedures for notice, approval, and execution of such work.

DOT's Bureau of Permit Management and Construction Control (Bureau) is responsible for overseeing all construction-related permitting. The Bureau comprises two offices. The Office of Permit Management (Permit Office) provides customer service for all applicants, registers permittees, reviews and approves applications, and reviews appropriate fees for both online and in-person applications. There is a central permit office in Manhattan and borough permit offices in each of the other boroughs. The Office of Construction Mitigation and Coordination reviews all construction permit applications and develops permit construction activity stipulations for the work performed on the streets to mitigate disruptions to City businesses, residents, and visitors caused by street construction.

DOT developed and implemented the NYCStreets Permit Management System (NYCStreets), an online application. An applicant must first register by submitting a completed permittee registration application and supporting documentation to the Permit Office. Once the permittee is registered, they can apply for a permit to do work and pay the permit fees.

A street is placed in protected status for 5 years from the date it was last resurfaced or reconstructed. Permit requests to perform work on protected streets are subject to additional review and, according to DOT's Street Works Manual, DOT will review an application for a street opening permit only when the applicant can demonstrate that the work could not have been reasonably anticipated prior to the street resurfacing/reconstruction.

Highway Inspections and Quality Assurance (HIQA) is DOT's enforcement unit, which operates 24 hours a day, 7 days a week and has an office in all five boroughs. HIQA conducts construction site inspections to ensure permittees comply with the laws, regulations, and permit specifications and stipulations. Inspectors may issue Corrective Action Requests (CARs), Notices of Immediate Corrective Action (NICAs, or priority CARs), and Notices of Violation (NOVs). An NOV carries a monetary fine and places the issue under the jurisdiction of the Environmental Control Board. According to DOT, the New York City Department of Finance collects the fines. A permittee must perform repairs within 30 days of receiving a CAR. Corrective action is required within 3 hours of the issuance of a NICA by telephone call or email.

The objectives of our initial audit, issued on June 13, 2022, were to determine whether (DOT) ensured that all street construction permittees had complied with the application requirements and permit conditions, including completing the project by the scheduled permit expiration date. We also determined whether DOT coordinated with other entities planning to perform work at the same site to ensure minimal disruptions.

The audit found that DOT did not always ensure permittees were in compliance with the street permit requirements. Among the issues we identified were the following:

- DOT did not perform all required inspections to verify permittees complied with permit conditions. We determined that 41,761 (14%) of 299,933 street opening permits not inspected should have been inspected.
- There is no set time frame for HIQA inspectors to return to reinspect after issuance of a CAR/NICA, and as a result, DOT has no assurance the conditions were corrected by the permittee within the specified time frames. We found 21 CARs that were reinspected more than 3 months after issuance, including one that was reinspected more than 1 year after the 30-day time frame that permittees have to perform corrective actions.

- Seventy-three of 75 reinspections following issuance of a CAR were passed by a HIQA inspector and approved by a HIQA supervisor but did not contain supporting documentation to show the condition or work was corrected.
- DOT did not ensure that applicants complied with registration and permit application requirements, including ensuring that permittees had proof of sufficient insurance.
- DOT did not ensure that only emergency work was performed within protection periods.
- DOT did not provide records to support its communication and coordination with other entities, including other City agencies, for street construction projects.

The objective of our follow-up was to assess the extent of implementation, as of March 6, 2025, of the nine recommendations included in our initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

DOT officials made progress in addressing the problems we identified in the initial audit report. Of the initial report's nine recommendations, three were implemented, four were partially implemented, and two were not implemented.

### **Follow-Up Observations**

#### **Recommendation 1**

*Ensure all required inspections are assigned and performed on a timely basis.*

Status – Partially Implemented

Agency Action – During the opening conference held on July 10, 2024, agency officials informed us that DOT's IT team took action to develop new inspection assignment algorithms in HIQA's Dynamic Access System (DASH) to ensure that all the required permits are assigned and inspected on a timely basis. However, DOT still needs to submit a funding request to the Mayor's Office of Management and Budget to fund the changes to the application.

