



TOWN + GOWN: NYC

Specialized Wood Procurement Primer

Introduction. New York City agencies procure goods and services within a detailed regulatory framework, so that pathways for (1) agency purchase and use and (2) purchase and use by others under contract with an agency for reclaimed and processed wood and processed wood from salvaged trees, including wood from trees (**specialized wood**), must follow NYC’s laws and rules.

- Specialized wood procurement pathways reach an early regulatory split between “Goods”, which would apply to agency purchase and use of specialized wood, and “Services”, which would apply to the purchase and use by others of specialized wood under contract with an agency.
- Within the Services pathway there is a subsequent regulatory split between (1) Construction-Related Services and Professional Services and (2) Human Services/Client Services and Client Services.

The Goods pathway and the Construction-Related Services and Professional pathway align best with specialize wood as discussed below.

Goods. The NYC Charter makes the Commissioner of the Department of Citywide Administrative Services (**NYC DCAS**) responsible for the “procurement of goods and other personal property.”¹ Goods are defined to be “All personal property, including but not limited to equipment, materials, printing, and insurance, excluding land or a permanent interest in land.”² With respect to goods procurement, the NYC DCAS Commissioner must “purchase, inspect, store and distribute all goods, supplies, materials, equipment and other personal property required by any city agency, except as otherwise provided by law, or by any office of any county wholly included in the city for which supplies, materials or equipment are required, payment for which is made from the city treasury.”³ Related to such obligation, the NYC DCAS Commissioner must also “classify all goods, supplies, materials and equipment; . . . adopt as standards the minimum number of quantities, sizes and types of commodities consistent with efficient operation and life cycle costs; and . . . promulgate and enforce written specifications for all such standard commodities.”⁴ This last provision has created NYC DCAS’s practice of creating what are known as requirements contracts for goods to provide NYC agencies with the best value for the commodity.

¹ Section 811

² PPB Rules, Section 1-01.

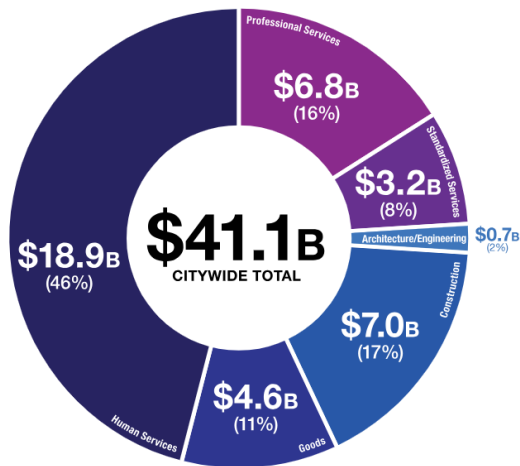
³ Section 823 (a)

⁴ Section 823 (f)

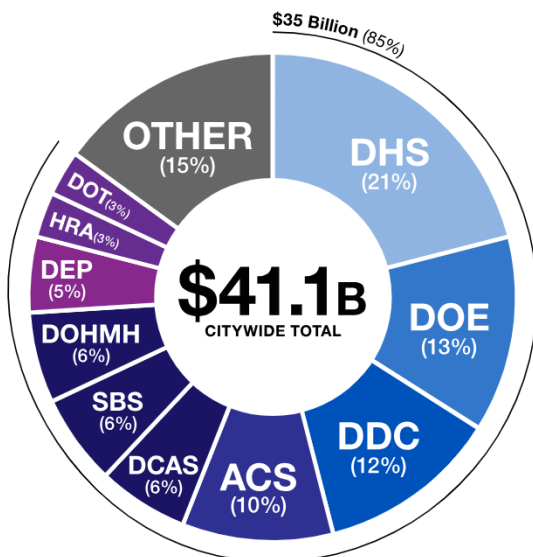
NYC Parks’s maintenance and operations division buys wood off existing NYC DCAS contracts, which are likely requirements contracts. For specialized wood, as a commodity, to be available for purchase by agencies it would need to be the subject of a NYC DCAS goods contract. *Getting NYC DCAS to create such a contract for specialized wood would require firms producing specialized wood and/or city agencies interested in procuring specialized wood in their operations, such as the NYC Parks, to meet with NYC DCAS to begin the process of assessing agency demand for specialized wood and market supply of specialized wood—generally and/or locally produced.*

