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Capital Equipment Workshop

FY 2016

September 22, 2015

Capital Equipment Overview – City Requirements

Equipment Projects funded by the City are primarily governed by:

- NYC Comptroller's Accounting Directive 10
- NYS Local Finance Law
- Chapter 13 of the City Charter
- NYC Procurement Policy Board Rules

As such,

- Equipment must be used for an organization's public purpose for at least 5 years or more depending on its estimated useful life
- Equipment must be capitally eligible
- Equipment cost should be fair and reasonable
- Equipment is the property of the City of New York (most cases), or the City retains an interest in the equipment.

Capital Equipment Overview – City Requirements

Funding allocation does **not** guarantee:

- All equipment requested will be deemed capitably eligible
- Required approvals by government entities will be granted
- Project will occur according to your anticipated timeline



Playwrights Horizons Lighting Equipment

FUNDS ARE **NOT** SAFE
FROM BUDGET CUTS

Capital Equipment Overview – Organization Responsibilities

Organization agrees to:

- Comply with City requirements
- Respond to City requests for information in a timely manner
- Assume responsibility of insurance, maintenance, security, and operation of equipment
- Report annually to DCLA on condition of equipment
- Notify the City in advance and receive approval when replacing, disposing, or removing equipment
- Relinquish equipment back to City if equipment is no longer in use

Capital Equipment Overview – Organization Responsibilities

Proof of site control of the location where the equipment will be used and/or stored is required to ensure the use of the requested equipment for at least 5 years (or more depending on the estimated useful life)

Organizations must submit copies of the following, as applicable:

- Deed or other proof of ownership
- Lease and any extensions with term of at least 5 years from the purchase of the equipment, along with letter of good standing from landlord

Capital Equipment Process Overview

Stage 1

Certificate to Proceed



**Scope Development
Procurement Method**

Stage 2

Procurement



**Managing Agencies
Purchase and Delivery**



DCLA

DCAS

Stage 3

**Annual Certification
and Final Disposal**

Stage 1: Scope Development – Equipment Systems

The process begins with compiling a capially eligible list of equipment and specifications:

Equipment Systems

- Each system must be composed of mutually dependent and physically or wirelessly* connected elements that are integral to the system's function
- Each system must be at least \$35K and have a minimum useful life of at least 5 years
- Security systems, compact shelving, and similar non-moveable equipment in non-City owned facilities must meet a minimum cost of \$250K

*Connected through a wireless network

Stage 1: Scope Development – Eligible Equipment

- Audio Visual
- Information Technology
- Seating
- Sound
- Vehicles and Heavy Equipment
- Telephone
- Theatrical Lighting



Soho Repertory Theatre Seating

Stage 1: Scope Development – Ineligible Equipment

- Training
- Maintenance, service, extended warranty fees
- Laptops, tablets, smartphones, and handheld devices
- System components not integral to the operation of the equipment, such as carrying cases
- Software (other than operating systems)
- HVAC or Chiller Equipment
- Elevators and chair lifts
- Spare or consumable items (batteries, lamps, gels, etc.)

Stage 1: Scope Development – Exhibit A Equipment List

Organization prepares an equipment list detailing the requested equipment:

Item	Brand Specific or Equal	Qty	Description	Manufacturer	Model/Part #	Color	Technical Specs	Unit Cost	Total Cost
1	Brand Specific or Equal	10	Lightolier Lighting Fixture	Altman	IQ38C-W-L-EDSN-IQ38	White	Lamp type : CDM PAR38, PAR30 — Wattages : 39, 70. &100 — Voltages : 120, 240, & 277 — Avg. lamp hours : 10,000 — Dimensions (in) : 6.125 W x 10.5 H x 5.125 D — Dimensions (cm) : 156 W x 268 H x 129 D — Weight : 5 lb / 2.3 kg	\$450	\$4500
2									
3									
4									

Stage 1: Scope Development – Brand Specific or Equal

- Equipment list should indicate whether an item is “Brand Specific or Equal”
- “Brand Specific or Equal” allows vendors to substitute equivalent items by other manufacturers
- Majority of City purchased items are made as “Brand Specific or Equal”

BRAND SPECIFIC ITEMS REQUIRE A
LENGTHY DETERMINATION PROCESS
AND MAY **NOT** BE APPROVED

Stage 1: Scope Development – OMB Questionnaire

Organization prepares answers to the form's questions, including:

- How does the system work?
- Who will use the system (staff, the public, visiting artists, etc)?
- Describe the system and how it relates to your mission.
- How does each part or group of parts relate to the system? Why are these parts necessary for the system to function?
- Is the system, as a whole or in part, attached to real property?
- Will this equipment reside on city property? If not, when does the lease expire?
- Who will be responsible for the care of the system and for what period of time?
- Are there any implications this project will have on your operating budget? For example, will more staff need to be hired?