We reviewed a judgmental sample of 30 permits and found 25 were inspected and five were not inspected. Of the 25 inspected, 22 were inspected timely and two were inspected 4 and 8 months after the completion date, respectively. One CAR was reinspected 2.5 months after the date it was issued.

#### **Recommendation 2**

*Develop an official list, in writing, of permit types that are not subject to inspection, along with justification; maintain and periodically update this list.*

Status – Implemented

Agency Action – DOT officials provided us with an official list of permits that are not subject to inspection. They advised us DOT's policy is not to inspect sites with certain types of permits (e.g., permit type 159 – Economic Development Corporation reconstruction) and not to assign HIQA inspectors to inspect contract work permits because these jobs have inspectors or consultants hired by the City.

### **Recommendation 3**

*Develop and implement a written procedure to periodically rotate inspectors and ensure that inspector rotation practices are consistent among the borough offices.*

Status – Partially Implemented

Agency Action – DOT developed a written procedure to periodically rotate inspectors and improve consistency. However, in some cases, DOT did not comply with it. Officials provided copies of the Inspector Rotation Assignment sheets. The assignment sheets covered the rotation months from July 2022 to December 2024. We determined 11 of the 91 inspectors reviewed were not rotated to other sectors after their 4-month rotation period as stated in the Standard Operating Procedures (SOP) manual section provided. Five inspectors retained responsibility for inspecting permit work in the same sectors as in the prior rotation period, and six inspectors retained responsibility for inspecting permit work in several of the same sectors.

### **Recommendation 4**

*Develop and implement a written policy requiring the results of all inspections to be supported and documented.*

Status – Partially Implemented

Agency Action – We requested a copy of the manual including the written policy. DOT officials chose to provide us with an excerpt of the section that addresses this issue and a written statement that this wording is now part of the SOP manual.

### **Recommendation 5**

*Establish a time frame for reinspection following the issuance of a CAR/NICA and ensure inspectors reinspect the condition within the established time frame.*

Status – Partially Implemented

Agency Action – DOT established a time frame for reinspection following the issuance of a CAR/NICA, but for CARs, they did not comply with it. We reviewed 50 randomly selected CAR and NICA inspections from a file provided by DOT for the period July 1, 2022 through October 21, 2024. The 50 samples consisted of 46 CARs and four NICAs. The four NICAs were reinspected timely. Seven CARs were inspected within the established time frame; however, 39 CARs were over the 30-day time frame.

### **Recommendation 6**

*Ensure future and current permittees comply with the laws, rules, and regulations when they register with DOT and apply for permits.*

Status – Not Implemented

Agency Action – DOT disagreed with the recommendation and did not take any action to address it. We selected a random sample of 30 permits from the permits issued during the period July 2022 through August 2024. According to DOT's Street Works Manual, applicants must register on the DOT website, fill out the applications, and submit supporting documents. We found two permits without any supporting documents

uploaded to NYCStreets. We also found 14 applications without the required size of proposed work stated.

#### **Recommendation 7**

*Increase the level of coordination between DOT and other entities to prevent non-emergency work on protected streets.*

Status – Implemented

Agency Action – DOT provided evidence demonstrating increased coordination (see Recommendation 8). We reviewed 17 protected streets and found that 15 did not have permit applications during the protected period except for emergency work. The remaining two protected streets had permit applications approved for capital project construction during the protected period.

#### **Recommendation 8**

*Establish better communication pertaining to street construction projects with other entities, including City agencies, and schedule and attend coordination meetings with other entities and City agencies before street opening work commences.*

Status – Implemented

Agency Action – We requested documentation for the meetings and communications with other entities, including City agencies, on coordination efforts from July 1, 2022 to present. DOT officials provided samples of meeting minutes with other entities that occurred after the initial report was issued.

#### **Recommendation 9**

*Revise the SOP to require documentation of all coordination meetings with other entities and maintain the records of such meetings.*

Status – Not Implemented

Agency Action – DOT disagreed with the recommendation and did not revise the SOP.

Major contributors to this report were Abe Fish, Christine Chu, Katrina Lau, Jaspal Gill, and Gloryann Anderson.

DOT officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of the New York City Department of Transportation for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Carmen Maldonado  
Audit Director

cc: Rogene Livermon, New York City Department of Transportation