

New York City Department of Transportation

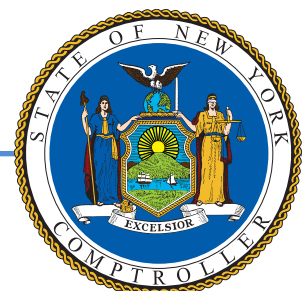
New York City Bike Share Program: Oversight of Revenue Collection and Monitoring

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OFFICE OF THE NEW YORK STATE COMPTROLLER

Thomas P. DiNapoli, State Comptroller

Division of State Government Accountability



Audit Highlights

Objectives

To determine whether the New York City Department of Transportation (DOT) collects selected revenues from the New York City Bike Share program as required by the terms of the agreement. We also determined whether DOT monitors the vendor for compliance with the contract provisions. The audit covered the period from July 2019 to October 2024.

About the Program

In 2013, DOT launched the New York City Bike Share program, which is part of a public-private partnership between the City of New York and a vendor. For the purposes of this report, this program is referred to as Citi Bike. The program is operated by the vendor, and DOT is responsible for planning, outreach, and oversight. It is a station-based program, where bikes are unlocked from one Citi Bike station and may be returned to the same or another station. To unlock and access the bikes, riders may use a key fob or a QR code and have use of the bike for 30 minutes (single ride and day passes) to 45 minutes (annual, monthly, and discount passes). At the end of their trip, riders dock, or lock, the bike at the bike dock at the station, signifying the end of their trip. Users who keep the bike for longer than the allocated time are charged a small convenience fee.

Since its inception, the program has grown significantly, expanding into all boroughs except Staten Island. The program generates revenues from rides, multiple “other sources” that include sponsorship and advertising, liquidated damages assessed for non-compliance with the terms of the Agreement, and lost parking meter revenue (revenue lost due to replacing parking meters with bike stations), which is fixed at \$1 million per year.

DOT has a service contract with the vendor—the Amended and Restated Agreement for the Bike Share Program (Agreement)—which has been amended eight times and includes 12 Service Level Agreements (SLAs). According to Chapter 13 of the New York City Charter, agencies are required to monitor the performance of contractors they procure services from and enforce contract terms and conditions.

Key Findings

There are deficiencies in DOT’s monitoring and oversight of the program. DOT is not enforcing all the terms of the Agreement and is not ensuring that the City and its residents get the maximum benefit from the program. Our audit found that:

- DOT takes a passive approach to monitoring the Citi Bike program.
- DOT does not perform scheduled and systematic monitoring activities of its own or conduct any program reviews or audits to evaluate the success or shortcomings of the program or to make necessary adjustments to the terms of the Agreement.
- DOT officials do not perform calculations of their own to validate the accuracy of the information they receive from the vendor.

DOT officials involved in monitoring the program are not familiar with the reports generated by the vendor and used to monitor the program. Despite having real-time access to program information, DOT officials were not able to explain key elements of the reports. We also found multiple instances of inaccuracies and errors in the information that went unnoticed until our review. For example:

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- Errors in the queries (questions used to retrieve and analyze data from databases or information systems) resulted in the erroneous exclusion of 900,829 trips from the ridership count, which is needed to determine DOT's share of ridership revenue.
 - For all 203 days of data reviewed, the daily feed did not agree with the amounts reported by the vendor as follows:
 - 152 instances where the ridership reported in the daily feed was higher than the amounts reported by the vendor.
 - 51 instances where the daily feed was lower than the amounts reported by the vendor.

DOT could also not demonstrate that all revenue sources were received and included in the calculation of DOT's share of the revenues, the vendor complied with all terms of the SLAs, or the liquidated damages assessed were accurate.

The program also allows for revenues from multiple sources, and in some cases, requires the funds to be handled in a specific manner. However, we found that:

- According to the contract, the main sponsor should have paid \$54.9 million in sponsorship revenue. However, we only found evidence that \$33.6 million in sponsorship revenue was received—a difference of \$21.3 million.
- DOT did not provide evidence, such as supporting revenue calculations, to show that it included the \$26.7 million in accelerated fees from the vendor for the option to extend the contract for a second term from May 2019 to May 2024.
- DOT did not provide evidence that the annual deposit of \$1 million in lost parking meter revenue was deposited into the City's bank account for 2019, 2020, 2021, and 2024—totaling \$4 million.

Additionally, with regards to the lost parking meter revenue for the year where records were provided, DOT treated the \$1 million payment from the vendor as a credit and believes that creating a liability in its general ledger satisfies the requirement for the annual deposit, because the Agreement allows it to approve expenditures from the account by the vendor to make improvements to the Citi Bike program. By not ensuring the lost parking meter revenue is deposited into the account, funds may not be available for necessary improvements and operating costs, potentially negatively impacting the revenues generated by the program and hence the City's share of the revenue.

Key Recommendations

- Verify Citi Bike data by conducting inspections of stations and bicycles and reviewing the data received for accuracy and completeness.
- Ensure payments are received in accordance with the terms of the Agreement.
- Implement a process to track revenues from each source and ensure that all revenues due to the City are deposited into the appropriate accounts and transferred to the City's general fund for use as required by the Agreement.



Office of the New York State Comptroller Division of State Government Accountability

December 24, 2025

Ydanis Rodriguez
Commissioner
New York City Department of Transportation
55 Water Street, 9th Floor
New York, NY 10041

Dear Commissioner Rodriguez:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *New York City Bike Share Program – Oversight Of Revenue Collection and Monitoring*. The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III of the General Municipal Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

Contents

Glossary of Terms	5
Background	6
Audit Findings and Recommendations	7
Revenue	7
Monitoring and Accuracy	11
Service Level Agreements	12
Recommendations	17
Audit Objectives, Scope, and Methodology	18
Statutory Requirements	19
Authority	19
Reporting Requirements	19
Agency Comments and State Comptroller's Comments	21
Contributors to Report	32

Glossary of Terms

Term	Description	Identifier
DOT	New York City Department of Transportation	<i>Auditee</i>
Agreement	Amended and Restated Agreement for the Citi Bike Share program	<i>Key Term</i>
Citi Bike	New York City Bike Share program	<i>Program</i>
CPI	Consumer Price Index	<i>Key Term</i>
SLA	Service Level Agreement	<i>Key Term</i>

Background

The New York City Department of Transportation (DOT) is a City agency of over 5,500 employees with an annual operating budget of \$1.4 billion and a 10-year \$33 billion capital program. DOT's 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. DOT is responsible for promoting the use of sustainable modes of transportation; designing bicycle facilities, bus lanes, and public plazas; and operating the Staten Island Ferry. Its primary customers are City residents.

In 2013, DOT launched the New York City Bike Share program, a public-private partnership between the City of New York and a vendor. For the purposes of this report, this program is referred to as Citi Bike. Citi Bike is operated by the vendor, and DOT is responsible for its planning, outreach, and oversight. It is a station-based program where riders may unlock a bike at any Citi Bike station using a key fob or a QR code and have use of the bike for 30 minutes (single ride and day passes) to 45 minutes (annual, monthly, and discount passes). At the end of their trip, riders dock the bike at the same or any other Citi Bike station, signifying the end of their trip. Users who keep the bike for longer than the allocated time are charged a small convenience fee. Since its inception, the program has grown significantly, expanding into all boroughs except Staten Island.

