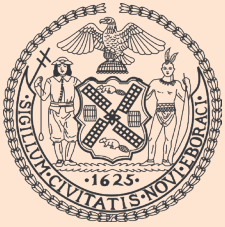


BUILD NYC BETTER



NEW YORK CITY
CAPITAL PROCESS REFORM
TASK FORCE

2024 Year-end Report



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LETTER FROM THE DEPUTY MAYOR FOR OPERATIONS

Dear New Yorkers,

We spend billions of dollars every year to build our city, funding a vast array of projects-- shoring up our roads and bridges, building recreation centers and libraries, and protecting our city from excessive rain and high tides through coastal resiliency walls, green infrastructure and underground pipes. In this environment, every minute and every dollar count. We have to work fast, be financially prudent and continuously build to higher standards as our city and our needs evolve.

In 2022, Mayor Adams and First Deputy Mayor Lorraine Grillo, with the support of Comptroller Brad Lander, convened the Capital Process Reform Task Force to identify ways to build public infrastructure faster, better, and more cost-effectively. The resulting report outlined 39 concrete recommendations to overhaul our capital project delivery system - from streamlining procurement to boosting opportunities for minority- and women-owned businesses.

Since then, our Task Force's leadership has worked diligently to overhaul the capital process, bringing together diverse stakeholders across government and the building and design industries to pursue reforms. Thanks to their hard work, we have implemented 24 recommendations fully with 15 more underway. We are deeply grateful.

That means real cost and time savings on critical initiatives like the East Side Coastal Resiliency program and the Shirley Chisholm Recreation Center.

But we are just getting started. Our city's infrastructure, much of it over a century old, faces growing challenges from climate change, increased demand, and limited resources. Economic headwinds make it all the more critical that we find ways to do more with less. We are redoubling our efforts to implement the remaining recommendations and explore additional reforms to drive further gains in speed, cost-effectiveness, and quality.

This is about more than just bricks and mortar - it's about delivering the essential services and public spaces that define the fabric of our neighborhoods. We owe it to all New Yorkers to get these projects right.

I'm grateful to the labor leaders, minority- and women-owned businesses, industry experts, and city agencies who have partnered with us on this crucial work. From day one this has been about finding consensus on what needs to be changed and then with locked arms advocating for it.

Deep gratitude to Alison Landry, our city's Chief Delivery Officer, an expert in capital project delivery, and the engine behind the constant forward movement of our task force.

Together, we continue pushing the boundaries of what's possible, leveraging d best practices to transform our capital delivery system. The people of New York City deserve nothing less.

Sincerely,

Meera Joshi

Deputy Mayor of Operations



LETTER FROM THE CHIEF DELIVERY OFFICER

Dear fellow New Yorkers,

We all feel the impact of inefficient public construction every day, from delayed library and playground projects to years-long street closures. It doesn't have to be like this.

Two years ago, the Capital Process Reform Task Force recommended 39 reforms across the entire capital project delivery process to save time and money while enabling agencies to build more efficiently, collaboratively and inclusively. This report illustrates implementation of 24 recommendations and meaningful progress with the other 15, establishing an action plan to fully realize the intent and objectives of each goal. This is not a one-size-fits-all approach, and not every recommendation impacts every single project. But together, these improvements adapt our capital delivery systems to meet 21st century challenges.

One of the most impactful initiatives will adapt construction procurement to streamline procurements, foster collaboration, and save time and money. This November Governor Hochul signed expanded alternative delivery legislation into law, giving DDC access to CM-Build and Progressive Design-Build. We will use these tools in 2025 to renovate cultural institutions and build complex resiliency infrastructure. I extend my deep gratitude to the Governor, as well as State Senator Leroy Comrie and Assemblymember Edward Braunstein for championing this legislation.

In the year ahead, city agencies will adopt this recent legislation and operationalize new tools, including launching standardized construction invoicing, expanding contract tools for greater flexibility to manage risks and incentivize delivery, and enhancing citywide planning tools.

I'm grateful to our Task Force members for providing valuable input, and to our design and construction industry partners for real-time feedback essential to getting the process right.

But most of all, I'm grateful for the hard-working staff across city government whose tireless work makes this possible. They continue to challenge assumptions, solve problems, and deliver for New Yorkers. I can't thank them enough.

Together, we are setting New York up to modernize our aging infrastructure, meet the scale of the climate crisis, and deliver a better New York for future generations.

With deep thanks,

Alison N. Landry, AIA

Chief Delivery Officer

Mayor's Office for Operations

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Dan Symon, Managing Partner, Gartner; Former MOCS Director

Robert G. Wessels, Executive Director, The General Contractors Association of New York

NEW YORK CITY COMPTROLLER'S OFFICE

NEW YORK CITY AGENCIES AND OFFICES

Department of Citywide Administrative Services (DCAS)

Mayor's Office of Contract Services (MOCS)

Department of Design and Construction (DDC)

Economic Development Corporation (EDC)

Mayor's Office of Efficiency

Department of Environmental Protection (DEP)

Health + Hospitals (H+H)

Housing Authority (NYCHA)

Law Department

Office of Management and Budget (OMB)

Mayor's Office of Minority and Women-owned Business Enterprises' (OMWBE)

Mayor's Office of Operations

Parks Department (Parks)

Mayor's Office of Policy and Planning

Mayor's Office of Risk Management and Compliance

School Construction Authority (SCA)

Department of Transportation (DOT)

EXECUTIVE SUMMARY

WORK IN PROGRESS: TASK FORCE APPROACH AND ACHIEVEMENTS

Mayor Adams convened the Capital Process Reform Task Force in April 2022 to undertake a comprehensive review of the city's capital process with the goal of developing recommendations to reform capital project delivery. Under the leadership of then First Deputy Mayor Lorraine Grillo and with the enthusiastic support of Comptroller Brad Lander, the Task Force worked together to develop 39 recommendations that were released in 2022.