To provide a sense of NYC DCAS’s role in NYC’s overall procurement efforts, from [Citywide Indicators Report | MOCS \(nyc.gov\)](#), NYC spends \$4.6 Billion on goods in Fiscal Year 2023, or 11 percent of the total NYC spend and the value of its total spend, which includes goods, was 6 percent of total NYC procurement.

Citywide Procurement by Industry - Fiscal 2023



Top 10 Agencies by Procurement Values - Fiscal Year 2023



From the same report, NYC DCAS was responsible for seven of the 15 highest value requirements contracts among city agencies.

Top 15 Requirements Contracts by Dollar Value - Fiscal 2023

	Agency	Vendor Name	Purpose	Contract Value
1	DCAS	JP Morgan Chase Bank NA	OGS piggyback contract for Purchasing/Procurement Card program	\$464,000,000
3	DCAS	Gabrielli Truck Sales LTD	To procure a 25CY rear loading collection truck with snow hitch	\$222,533,811
4	DCAS	Global Environmental Products Inc	To procure 4-wheel street sweepers for New York City	\$156,083,177
5	DCAS	Gabrielli Truck Sales LTD	To procure a 2YCY dual compartment rear loading truck	\$148,764,066
8	DCAS	Kuehne Chemical Company, Inc.	To procure sodium hypochlorite for various wastewater resource	\$66,168,500
11	DCAS	Peckham Materials Corp	To procure hot asphalt paving mix - Borough: Bronx	\$44,795,242
13	DCAS	Rev Ambulance Group Orlando Inc	To procure Type 2 ambulances for the City of New York	\$41,000,350

Construction-Related Services. Regardless of the design/construction methodology that a public construction agency uses—design-bid-build (**DBB**) or design-build (**DB**)⁵—when agencies procure Construction-Related Services for the design and construction of public capital projects, the designer (building architect, landscape architect and/or engineer) is responsible for designing the project consistent with the agency’s authorized project scope (needs) and the authorized budgeted amount for the entire capital project.

Construction-Related Services are defined to be “Those services that may reasonably be required in the planning, design, or construction of real property or other public improvements. Such services shall include, but not be limited to, such services as architecture, engineering, construction supervision, construction management, planning, surveys and reports, testing and investigation, and printing and

⁵ Whether a local government can use DBB and/or DB depends on state legislative authority. DBB is authorized for all local government for public construction and is the default methodology. Local governments need specific authorization for DB, which NYC has. The main difference is that in DBB, an agency procures professional design services separately from the construction contract, and in DB, an agency procures combined design and construction services from a single firm, which has professional designers on staff to perform design services.

blueprinting.”⁶ Professional Services are defined to be “Services other than human/client services that require specialized skills and the exercise of judgment, including but not limited to: (i) accountants, (ii) lawyers, (iii) doctors, (iv) computer programmers and consultants, (v) architectural and engineering services, and (vi) construction management services.”^{7 8}

Whether a capital agency begins the design process with in-house staff or procures a professional design consultant to design the project on a DBB project or hires a DB firm, the designer will design the capital project consistent with professional standards and various city code standards, consistent with the authorized project scope and budget, all of which have the potential to limit in various ways the materials the designer specifies in the design, which is ultimately approved by the agency. On a DBB project, the final approved design and construction documents, with materials specifications embedded in them, become part of the bid documents, which includes the construction contract, that construction firms bid on. On a DB project, there is no public bidding of the design since DB is accomplished via a procurement with a DB firm, but the DBB requirements above with respect to the role of the designer still apply.⁹