DOT has a service contract with the vendor—the Amended and Restated Agreement for the Bike Share Program (Agreement)—which has been amended eight times and includes 12 Service Level Agreements (SLAs). According to Chapter 13 of the New York City Charter, agencies are required to both monitor the performance of contractors they procure services from and enforce contract terms and conditions.

The vendor pays DOT a portion of the revenue collected, as specified in the Agreement. The program generates revenues through three main sources: a percentage of all ridership revenues above a specified threshold amount; lost parking meter revenue forgone due to replacing parking meters with bike stations (which is fixed at \$1 million per year); and liquidated damages for failure to meet required service levels. Additional amounts are generated through sponsorship and advertising. However, the bulk of the revenues come from ridership revenues, specifically from annual memberships, which as of 2024, were set at \$219.99 per year for unlimited 45-minute rides, with a reduced fare option of \$5 a month for New Yorkers who live in New York City Housing Authority developments or receive Supplemental Nutrition Assistance Program benefits.

Audit Findings and Recommendations

DOT maintains a passive approach to monitoring the Citi Bike program, resulting in deficiencies in its oversight of the program. For example, DOT relied on the vendor's statement of "Ridership Revenue & All Other Revenue." However, Chapter 13, section 333 and section 365 of the New York City Charter, requires agencies to monitor the performance of every contractor and maintain records of their management of the contract and contractor performance. This resulted in missed opportunities for revenues, negatively impacting the City's share of the revenues from the program. These shortcomings did not come to DOT officials' attention until we made them aware of the issues during our audit.

DOT stated the Agreement is a service contract and attributes the deficiency in program administration and oversight to insufficient staffing. However, without proper monitoring, the chances of missed deadlines, below-expectations performance, and non-compliance with the terms of Agreement are increased. Although DOT has real-time access to all the data and documents generated by the program, we did not see evidence that they are being used.

Overall, DOT did not demonstrate that all revenue sources are included in the calculation of DOT's share of the revenues, the vendor complied with all terms of the SLAs, or the damages assessed were accurate. With the increasing popularity of the Citi Bike program, it is critical that DOT actively perform its roles and responsibilities to fulfill the objectives of the program and ensure the vendor meets both its service requirements and financial responsibilities to the City.

Revenue

Ridership Revenue

The Citi Bike program has multiple sources of revenue, with ridership revenue being one of the main sources. The City, through DOT, receives a specified percentage of revenues generated from ridership, including member fees charged for bike usage and all other related usage charges and fees. According to section 10.2 of the Agreement, the City receives a percentage of the ridership revenues over certain base amounts. For fiscal years 2019 and 2020, the Agreement stated the City was to be paid 5% of program revenues. Since 2021, the City has been paid 5% of revenues over \$30 million and up to \$40 million, 4% of revenues over \$40 million and up to \$50 million, and 2% of revenues over \$50 million. Therefore, any differences or errors by the vendor in reporting any aspect of ridership could impact the City's share of the revenues.

DOT also accesses the ridership data files through the vendor's on-demand cloud platform, which maintains a record of every trip taken, the user ID, and trip start and end times. For the period between July 2019 and November 2023, we found discrepancies in the program data and records, including differences between the generated reports and the vendor's daily feed (data provided for every trip, user, trip start time and end time, number of bikes and stations) provided by DOT. We also found differences between the information from DOT, the vendor, and the

bank holding the revenues. Further, we found errors in the DOT queries used in processing the ridership information, which caused the ridership totals to be different.

DOT provided copies of the SLA files it used in the revenue share calculations as well as copies of the daily feeds it obtains directly from the vendor's system. We compared the data from both sources for 203 days between May 11, 2022 and November 30, 2022. For all 203 days, we found differences in the ridership totals reported by DOT and the ridership totals available from the vendor's daily feed as follows:

- 152 instances where the daily feed ridership totals were higher than the amounts reported in the data and used in the revenue calculations.
- 51 instances where the daily feed ridership totals were lower than the amounts reported in the data and used in the revenue calculations.

There were also 49 instances where the daily feed reported different amounts for the same date.

Further, we found discrepancies in the queries used in processing the ridership information, which resulted in users taking trips that were not counted in the ridership amounts. A total of 792 unique bikes were affected for a total of 900,829 trips. These discrepancies began on August 20, 2021 but were not discovered until February 23, 2024—after our request for sample queries. DOT officials stated they retroactively resolved the issue but could not provide any evidence of the resolution and result of its impact. DOT officials also stated that “there is a no dollar impact” and that “... the fix simply slightly up-revised historical trip counts.” However, because ridership revenue is based on number of trips, excluding 900,829 trips from the count could mean excluding revenues. DOT pointed out that the trips and bikes excluded were minimal based on the total number of trips (78,092,025) and the number of unique bikes (84,488). However, because payments are tied to revenue above the baseline and the baseline revenue has been met, any omission of trips that generate revenue results in underpayment (regardless of the volume) and has a direct impact on the revenue received.

Additionally, we found discrepancies in the fleet level size reported by DOT and by the vendor. Fleet size helps to determine whether sufficient bikes are available for the public's use. Fleet levels are set based on the needs of customers, so incorrect information on the fleet size, fleet levels, and ridership totals would result in inaccuracies in the revenues generated, reported, and due to the City. If the fleet size is met, the vendor is not charged damages. However, we found that fleet level requirements were not met for 61 of the 203 (30%) days we reviewed. Based on the data reported, the vendor should have been assessed liquidated damages of \$15 per day, totaling \$915, but more importantly—as this is a service contract—the needs of the customer were not met for approximately 30% of the days reviewed.

Other Revenue

The Agreement sets forth multiple sources of other revenue, such as sponsorship revenue and advertisement fees. Per the Agreement, DOT is to receive 5% of any revenue amount in these categories that is over \$10 million. The inclusion of all sources ensures DOT receives a fair share of revenues.

Sponsorship Revenues

We found discrepancies in the revenues from advertisements and sponsorship contracts, which are part of the “All Other Revenue” category used to calculate DOT’s portion of revenues. We requested source documentation for these revenues to determine whether all the sponsorship revenues were included in the calculation of “All Other Revenue.” Based on our review of the sponsorship contracts, the main sponsor should have paid \$54,917,829. According to information provided by DOT in support for its revenue calculation, sponsorship revenue of \$33,558,831 was received for the period from July 2019 through December 2022. However, DOT officials did not provide us with any documentation to support that the remaining \$21,358,998 (\$54,917,829 - \$33,558,831) was received.

In the event that the main sponsor exercised its option to extend its sponsorship contract for the second term, it was required to pay \$26,724,000 in accelerated fees during the first contract term, which ended May 26, 2019. However, DOT did not provide evidence to support that the accelerated fees were paid and included in the revenue calculation of amounts due to DOT.

Bicycle Restocking Fees

The Agreement between the riders and the Citi Bike program provides for a “restocking fee” of up to \$100 that may be charged to riders who do not return the bikes to the required location, (i.e., New York riders returning their bikes in New Jersey [New Jersey Citi Bike]). However, the vendor chose not to exercise the right to charge this fee. In 2021, 2022, and 2023, we found trips that began in New York and ended in New Jersey. For each of these 3 years, we reviewed ridership data for the months of June, July, August, and September because these months are part of the peak ridership period. In total, we reviewed 12 months of ridership data.