Stage 1: Issuance of Certificate to Proceed

The Certificate to Proceed (CP) gives the managing agency spending authority

DCLA sends CP request to Office of Management and Budget (OMB) for review

Documents required from organization for CP request:

- Exhibit A equipment list
- OMB Questionnaire
- Organization and project narrative(s)
- Vendor quote(s)
- Legal documentation
(Capital Equipment Letter Agreement or Funding Agreement)
- Useful life statement
- Proof of site control (deed or lease)

Stage 1: Issuance of Certificate to Proceed

OMB will review CP request for equipment for:

- Capital eligibility
- System justification and cost estimate
- Legal agreements: use agreement or security agreement



Downtown Community Television Center media lab equipment

Stage 1: Determination of Procurement Method

All City procurements must use one of the methods authorized by the City's Procurement Policy Board (PPB Rules)

Local Laws that may apply to the procurement:

- Equal Employment Opportunity (Executive Order 50)
- Environmentally Preferable Purchasing (Local Laws 119 and 120 of 2005)
- Minority and Women-owned Business Enterprise (Local Law 1 of 2013)

Stage 1: Determination of Procurement Method

DCLA determines the procurement method based on several factors, including but not limited to:

- Type of equipment
- Cost of system
- Source of funding
- Organizational capacity

Procurement method and cost of system determines the agency that will manage the project (DCLA or DCAS)

Stage 2: Procurement – DCLA Managed <\$100K

Standard Small Purchase Process:

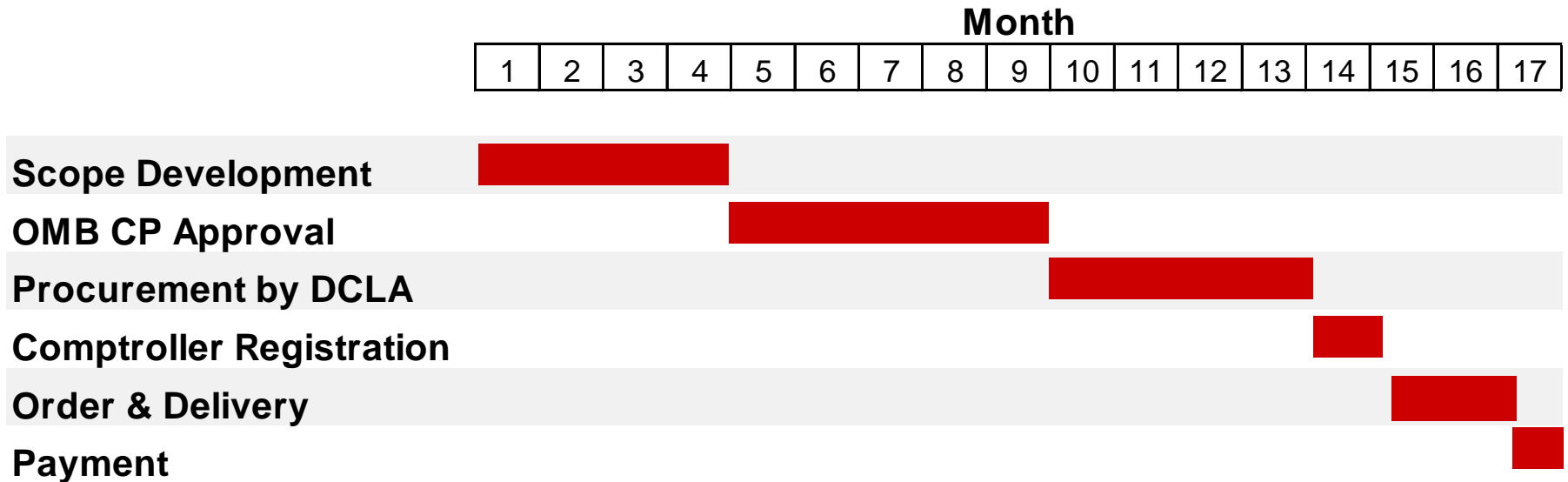
- DCLA procures the equipment for organization's use
- Equipment system must be <\$100K
- Each equipment system is bid and purchased separately
- Procurement may be either:
 - Competitive Bid
 - Purchase from a City or State requirements contract
- Equipment will be City-owned