On what was likely a DBB project by NYC Department of Design and Construction (**NYC DDC**) for the Department of Youth and Community Development’s (**DYCD**) 14th floor conference room, specialized wood appears as an interior material feature on the walls throughout the room:

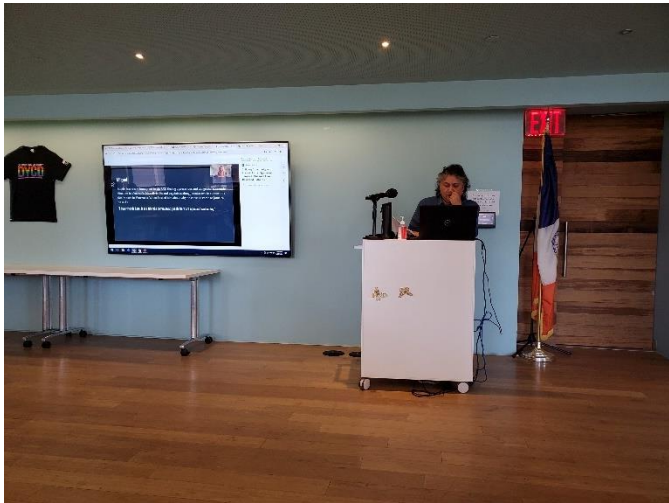


⁶ PPB Rules, Section 1-01.

⁷ PPB Rules, Section 1-01.

⁸ The other two types of services, Human Services/Client Services and Client Services, defined in PPB Rules, Section 1-01, would not have any nexus to specialized wood.

⁹ Under the DBB methodology, the price bid is the single award criterion, and if the DB methodology is used, several factors play into the award decision.



As noted separately, a NYC DCAS-managed capital project, which appears to be a DDB project, for an NYC Parks office in Rego Park involved a design by the architect that included the use of specialized wood.

On any capital project, either an agency's contracted designer or the agency, as project owner, can raise the use of specialized wood materials for the project during the design process. Raising awareness of specialized wood within the architectural and interior design communities is one avenue for specialized wood producers that could increase the inclusion of specialized wood on city projects via the designers themselves, which may be how the DYCD project use of such wood happened. Increasing awareness within the professional architectural design community of specialized wood materials available within the market for use in public project design is critical, since it is the designer who specifies materials as part of the design process, which, assuming they comply with various codes and are within authorized scope and budget, the project owner approves. The impetus for use of specialized wood on the NYC Parks office may have come from NYC Parks as owner, so that raising awareness of specialized wood among public owners and their construction managing agencies—NYC DDC and NYC DCAS—is also another important avenue. As with any DBB project, however, the construction contract and/or design

specifications may permit the construction contractor to substitute materials for a variety of reasons, subject to the owner's approval, which is something to be aware of. Raising awareness of specialized wood among construction contractors may thus also be a useful avenue.

Since the use of specialized wood may also yield measurable environmental benefits as compared to new sourced similar materials, NYC's LEED requirements for certain public building projects (see [MOEC-CGBP Overview Fact Sheet.pdf \(nyc.gov\)](#) and [Local Law 86 of 2005 \(nyc.gov\)](#)) and NYC Executive Order 23/2022 (see [Executive Order 23 | City of New York \(nyc.gov\)](#)) may provide additional context for outreach efforts with the design, public owner and contractor stakeholder communities.

Rinse and Repeat for other Governmental Agencies. The exercise above can be repeated for New York State (see [Preferred Sources | Office of General Services \(ny.gov\)](#), [Procurement | Office of General Services \(ny.gov\)](#) and [No. 22: Leading by Example: Directing State Agencies to Adopt a Sustainability and Decarbonization Program | Governor Kathy Hochul \(ny.gov\)](#)), other local governments subject to same public construction procurement laws as NYC (see as example, [Departments \(westchestergov.com\)](#) and [County of Westchester - Board of Acquisition and Contract \(legistar.com\)](#)) and state-created authorities that contract for design and construction (see as example, [Home Page | DASNY](#) and [Construction Services | DASNY](#)).