We found a total of 1,905 trips taken during the 12 months reviewed started in New York and ended in New Jersey. According to the Agreement, the potential revenue associated with restocking fees for these trips was \$190,500. DOT officials stated that, even if this occurs, they do not believe it happens often. However, we found that the number of trips and associated potential revenues increased from 257 in 2021 to 594 in 2022 and 1,054 in 2023.

Lost Parking Meter Revenue

According to the Agreement and beginning in 2014, Citi Bike is required to pay the City \$1 million annually for lost parking meter revenue that resulted from replacing parking meters with bike stations. However, although the Agreement makes provisions for increases in membership price based on the increase in the Consumer Price Index (CPI), there is no such provision for lost parking meter revenues. Between 2014 and 2023, the CPI increased by 26%, from 234.81 to 296.78. We note that, while the parking meter fees and Citi Bike membership prices have increased, DOT did not include increases for them in the initial Agreement or the amendments. DOT officials indicated it would be counterproductive to increase the lost parking meter fees due from the vendor. However, the annual Citi Bike membership increased by 30% from 2019 to 2024, from \$169 in 2019 to \$205 in 2022, and \$219.99 in 2024.

Additionally, the parking meter fee structure and fees increased in each zone throughout the City between 2018 and 2023. Parking meter rates vary by zone and are determined by vehicle type, (e.g., commercial vs. personal) and local parking conditions (e.g., land use, density, duration of parking, and parking demand). However, despite subsequent amendments to the Agreement, DOT's fee for lost revenue remains at \$1 million annually. Despite DOT's claims that the Agreement was made by the vendor, and that it was not up to DOT to make any adjustment, evidence shows that DOT has made changes to the Agreement.

Further, DOT did not ensure the vendor fulfilled its obligation of reimbursing the City annually for the lost revenue. The Agreement requires the vendor to deposit \$1 million each year into an escrow account and provides directions on how those funds should be spent. We requested evidence of the receipt of the annual deposits and DOT's approved expenditures from the account. DOT provided a copy of a liability document with an item listed as "Lost Meter Revenue 2022" and a spreadsheet of a general ledger account of a liability it created in its records. The spreadsheet of the general ledger contained monthly entries from January 2022 through December 2023, totaling \$1,974,330. The liability document has a date of January 19, 2023; however, we have no evidence of its authenticity. DOT also did not provide support for any approved disbursements from the escrow account to show how much was used, the amount left in the account, and how much was due to the City.

Additionally, with regards to the lost parking meter revenue for 2022, DOT treated the \$1 million payment from the vendor as a credit and believes that creating a liability in its general ledger satisfies the requirement for the annual deposit because the Agreement allows it to approve expenditures from the account by the vendor to make improvements to the Citi Bike program. By not ensuring the lost parking meter revenue is deposited into the account, funds may not be available for DOT authorized improvements and operating costs, potentially negatively impacting the revenue generated by the program and hence the City's share of the revenue.

Further, there were no entries for 2019, 2020, 2021, and 2024 at the time our audit ended. DOT did not provide evidence of the actual funding of the account (i.e., evidence of the deposits of the annual lost revenue amount into the SLA escrow account), despite the provision in amendment 8 of the Agreement stating that the “funds should be placed in the escrow no later than forty-five (45) Days after the anniversary of the Effective Date.”

DOT officials provided several explanations as justification for the deficiencies in their monitoring of the program. Officials stated that:

- Because the contract is a service contract, they do not focus on revenue.
- The data is generated by the vendor, so they are not responsible and do not have to understand the information contained in the report of revenues due to the City.
- Ridership revenue is allocated based on the rider’s ZIP code.
- They do not believe that returning bikes to an incorrect location is a problem.
- They “*trust*” the vendor and believe that, because the numbers are verified, they are accurate.
- They do not own the bikes; therefore, they do not need to monitor bike inventory.
- All of the data cannot be field verified due to a lack of staff.
- They rely on data analytics using data from the vendor.

However, with more diligence on DOT’s part, it can ensure that the program objectives are met, service efficiency is improved, the City and its residents get the maximum benefit from the program, and the City receives all monies due to it.

Monitoring and Accuracy

DOT stated that one of the objectives of the Citi Bike program is to provide transportation options as a service to New Yorkers. Phase 2 of the program focused on program expansion into desert areas (areas in the City that do not have sufficient transportation) and areas without Citi Bike coverage. However, we were advised in July 2024 that there were no plans to install Citi Bike stations on Staten Island. The website showed that there were no stations in Staten Island as of May 2025. The vendor also said that placing bikes in Staten Island was not a part of the Agreement. Moreover, DOT has not done any studies or extensive sitings on Staten Island or worked with government officials and other groups within the communities to determine station locations, as the Agreement requires.

Additionally, Chapter 13, section 333 and section 365 of the New York City Charter, requires agencies to monitor the performance of every contractor and maintain records of their management of the contract and contractor performance as well as to comply with any request for documents from elected officials. The Agreement states “DOT shall have the right at all times to oversee, regulate and inspect periodically the installation, operation, and maintenance of the Program, and any part thereof.”

DOT relies on the vendor's certifications of the revenue calculations without sufficiently verifying accuracy of the data. Despite having real-time access to the program information and full access to all the underlying data, DOT officials told us they do not use the data to determine the accuracy of the information provided.

We also determined that DOT officials responsible for the program were not always familiar with the reports (e.g., number of stations cleaned and inspected, bicycle availability) containing information used to determine liquidated damages.

Despite reiterating that the Agreement is a service contract, DOT does not perform scheduled and systematic monitoring activities of its own to ensure that the services are provided in accordance with the Agreement's terms. While DOT performs limited inspections of stations for installations, it does not observe and monitor compliance with bicycle and station maintenance provisions outlined in the Agreement, such as cleanliness. We selected 38 stations for review, one of which was removed due to construction. For 32 of the remaining 37 stations, we found conditions such as trash or graffiti that are considered defects under the Agreement. Further, one of these stations was incorrectly labeled with the wrong address. The five remaining stations had no defects.

Despite the growing popularity of the program, even with the data available to it, DOT does not take the necessary steps to determine whether the desired goals, results, or benefits of the program are being achieved so that the City and its residents receive maximum benefits of the program.

Service Level Agreements

DOT is not fully utilizing the data by the vendor's system to assess compliance with the City's purpose for the program. The program has 12 SLAs, which allow DOT to assess and charge liquidated damages when the vendor does not comply with the terms of the SLA¹. However, DOT did not enforce all the SLAs.

Station Cleaning and Inspections

We found that not all stations were cleaned or inspected as required by the SLA. We reviewed a sample of 14 of 32 peak months (March–November) from July 2019 through November 2022 (there was no data available for June 2020). For the months we reviewed, the damages assessed were not accurate. For 3 peak months in 2019 (July, August, and September), 4 peak months in 2021 (July, August, September, and October), and 4 peak months in 2022 (June, July, August, and September), the data used was incorrect, the assessments of liquidated damages were incorrect, or the number of uncleaned stations listed was incorrect. For example, for the 14 peak months we reviewed, DOT listed a total of 263 uncleaned stations while the data showed 197 uncleaned stations. Moreover, the June 2020 file contained May 2020 data—meaning the wrong data was used in the assessment for June 2020.

¹ Based on the SLAs, the liquidated damages to be assessed are as follows: \$90 per station cleaning/inspection violation and \$15 per bicycle maintenance check/cleaning violation.