Stage 2: Procurement – DCLA Managed <\$100K

Standard Small Purchase Process :

- Vendors are randomly selected from the City vendor list
- Organization's previous relationship with vendors has no bearing on the outcome of the procurement
- DCLA will award contract to the lowest responsive and responsible bidder
- Contracts require registration by the Comptroller (30 days)
- Once registered, DCLA issues purchase order to the vendor

Stage 2: Project Schedule - DCLA Managed <\$100K



Note: timeframes shown above are anticipated durations without delays, and based on organization's complete submissions + timely actions.

Stage 2: Procurement – DCLA Managed FA

DCLA Discretionary Purchase through a Funding Agreement (FA):

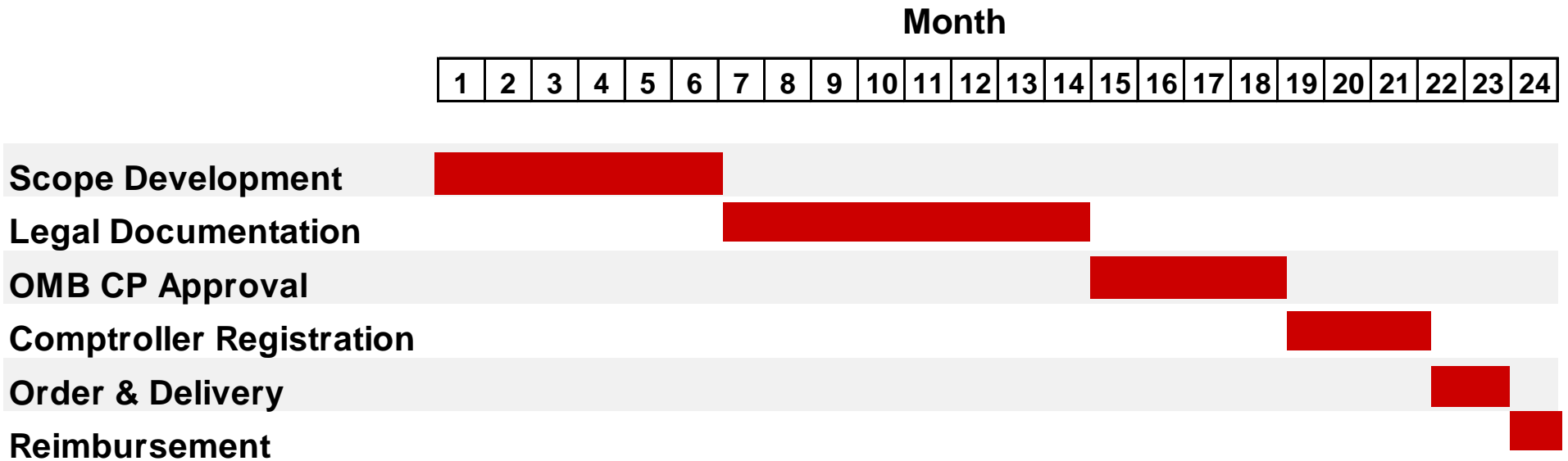
- Used only for certain projects funded by Borough President and/or City Council; DCLA will determine whether this method will be used
- All vehicles are purchased through a Funding Agreement
- Organization is responsible for bidding and procurement of the equipment (including vendor payment) per the terms of the FA
- Extensive legal documentation is required (Funding Agreement, Security Agreement, lien search and UCC financing statement, legal opinion, etc.)
- Organization receives City funding on a reimbursement basis after vendors are paid and requisitions submitted to DCLA

Stage 2: Procurement – DCLA Managed FA >\$100K

Procurements >\$100K will also require:

- Public Hearing
- VENDEX
- Compliance with Executive Order No. 50 (EEO)
 - Requires City contractors to comply with federal, state, and local equal employment opportunity (EEO) laws and regulations

Stage 2: Project Schedule - DCLA Managed FA



Note: timeframes shown above are anticipated durations without delays, and based on organization's complete submissions + timely actions.