The New School Ideas. The New School student-led policy report entitled *Creating a favorable environment for the salvage model of tree removal in New York City*, dated May 15, 2023, listed four ideas, which they analyzed along an analytical matrix. Below are the four ideas with a discussion related to NYC procurement rules and other issues.

City Contracts for Tree Salvage and Wood Reuse. The first component would be a requirement that all trees removed on public land (sidewalk berms are public property managed by adjacent landowners) for salvage potential and salvage candidates are diverted from waste stream (i.e., chipping and land fill); the second component would be a city procurement-related preference for using sustainably sourced wood (including salvaged wood above) for city capital building and landscape projects.

Discussion:

From the public procurement perspective, the first component would require agencies that manage city-owned land with trees on them to institute a policy to be reflected in a specification in their new contracts to manage aspects of their city-owned land. This type of contract specification would be similar to construction and demolition waste (CDW) waste management plan (WMP) specifications and/or provisions in public construction contracts. There are many agencies in addition to NYC Parks that manage publicly-owned land, such as NYC DCAS and other agencies with public buildings on them, not to mention their vacant city-owned land. Adding such a specification would likely increase the cost of the contracted service especially if there is no corresponding fee from the manufacturer using the recovered material that typically accrues to the contractor in the construction setting for materials with market value.

The second component, a procurement-based preference for using specialized wood, would move from the strategy of raising awareness with agency owners/design and construction managing agencies, described above under *Construction-Related Services*, to the articulation of a city-wide policy of preferring specialized wood and including such a preference in agency RFPs for designers and/or including references to such preference in any design guideline documents the agencies may have. This type of effort might align or be supported by LEED requirements and efforts underway for E.O. 23/2022.

Public-Private Partnership (PPP) with NYC Parks. This would involve a private-entity or entities engaged in tree salvage and/or specialized wood manufacture to pursue a partnership with NYC Parks to operate a tree salvage recycling facility on a City-owned parcel. The private-entity or entities would be responsible for operation and maintenance of the facility via a NYC Parks license. This alternative seeks to address the limits of Tri-Lox's operational space within the city boundaries.

Discussion:

The closest example to this idea is NYC's Clean Soil Bank (see [Clean Soil Bank - OER \(nyc.gov\)](#)). NYC Parks would likely be the lead agency for this idea, but understanding how the Clean Soil Bank was created by meeting with the Mayor's Office of Environmental Remediation would be a first step in this effort.

Related to the issue of increased needs for operational space, the City's 21 Industrial Business Zones (IBZs) (see [Industrial and Manufacturing | NYCEDC](#)) are options for available industrial spaces within NYC. A recently completed Town+Gown project with NYU/Wagner capstone students analyzed five case study IBZs as part of developing a strategy to support a local circular CDW economy. The process to recover raw materials and process and manufacture specialized wood is not dissimilar to that of CDW element recovery and processing for remanufacture of new construction materials with CDW elements.

Communications Campaign and Certification for Salvaged Wood. This would involve raising awareness of tree salvage and specialized wood manufacture for use and a certification for salvaged wood products.

Discussion:

The NYU/Wagner capstone students discovered, in their research, the Recycling Certification Institute national standard to certify to owners and other regulators the results of CDW recovery and processing operations (See [RCI – Recycling Certification Institute, Recycling Facility Certification Program](#)). For example, Cooper Transfer Station uses this certification as part of the documentation that contractors use to submit to owners as part of the WMP compliance. In view of the similarities between CDW and specialized wood, this model may be helpful.

Tax Deduction for Private Tree Salvage. This proposal would involve leveraging existing tax-exemptions for donations to non-profit entities. Tri-Lox would partner with an existing 501(c)(3) organization from the Forest for All NYC coalition, which would provide information to private owners with salvaged wood

about tree removal companies that would take such wood from their private property and deliver it to this not-for-profit partner for use by Tri-Lox.

Discussion:

This idea is outside the procurement-related analysis of this primer.