The cleaning records also showed results for station cleanings even though there were no station IDs or dates associated with the cleaning results. Specifically:

- The SLA data for October 2019 showed 1,613 station cleaning results between October 1, 2019 and October 29, 2019. However, 210 station cleaning results had no information in the stations or date columns to indicate which stations were cleaned and when. We also found similar results for May 2020 and June 2020 (1,086 with no station IDs and no dates) and August 2020 (205 with no station IDs and no dates). There were also other files that contained duplicate information. For example, the SLA files for March 2022 had February 2022 data, and the files for October 2022 had September 2022 data.
- 197 stations did not receive a cleaning in either the first or second half of the month, totaling \$17,730 (197 x \$90) in assessed damages. We also noted that for 11 of 14 peak months, the information used to calculate the damages was incorrect. For example, damages were over-assessed nine times and under-assessed twice. For the remaining 3 months, no assessed damages were required.
- For the stations that were cleaned, not all were cleaned according to the required schedule. In July 2019, 18 stations were cleaned twice in the second half of the month but not cleaned in the first half (one of which was not installed until the second half of the month, so cleaning in the first half of the month would not be applicable). Three other stations were cleaned twice in the first half of the month but not in the second half. This should have resulted in \$1,890 in potential violations for 21 uncleaned stations (21 x \$90). In August 2019, 21 stations were cleaned twice in the second half of the month but not cleaned in the first half. Another station was cleaned twice in the first half of the month but not in the second half. This should have resulted in \$1,980 in potential violations for 22 uncleaned stations (22 x \$90).
- We also found that the SLA data for June 2021 showed 344 unique stations that were not in the SLA summary, and the SLA summary contained 19 unique stations that did not appear in the SLA data. Specifically, in June 2021, the SLA summary file supporting the assessed liquidated damages listed 1,142 stations while the SLA data listed 1,467 stations. Further, the monthly reports listed 1,488 active stations for the same period.
- The number of stations listed as “cleaned” was also not reliable. In August 2020, the data listed 1,305 stations and a total of 3,000 cleanings in the first half and second half of the month. Based on the total number of stations listed, if every station is cleaned twice a month, the number of possible station cleanings should be 2,610 (1,305 x 2 = 2,610), which is 390 less than the number reported. Despite the 390 additional cleanings listed in the data, the summary data showed seven violations in each half of the month, meaning seven stations were not cleaned at all that month. However, DOT did not have any details on the cleanings and inspections and does not request the details necessary to verify the number of violations. Based on our review of the data DOT provided, we found that DOT’s assessment of liquidated damages was not accurate.

We met with DOT in October 2023 to understand how the assessments were done. After our meeting, DOT reviewed its assessments and, as a result, submitted a revised assessment to the vendor for the correct amounts. The original assessment was dated July 21, 2023, and the revised assessment was dated December 15, 2023.

Bicycle Maintenance Checks and Cleaning

The SLA requires every station, and all bicycles present at a station, be cleaned, wiped down, and inspected at least once between the 1st and 15th of the month and one time between the 16th and last day of the month. However, the vendor stated that its practice is to perform inspections approximately every 45 days.

Neither DOT nor the vendor performs maintenance checks. The service is performed by a third-party vendor using a “Fieldwork App,” which automatically transmits the information to the vendor.

Our review of the SLA files revealed inaccuracies relating to bicycle maintenance checks and cleanings (inspections).

- The October 2019 SLA data file listed 87,738 total bicycle inspections performed. However, 2,614 inspection dates had no information in the bike column, whether these dates represented actual inspections, or which bicycles were inspected, if any.
- Between July 2019 and October 2019, the SLA backup file listed 17,131 unique numbers in the “bike” column and 286,896 inspections. However, 8,060 of those inspections had no bike numbers (blank bike field) and 16,923 bicycles received multiple inspections, sometimes within the same second half of the month.
- There were 372 bicycles that did not receive a maintenance check and cleaning at least once every calendar month. Although the vendor told us that the inspections are performed every 45 days, some bicycles had 60 to 118 days between inspections. According to the data, 37 of those with a 100- to 118-day lapse were inspected in July 2019 and the next inspection was in October 2019. The data did not list any other inspections during that period, and DOT did not provide a list of bicycles that were not inspected to verify the time frames between inspections.
- We reviewed inspection records for one bicycle (Number 7168). The data showed that this bicycle was inspected 88 times during the second half of September 2019. There were 31 inspections listed on September 16, 2019 within the same minute (15:46) and seven were listed within the same second (15:46:36).

Although DOT officials indicated that they also perform their own inspections, the nature of DOT’s inspections differs from the description in the SLA. DOT performs inspections to ensure that installations and re-installations are properly done.

DOT lacks proper support for the assessment of the liquidated damages. It does not have any details of the inspections, and the information in the files differs. For example, DOT provided three files for this SLA for July 2019, listing 130 total violations, and the SLA summary also showed a total of 130 violations. In DOT's corresponding Liquidated Damages letter, it listed 49 bicycles that were not maintained in July 2019. Because the data listed 130 violations, damages should have been assessed for \$1,950 (130 x \$15). However, the letter for this SLA showed \$735 for 49 violations (49 x \$15), which is \$1,215 less than should have been assessed for July 2019.

Similarly, the August 2019, September 2019, and October 2019 files listed 80, 99, and 60 violations, respectively, while the Liquidated Damages letter listed 34 for August 2019, 27 for September 2019, and eight for October 2019. Based on the number of violations listed in the data, an additional \$2,550 (170 x \$15) should have been assessed for these 3 months. Because DOT does not request the details of the inspections, and the files did not contain any details on violations or which bicycles were not maintained, DOT could not document how the violations were determined for the Liquidated Damages letters or whether the amounts reported were accurate.

Liquidated Damages Payments

The payments for liquidated damages were also not made timely according to the Notices of Assessment of Liquidated Damages. The notices provided specific instructions on how and when the payments should be made. For example, according to the July 2023 notice, the non-service delivery payments for damages "shall" be made by check payable no later than August 21, 2023. A revised assessment was done after the due date of the payment. Although the non-service delivery amount did not change, the payment was made February 6, 2024 (and posted to the account on February 21, 2024), which was after both due dates. DOT officials advised us the payments were late because the vendor disputed the amount of damages.

However, there was no evidence that payment of \$1,214,365 for damages related to the service delivery SLAs assessed for September 2019 through December 2022 was deposited into the escrow account as required.

Maintenance and Storage Rent Payments

Access SLA (rent) payments for the storage facilities were also not made on time. The vendor utilized three storage facilities throughout the contract. Based on the payment dates, 11 of the 68 payments were late—ranging from 1 to 63 days late.

Additionally, the rent payments were not always addressed to the correct person, as required. The Agreement specified that the checks should be made payable to DOT and to the attention of a specified person. However, 19 payments were made payable to the incorrect payee (12 were made payable to an employee and seven to a different department). Further, another three payments had no documentation showing the payee. The remaining 46 payments were made payable to DOT, as required.

DOT officials provided several explanations for these deficiencies, including that the reports they receive are certified and that they trust the vendor. However, DOT's trust in the vendor does not replace its responsibility to verify the information and check for accuracy. DOT also stated that, because the vendor subcontracted the work to an outside party, it would have a vested interest in ensuring the inspections are done and is less likely to over-report inspections. However, by relying on the vendor's self-reporting and not doing its own inspections, DOT may not become aware of errors the vendor may have missed. By allowing the vendor to self-report its deficiencies and consequently determining the amounts of penalties it must pay, there is a risk of misreporting. Another explanation DOT gave was budget constraints; therefore, it relied on data analytics, using data from the vendor. Officials stated that if they receive repeated complaints or indirect social media complaints, they will perform inspections to verify them.