Stage 2: Procurement – DCAS Managed >\$100K

Department of Citywide Administrative Services (DCAS) Competitive Sealed Bid Process, two stage process:

1st Stage: DCLA

- Obtains CP (Certificate to Proceed)
- Determines procurement method and prepares documents
- Submits equipment package to DCAS

2nd Stage: DCAS

- Publicly advertises invitation to bid for not less than 15 days
- Awards to lowest responsive and responsible bidder

Stage 2: Project Schedule - DCAS Managed

Month

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
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Note: timeframes shown above are anticipated durations without delays, and based on organization's complete submissions + timely actions.

Stage 2: Purchase and Delivery

- Upon delivery, open and check all equipment ASAP
- Report any damaged or faulty equipment to vendor and City project manager
- For City procurements, return Equipment Receipt & Notification Form to DCLA along with packing slips
- For Funding Agreements, submit payment requisitions to DCLA with packing slips, invoices, and proof of payment



Harlem School of the Arts Pianos

Stage 3: Annual Certification of Use by Organization

Annually certify use of equipment to DCLA for a minimum of 5 Years:

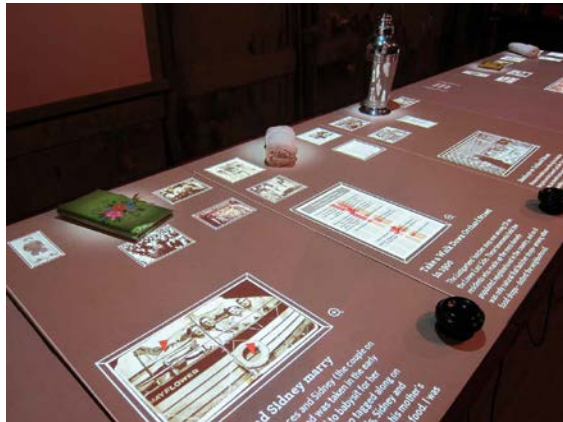
- Equipment has been used in accordance with the terms and conditions of the Capital Equipment Letter Agreement or Funding Agreement, as applicable
- Equipment has not been destroyed, replaced, disposed of or removed to another location (except removal as necessary for maintenance or repair) without the City's consent
- Equipment has been used and maintained in a responsible and lawful manner by the Organization for its City Purpose or such other purpose approved by the City, and not for personal, family or household use
- Equipment has not been damaged or destroyed, lost or stolen, in whole or in part by fire or other casualty without immediate notification to the City
- Equipment has not become subject to any lease, lien, mortgage, assignment, interest or other encumbrance
- Provide current proof of insurance evidencing the coverage required under the Capital Equipment Letter Agreement or Funding Agreement

Stage 3: Final Disposal of Equipment

- Contact Sei Young Kim, Capital Equipment Manager, for information as to the proper disposal of equipment after the end of its useful life
- Request DCLA consent to destroy, replace, dispose of, or remove equipment
 - For any eligible electronic equipment: City coordinates disposal using the City's Safe Handling of Waste vendor

Next Steps

- Submit scope of work to DCLA
- Schedule meeting with project manager
- Compile documents for CP package to OMB
- Respond in a timely and complete manner to all questions & requests



Lower East Side Tenement Museum Interactive Multimedia System

Abbreviations

CP	Certificate to Proceed
DCAS	Dept. of Citywide Administrative Services
DCLA	Dept. of Cultural Affairs
DLS	Division of Labor Services (unit of SBS)
DMSS	Division of Municipal Supply Services (unit of DCAS)
DOI	Dept. of Investigation
EEO	Equal Employment Opportunity
EPP	Environmentally Preferable Purchasing
FA	Funding Agreement
FMS	Financial Management System
MOCS	Mayor's Office of Contract Services
M/WBE	Minority and Women-owned Business Enterprise
NYS OGS	NYS Office of General Services
OMB	Office of Management and Budget
PPB	NYC Procurement Policy Board
SBS	Dept. of Small Business Services
VENDEX	Database of vendor/contract management info

DCLA Equipment Contacts

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