Meetings and Discussions

According to DOT officials, changes to the Agreement and adjustments to the SLAs are sometimes done through mutual agreement with the vendor. The Agreement included provisions for regularly scheduled meetings between DOT and the vendor to discuss program operations—including specific aspects of the program, such as expansion, fleet level requirements, effectiveness of the SLAs, and to make adjustments to the SLAs where necessary. However, DOT does not have any minutes to document the meetings, discussions, or adjustments including those discussing changes that impact the terms of the Agreement (e.g., changes to the SLAs, method of calculating revenue).

DOT provided copies of the 72 agendas for its vendor meetings, consisting of 66 slide decks and six emails. We reviewed the agendas and slide decks and determined that 25 did not include any detail. Although there were five instances where the discussion of the fleet was included in the topics for discussion, DOT and Citi Bike did not meet the quarterly requirement to discuss and set fleet level requirement, reinstallation, de-installation, and adjustments. The only fleet level discussion was in 2019, but despite the increasing popularity of the program, we saw no evidence that those levels were discussed as required for adjustments to the required numbers. At the closing conference, DOT officials stated that they have a good working relationship with the vendor and there was no reason to document the meetings. They added that the meeting clause is in the Agreement in the event they need to "force" a meeting with the vendor.

Recommendations

1. Verify Citi Bike data by conducting inspections of stations and bicycles and reviewing the data received for accuracy and completeness.
2. Ensure payments are received in accordance with the terms of the Agreement.
3. Implement a process to track revenues from each source and ensure that all revenues due to the City are deposited into the appropriate accounts and transferred to the City's general fund for use as required by the Agreement.
4. Revisit the decision to suspend or not activate certain terms of the Agreement such as the restocking fee and, if they are activated, verify that such fees are included in the vendor's revenue calculations used to determine the City's share.
5. Develop methods to review the accuracy of data provided by the vendor, including ridership, sponsorship revenues, and determination of liquidated damages used to determine the City's revenue share.
6. Review the system reports and develop measurement matrices to track performance and communicate concerns to the vendor.
7. Develop a system to track and monitor the inventory to maintain the fleet level in all areas of the program.
8. Work with the vendor to amend the Agreement to address changes, including adjustment for inflation.
9. Track, document, and maintain funds specifically assigned for a specific purpose separately as stated in the Agreement to avoid commingling funds.
10. Assess all SLAs for compliance and ensure that the vendor pays liquidated damages accordingly and is aware of any shortcomings of its service obligations.

Audit Objectives, Scope, and Methodology

The objectives of this audit were to determine whether DOT collects selected revenues from the New York City Bike Share program as required by the terms of the agreement. We also determined whether DOT monitors the vendor for compliance with the contract provisions. The audit covered the period from July 2019 to October 2024.

To accomplish our objectives and assess the related internal controls, we interviewed management responsible for monitoring the Agreement and collecting revenues and did walkthroughs of the program to obtain an understanding of how the program works, revenues are generated, and information is transferred from the vendor to produce the reports. We also reviewed the Agreement and eight amendments containing the 12 SLAs. We interviewed the officials involved in the program and requested copies of the source documents involved in the operations and oversight of the program from the appropriate parties.

We used a non-statistical approach to provide conclusions on our audit objectives and to test internal controls and compliance. We selected random and judgmental samples. However, because we used a non-statistical sampling approach for our tests, we cannot project the results to the respective populations. Our samples include:

- Judgmental sample of 38 of the 2,051 stations for visits to observe the condition of the stations and bikes. The stations were selected from each borough, so we would get a better overall picture.
- Judgmental sample of 14 peak ridership months out of 32 peak months where data was available for review (during the period of July 2019 through September 2022), to review ridership and whether there were any inconsistencies in its reporting. Peak months are the months with the highest volume of ridership and would give us more data and a better opportunity to evaluate compliance with the SLAs.
- We also reviewed the populations provided of:
 - 203 days of data from the daily feed to determine whether the data from the vendor, third-party contractor, and DOT matched.
 - 68 rent payments for the storage facilities to determine whether the vendor payments were made timely and in compliance with the terms of the rent agreement.
 - 72 meeting agendas to determine whether DOT scheduled meetings with the vendor to discuss the topics stipulated in the Agreement.

We obtained data from the vendor and DOT systems and assessed the reliability of that data by reviewing existing information, interviewing vendor and DOT officials knowledgeable about the systems, and tracing to and from source data. We determined that the data from each system was sufficiently reliable for the purposes of this report.

Statutory Requirements

Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III of the General Municipal Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. These standards require 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 during our audit provides a reasonable basis for our findings and conclusions based on our audit objectives.

As is our practice, we notify agency officials at the outset of each audit that we will be requesting a representation letter in which management provides assurances, to the best of their knowledge, concerning the relevance, accuracy, and competence of the evidence provided to the auditors during the course of the audit. The representation letter is intended to confirm oral representations made to the auditors and to reduce the likelihood of misunderstandings. Agency officials normally use the representation letter to assert that, to the best of their knowledge, all relevant financial and programmatic records and related data have been provided to the auditors. They affirm either that the agency has complied with all laws, rules, and regulations applicable to its operations that would have a significant effect on the operating practices being audited, or that any exceptions have been disclosed to the auditors. However, DOT officials informed us that, as a matter of policy, mayoral agency officials do not provide representation letters in connection with our audits. As a result, we lack assurance from DOT officials that all relevant information was provided to us during the audit.

Reporting Requirements

We provided a copy of our draft report to DOT officials for their review and comment. Their comments were considered in preparing this final report and are attached in their entirety at the end of this report. Our response to certain DOT comments are embedded within DOT's response as State Comptroller's Comments. DOT officials' response to our draft report stated that they disagree with the audit findings and conclusions. They also disagreed with the 10 recommendations. The response reflects a long-standing pattern of the agency not providing supporting documentation for statements made to auditors and then objecting that those statements are not fully accepted, despite providing no support. Although the Citi Bike program has its benefits, there is always an opportunity for improvement, including improved documentation. Our audit findings and conclusions are supported by the results of our audit, which identified errors in calculations and the need for additional monitoring of the services by the vendor. We recommend that DOT officials review the audit results with a focus on how to improve DOT's operations.

Within 180 days after final release of this report, we request the Commissioner of the Department of Transportation report to the State Comptroller, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Agency Comments and State Comptroller's Comments



Department of Transportation

Ydanis Rodriguez, Commissioner

October 30, 2025

Carmen Maldonado
Office of the State Comptroller
Division of State Government Accountability
59 Maiden Lane - 21st Floor
New York, NY 10038

Re: Draft Audit Report 2023-N-5, Issued September 23, 2025, New York City Bike Share Program: Oversight of Revenue Collection and Monitoring

Dear Ms. Maldonado:

The New York City Department of Transportation is in receipt of the Office of the State Comptroller's (OSC) Draft Audit Report (2023-N-5) regarding its audit of the "New York City Bike Share Program: Oversight of Revenue Collection and Monitoring".

Please accept the following as the Agency's written response to the Draft Audit Report:

On behalf of Ydanis Rodriguez, Commissioner of the New York City Department of Transportation ("NYC DOT"), NYC DOT does not agree with the results of the Draft Audit Report. While we appreciate the audit process and the opportunity to respond, we disagree with the summary conclusions, findings, and recommendations. As NYC DOT previously stated in response to OSC's Preliminary Findings #1 and #2, the audit has not acknowledged nor considered that the bike share program has:

- Incurred no costs (\$0) to the City of New York (the "City") since launch on May 27, 2013 – in comparison, the vast majority of other successful bike share programs are subsidized by municipalities;

State Comptroller's Comment – While we acknowledge that the City Bike Share program has benefits to the City, the purpose of the audit was to determine whether DOT provided oversight to ensure revenues were accurately reported and the vendor was in compliance with selected terms of the Agreement.

- Provided a multi-modal transportation option of 285 million trips traveling over 500 million miles and grown by nearly 2,000 stations;
- Delivered revenue to the City of New York;
- Minimal operational risk – the operator insures and fully indemnifies the City; and
- Been widely acknowledged as a successful public private partnership.

It is also important to note that the auditing scope period is over 5 years, which is highly unusual and deviates from standard auditing practices and includes the COVID-19 pandemic, which



affected both NYC DOT's ability to regulate the program and its priorities for regulation.

State Comptroller's Comment – We selected a 5-year audit scope because the COVID-19 pandemic, as DOT notes, was disruptive to many agencies and had an impact on normal operations. To obtain an accurate and fair assessment, we reviewed performance both before the pandemic and after operations stabilized, which required a longer scope period.

Moreover, the Citi Bike program initiated its "Phase 3" expansion in 2019, the first year of the audit scope period, and continued expanding in each subsequent year. During the scope period, the system gradually increased in size from approximately 12,000 bikes and 700 station to nearly 40,000 bikes and more than 2,000 stations. These consistent increases make it difficult to assess system performance and NYC DOT's oversight thereof retroactively.

NYC DOT disagrees with the auditors' claim that the agency takes a "passive approach" to oversight of the Citi Bike program. NYC DOT staffs a dedicated team that works with the vendor daily to promote the best possible service for its constituents. Different NYC DOT team members oversee different aspects of the program, and team members are very familiar with data sets, reports, and other information relating to the subjects within their responsibility centers. NYC DOT has access to comprehensive raw system data which it uses to conduct independent analyses of the program's performance. NYC DOT constantly monitors and evaluates the program.

State Comptroller's Comment – DOT officials told us that they accepted the revenues reported by the vendor as correct and believed that they did not require any further review. Although they advised us they were starting an audit of the financial statements and management practices, they had not started it as of July 2025.

Background on New York City Bike Share Program: Oversight of Revenue Collection and Monitoring [Page #6]:

The background provided in the fourth paragraph does not accurately describe the revenue structure of the program. Please see below for a more detailed description of the revenue structure of the program including lost parking meter, sponsorship and ridership revenues:

The Citi Bike Program has two main categories of revenue:

- 1) Ridership Revenues, which are based on fares that end users pay to the vendor. These revenues may be tied to an individual ride (for single ride fares), or they may derive from memberships for a particular time period (for annual memberships, day passes, and discount/corporate memberships). For single ride fares, users pay a check-out fee for each bike ride. In addition, they pay per-minute fees for e-bikes. With memberships, for the duration of the membership period, riders have unlimited access to pedal bikes and unlimited free check-outs of e-bikes. Riders pay per-minute fees for e-bike rides, but those fees are lower than those for single ride users. Ridership revenues total tens of millions of dollars each year.
- 2) "All Other Revenues," which consist primarily of sponsorship and advertising revenues as well as station move fees and merchandise.



Per the Agreement, NYC DOT receives a small share of these revenues, which are collected by the vendor. Prior to December 2020, NYC DOT received 5% of Ridership Revenues exceeding \$30 million annually and 5% of All Other Revenues exceeding \$10 million annually. In subsequent years, for Ridership Revenues, NYC DOT has received 5% of those revenues exceeding \$30 million and up to \$40 million; 4% of those revenues exceeding \$40 million and up to \$50 million; and 2% of revenues exceeding \$50 million. NYC DOT continues to receive 5% of All Other Revenues exceeding \$10 million. NYC DOT's share is deposited into the City's General Fund each year.

NYC DOT also receives comparatively smaller revenue payments via liquidated damages issued to the vendor, as well as an annual payment of \$1 million for Lost Parking Meter Revenue ("LPMR"). Liquidated damage payments are divided between the General Fund and a Citi Bike Escrow Fund, depending on the relevant SLA associated with the damages. LPMR is deposited into the Escrow Fund.

State Comptroller's Comment – As discussed with DOT, the audit only covered the Agreement up to the eighth amendment.

It should also be noted that the Agreement has been amended nine times, not eight as stated in the report. The ninth amendment was executed during the time the audit was conducted.

Audit Findings

Revenue [Pages #7-#11]

Ridership Revenue

The Ridership Revenue section appears to reflect a fundamental misunderstanding of the manner in which Ridership Revenues are calculated. There is no direct correlation between Citi Bike trip totals and ridership revenues. As described above, only certain fares – single ride fares – are tied directly to individual trips. In contrast, annual members are eligible to take an unlimited number of rides. One annual member may take 5 rides per year, while another takes 500. Both riders pay the same annual membership rate. Individual rides taken by members, however, do not marginally increase Ridership Revenue totals. NYC DOT does not rely on ridership numbers to calculate Ridership Revenue because there is no meaningful relationship between these figures. As such, the discrepancies in trip counts noted in the report do not affect the calculation of revenue.

State Comptroller's Comment – As DOT acknowledges in its response, ridership revenue relies on both annual memberships and individual trips, with the latter resulting in a check-out fee for each ride. Therefore, the tracking and reporting of individual rides is directly related to revenue. However, DOT officials did not obtain documentation to determine whether the 900,000 rides not included in reporting were individual trips or part of annual memberships, which is critical for monitoring revenue accuracy, and this should have been identified during ongoing oversight. Without that data, it is unclear how DOT could have assessed the accuracy of the revenues reported by the vendor.



Sponsorship Revenue

The OSC audit results relating to Sponsorship Revenue are out of scope. These sponsorship payments were due on May 26, 2019, and the audit scope period did not begin until July 1st, 2019. NYC DOT, however, did comply with the audit requests relating to this revenue.

NYC DOT provided to the auditors Exhibit F Number 8B1, which states that the title sponsor (Citi) shall pay a total of \$26,724,000, representing an accelerated, not additional payment. This amount has already been paid and is not an outstanding issue. NYC DOT has provided a report detailing the accelerated payments made from 2013 through 2019 to confirm that the payment was received by the vendor. OSC appears to misunderstand this as a payment that was owed to NYC DOT, which is inaccurate. This payment was made by the title sponsor (Citi) to the previous program owner-operator (Motivate) and as such NYC DOT does not have bank statements reflecting the payment. NYC DOT did receive, however, its rightful 5% of revenues exceeding \$10 million in All Other Revenue in the year that the payment was made. (Again, that payment was made prior to the audit scope period for the current audit.)

State Comptroller's Comment – The report was revised to clarify the terms of the Agreement.

Bicycle Restocking Fees

OSC's audit states that "DOT and the vendor agreed not to exercise the right to charge [Bicycle Restocking fees]." This statement is incorrect.

State Comptroller's Comment – The report was revised to clarify the terms of the Agreement.

The Agreement provides that the vendor "may" charge a restocking fee of \$100, which means that charging this fee is wholly at the vendor's discretion and NYC DOT has no role in their decision. NYC DOT explained this provision to the OSC team on multiple occasions during the audit, yet the OSC auditors persist in believing that NYC DOT chose to voluntarily surrender potential revenues from these fees. Lyft has made a business decision not to charge customers with this restocking fee, as is their right under the Agreement. Should Lyft revisit this decision at any point, NYC DOT will claim its rightful share of any fees charged. However, at present, \$0 monies are owed to NYC DOT in Bicycle Restocking Fees.

Lost Parking Meter Revenue

The audit references deficiencies in NYC DOT's monitoring of the program on page 10 and a list of statements by NYC DOT officials are enumerated. While employee input can provide useful context, the audit report appears to have drawn conclusions without substantiating these statements through evidence-based review. Relying primarily on these employee statements without corroborating documentation or analysis of objective evidence did not accurately reflect the monitoring practices of the program.



State Comptroller's Comment – OSC auditors did not rely primarily on employee statements without corroborating documentation or analysis of objective evidence. The documentation provided was reviewed; it contained errors or omissions that we brought to the attention of DOT officials. If any additional evidence was available to support DOT's statement, DOT did not provide it to auditors despite numerous requests.

Please see additional points of information considering NYC DOT monitoring and oversight over the program relating to LPMR:

- As discussed above, NYC DOT has made a policy decision to allow the vendor to use the \$1 million lost parking meter revenue payments to make improvements to the program. Prior to 2021, NYC DOT only required the vendor to create a liability for the \$1 million in their general ledger.

State Comptroller's Comment – DOT, as the program oversight entity, is responsible for monitoring the program. Policy changes, especially when they impact revenue due to the City and deviate from the terms of the contract, should be documented and transparent.

- Lyft either made a deposit to the Escrow Fund or provided a credit in the general ledger to offset the cost for LPMR each year, and the NYC DOT confirmed these deposits or credits.
- To fulfill the requirement for 2025, NYC DOT requested that Lyft deposit \$1 million parking meter revenue into the Escrow Fund as per the Agreement.

State Comptroller's Comment – DOT did not provide sufficient and appropriate documentation to support that deposits were made into the escrow account or that a credit was made. For example, as of July 2025, there were no entries in either the bank statements or other documents provided by DOT for 2024, which raises concerns about the completeness of the recordkeeping and the reliability of the reported information.

- NYC DOT made a policy decision at the initiation of the Agreement to cap the LPMR payment at \$1 million per year. The Agreement as written does not include a CPI escalator for the LPMR, and adding a CPI escalator would require a contract amendment. Under NYS contract law, consideration must be provided to both parties in a negotiation and if a modification to a contract only benefits one party, then it would not be enforceable. That is to say, if NYC DOT wished to add a LPMR CPI escalator to the Agreement, it would have to offer Lyft something of value in return. NYC DOT has not valued a CPI escalator for the LPMR such that it would give away any of its existing rights under the Agreement in exchange for it.
- Revenues provided to NYC DOT for review are independently certified by a licensed CPA. Reliance on these figures while reviewing the program is standard industry practice; however, as previously mentioned, NYC DOT directed Lyft to deposit the \$1 million in funds into the established Escrow Fund.

State Comptroller's Comment – DOT provided no documentation to support that the revenue calculation was reviewed by a licensed CPA.



Monitoring and Accuracy [Page #11]

We respectfully disagree that program expansion into Staten Island falls within the scope of the audit, which focuses on oversight and revenue collection of the NYC Bike Share Program. Further, NYC DOT is unsure how the conclusions and statements were included in the report that “DOT has not done any studies or extensive sitings on Staten Island or worked with government officials and other groups within the communities to determine station locations, as the Agreement requires.” There are no such requirements in the Agreement. Additionally, NYC DOT has analyzed the feasibility of bicycle infrastructure on Staten Island. While Citi Bike stations are not currently installed in Staten Island, bicycle infrastructure is continuously reviewed and studied for enhancements for all boroughs, including Staten Island. NYC DOT has not received inquiries from the auditors regarding the expansion of the program into Staten Island before seeing this statement in the audit report.

State Comptroller’s Comment – Siting of stations, including the process that DOT and the vendor are to employ, is part of the terms of the Agreement and therefore falls within the scope of the audit. Additionally, the audit does not state that studies or outreach related to Staten Island were required. Rather, it points to the process required by the Agreement and observes that, according to DOT officials provided by the agency to answer such questions, such a process was not performed related to Staten Island.

To clarify the history provided in the draft report, NYC DOT has engaged in two major expansions. The first, Phase 2, began in 2015, well before the scope of this audit. The second, Phase 3, began in 2019 and continued throughout the five-year scope period. During that time, the program’s geographic area doubled. Please see additional information concerning NYC DOT’s monitoring and accuracy:

- The NYC DOT team members overseeing the Citi Bike program have different roles and responsibilities. The reports and information provided by Lyft (and referenced by the audit team in this section) are reviewed by a NYC DOT data scientist who is familiar with them and who understands the information submitted.
- NYC DOT relies on the certification from a licensed CPA for revenue calculation accuracy. As stated above, the vendor is a licensed CPA and certifies the revenue totals, including NYC DOT’s share per calendar year. NYC DOT follows standard practice to rely on certified figures.

State Comptroller’s Comment – DOT provided no documentation to support that the revenue calculation was reviewed by a licensed CPA.

Service Level Agreements [Page #12]

NYC DOT does not agree with the conclusions listed within this section. NYC DOT routinely utilizes and reviews aspects of the system concerning ridership/trip counts. Several of the SLA-related findings do not provide proportional context throughout the document. For a more accurate and meaningful interpretation of performance, these findings could be expressed relative to the total volume of activity during the audit period. For example, in the peak months selected for 2019,



NYC DOT issued 112 violations for uncleaned stations. With over 750 stations in service, this translates to approximately 4,500 expected cleanings. Therefore, the vendor successfully reported a greater than 97% success rate. This demonstrates strong overall compliance. Additionally, NYC DOT was unable to verify certain findings, as supporting examples were not provided.

Please see below for additional context and feedback regarding the subsections of this finding:

Station Cleaning and Inspections

- The October 2019 SLA #1 assessment was not based on the Lyft-provided station cleaning file. Instead, NYC DOT independently accessed Lyft's records at the time of the assessment and calculated liquidated damages accordingly. These calculations are documented in the file titled October 2019 SLA 1 VIOLATION, which was shared with the auditors as part of the initial data request.
- Additionally, the 210 cells noted as missing data in the October 2019 file appear to be the result of a formula being copied down in Excel without corresponding data, and they had no impact on the SLA evaluation. In fact, it is likely the blank cells were missed only because these cells had no impact on the SLA evaluation. All relevant assessment data is properly summarized in the SLA 1 Summary tab.

Bicycle Maintenance Checks and Cleaning

Per the SLA, the time period for cleaning the bicycles present at a station is 45 days as opposed to being performed between the 1st and 15th of the month and on time between the 16th and last day of the month.

State Comptroller's Comment – The time period for cleaning bicycles was changed in the ninth amendment, which was not covered by our audit.

Liquidated Damage Payments

Please note that this statement in the Draft Report is not accurate, the contract provision requiring the Escrow Fund was established April 12, 2021. This account included deposits totaling \$334,210 covering service delivery SLA's assessed 9/1/2019 – 12/31/2020. Additional, NYC DOT communicated the pending deposits of \$880,155 relating to the period 1/1/2021 – 12/31/2022 to Lyft. Lyft disputes these amounts. This matter is still open; however, other material contract performance related items have taken priority such as the expansion of additional bike coverage.

State Comptroller's Comment – The statement is based on the information DOT provided to OSC auditors. We requested documentation to support the deposit of \$334,210 in September 2024. However, DOT did not provide it as of October 2025. In addition, the \$880,155 relating to the period from 1/1/2021 through 12/31/2022 was still outstanding as of October 2025.

Maintenance and Storage Rent Payments

The report identifies several rent payments as being made late; NYC DOT would like to clarify



that it has received all rent payments. The cited example involving delayed payments for February and March 2020, which were made on April 24, 2020, occurred at the start of the COVID-19 pandemic which included a sudden, unplanned, and unanticipated shift to remote work. Minor delays during this time occurred, however, all rents were collected.

All checks were made out to NYC DOT, and all were received and deposited by the appropriate unit. All rent payments were made payable to the "New York City Department of Transportation," as required by the Agreement. While there may have been variations in the memo line (e.g., "Attn: Revenue and Accounts Receivable" vs. an individual or different department), these variations did not impact the ability of the department to deposit or apply the payments. Beginning in April 2020, Lyft sent Storage Rent Payments via Electronic Funds Transfer (EFT). This change has resolved the issue of the variations in the memo line, as payments are now made electronically, eliminating physical checks and the possibility of appending a nonbinding note to their memo line.

The rent payment checks were deposited by the appropriate unit. NYC DOT has provided bank statements detailing all Bike Share Storage payments with a spreadsheet submitted for deposit approvals for the period from July 2019 through September 2024. Further, the audit report's statement suggesting that NYC DOT trusts the vendor data without relying on verification is inaccurate. NYC DOT has consistently provided supporting documentation that demonstrates that maintenance and storage rent payments are processed accordingly.

Meetings and Discussions

NYC DOT communicates with the vendor regularly in the course of running the program and addresses issues as needed. There is no requirement to provide meeting minutes, agendas, etc. NYC DOT and the vendor are in regular communication via meetings, phone calls, emails, etc.

Recommendations [Page #17]

1. Verify Citi Bike data by conducting inspections of stations and bicycles and reviewing the data received for accuracy and completeness.

NYC DOT Response: Disagree

NYC DOT conducts periodic inspections of stations and bicycles and oversees Lyft data. Additionally, monitoring of public feedback, including information received through 311, is promptly performed. If OSC is recommending that NYC DOT regularly inspect all stations for SLA compliance, NYC DOT would have to hire a very large staff of inspectors to field-verify all Citi Bike SLAs.

2. Ensure payments are received in accordance with the terms of the Agreement.

NYC DOT Response: Disagree

NYC DOT already receives and confirms deposits in accordance with the terms of the Agreement.



3. Implement a process to track revenues from each source and ensure that all revenues due to the City are deposited into the appropriate accounts and transferred to the City's general fund for use as required by the Agreement.

NYC DOT Response: Disagree

NYC DOT, as a matter of course, deposits revenues to the City's general fund.

4. Revisit the decision to suspend or not activate certain terms of the Agreement such as the restocking fee and, if they are activated, verify that such fees are included in the vendor's revenue calculations used to determine the City's share.

NYC DOT Response: Disagree

As described previously, there is no decision for NYC DOT to revisit on the restocking fee. NYC DOT will verify that such fees are included in the vendor's revenue share calculations should the vendor decide to impose them in the future.

5. Develop methods to review the accuracy of data provided by the vendor, including ridership, sponsorship revenues, and determination of liquidated damages used to determine the City's revenue share.

NYC DOT Response: Disagree

NYC DOT already, and continues, to review and monitor the accuracy of data provided by the vendor, including ridership, sponsorship revenues, and determination of liquidated damages used to determine the City's revenue share. It should be noted that NYC DOT was not able to verify certain findings as the auditors did not provide supporting documentation. Additionally, the exceptions relating to the potential noncompliance with the SLAs total \$26,710 which represents a relatively low percentage of overall revenue.

6. Review the system reports and develop measurement matrices to track performance and communicate concerns to the vendor.

NYC DOT Response: Disagree

NYC DOT currently reviews the vendor's reports and, separately, runs independent analyses on a wide range of program performance issues. In addition, NYC DOT regularly communicates its concerns to the vendor.

7. Develop a system to track and monitor the inventory to maintain the fleet level in all areas of the program.

DOT Response: Disagree

NYC DOT already monitors the bike fleet including how many bikes are available for use by the public via access to raw program data. This data is regularly accessed and analyzed.



Department of Transportation

Ydanis Rodriguez, Commissioner

8. Work with the vendor to amend the Agreement to address changes, including adjustment for inflation.

NYC DOT Response: Disagree

Modifying this requirement to add an annual CPI increase would require renegotiation of the Agreement. That would require significant resources and, in negotiations, the City would presumably have to surrender something of value in order for the vendor to accept this condition.

9. Track, document, and maintain funds specifically assigned for a specific purpose separately as stated in the Agreement to avoid comingling funds.

NYC DOT Response: Disagree

NYC DOT tracks, documents, and maintains an accounting of all funds received. All monies go into an assigned account labeled by revenue code into the NYC general fund, as required under NYC Comptroller's Directive #11.

10. Assess all SLAs for compliance and ensure that the vendor pays liquidated damages accordingly and is aware of any shortcomings of its service obligations.

NYC DOT Response: Disagree

DOT does not agree with the calculations within the audit concerning liquidated damages, so it will not collect additional liquidated damages relating to the audit results. Any noncompliance with SLAs that result in liquidated damages and are identified by NYC DOT, however, will be collected from the vendor.

Sincerely,

Michelle Craven
Associate Deputy Commissioner, Cityscape & Franchises
NYC DOT



Department of Transportation

Ydanis Rodriguez, Commissioner

Cc: **NYC DOT**
Commissioner Rodriguez
Paul Ochoa, Executive Deputy Commissioner
Ryan Wanttaja, General Counsel
Ryan Lynch, Chief of Staff
Meagan Chen, Chief of Staff to the Executive Deputy Commissioner
N. Patricia Browne, Deputy General Counsel
Joseph Fuccillo, Deputy General Counsel
John Frost, Executive Director
Bryan Perret, Operations Manager
Rogene Livermon, Executive Director
John-Michael Economos, Director
Florim Ardolli, Assistant Director

NYC Mayor's Office of Risk Management and Compliance
D. Giuliano

Contributors to Report

Executive Team

Andrea C. Miller - *Executive Deputy Comptroller*

Tina Kim - *Deputy Comptroller*

Stephen C. Lynch - *Assistant Comptroller*

Audit Team

Carmen L. Maldonado - *Audit Director*

Abe Fish - *Audit Manager*

Christine Chu - *Audit Supervisor*

Susan Gordon - *Examiner-in-Charge*

Regina Ngan - *Senior Examiner*

Brenda-Lee Persad - *Senior Examiner*

Kelly Traynor - *Senior Editor*

Contact Information

(518) 474-3271

StateGovernmentAccountability@osc.ny.gov

Office of the New York State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236



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