In the time since, the Task Force has supported the City in making significant progress with this effort, including State legislation for time savings and increased quality in construction and repealing outdated City legislation that caused delays in procurement and adjusting City contract mechanism for agility in the field and updating processes for invoicing and payment. All these tools, and more, support of support efficient and effective delivery.

Moving into 2025, with the dedicated support of the City's Chief Delivery Officer, the Task Force will continue to convene regularly, tracking action plans for in progress initiatives, assessing the effectiveness of completed initiatives, and to identify areas for further improvement with capital project delivery.

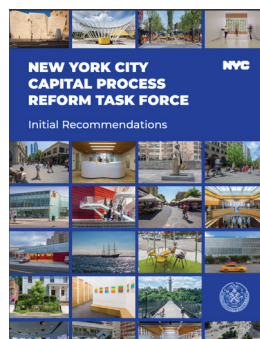
2022 Task Force Launch and Working Groups

The Task Force working groups addressed different components of the capital construction process, pairing industry and government leaders to represent perspectives and expertise in the capital process. External task force members include construction contractors, design professionals, and labor leaders, as well as individuals with relevant experience in government agencies. The City's working group members include design and construction professionals, as well as agency leadership with procurement, contracts, financial, budget, and legal expertise. These perspectives included City entities that are responsible for each aspect of planning and execution on capital projects, including but not limited to: the New York City Department of Design and Construction (DDC), the New York City Department of Parks and Recreation (NYC Parks), the New York City Department of Environmental Protection (DEP), the New York City Department of Transportation (DOT), the New York City Office of Management and Budget (OMB), the New York City Law Department, and the Mayor's Office of Contract Services (MOCS), as well as the New York City Comptroller's Office.

Together, these working groups crafted a roadmap for reforms that would reduce timelines for capital project completion, with the benefits of achieving taxpayer savings, enhancing participation in the process, and increasing the City's capacity to address emerging needs. The working groups vetted proposals submitted by City agencies and other stakeholders, and also generated their own ideas about process improvements and focus areas. The working groups established draft recommendations, which were then brought to the Task Force for additional discussion and ultimate approval.

2022 Task Force Recommendations

The Task Force published two reports: an initial report that captured the first 6 months of progress and a final report that identified additional proposals to improve capital project delivery.



2022 Initial Report

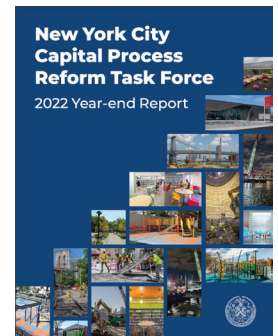
In October 2022, the Capital Process Reform Task Force published an initial report that outlined 17 proposals. The Task Force benefitted from an examination of many successful DDC initiatives, which, in certain instances, made sense to extend to other city agencies.

Refer to [Initial Report](#)

2022 Year-end Report

Released in January 2023, the comprehensive report laid out a total of 39 recommendations, including the 2023 State legislative agenda. This report included the initial 17 recommendations along with 22 additional recommendations: 9 at the State level, and 30 at the City level.

Refer to [2022 Year-end Report](#)



2024 Year-end Summary and Action Plan

In the two years since the release of the 2022 Year-end Report, New York City has made significant strides towards efficient delivery of capital projects, and the work isn't done when a law is passed or an initial tool is released. The City is continuously adapting, sharing information across agencies and addressing industry feedback to ensure that it is meeting the intent of the Task Force recommendations: saving time and money, increasing access and preparing for the future.

The Task Force actively supports the City in this action plan, with frequent engagement on both advocacy and feedback on activated recommendations. In addition to quarterly meetings throughout the 2023 and 2024 calendar years to cover overall progress, the Task Force reorganized the working groups

to facilitate implementation. The Task Force’s State legislative group meets bi-weekly leading up to and throughout the State legislative session, to coordinate advocacy. The Task Force’s interagency team participates in weekly breakout sessions on deeper dive topics, including invoicing and payment process, expanded work allowance, interagency project planning, and alternative delivery roll-out. Outcomes from these breakout efforts are shared with the Task Force at the quarterly convenings, furthering the City’s commitment to driving results on the more complex recommendations

As of November 2024:

| | |
|--------------------|--|
| Implemented | 24 recommendations have been implemented, with on-going work to adapt their impact and ensure that the intent of the recommendation is operationalized: e.g., activity necessary to operationalize a State law or workflows to ensure new tools have the necessary impact. |
| 24 of 39 | |
| In Progress | 15 recommendations are in progress with varying stages of implementation: e.g., an initial milestone such as a proof-of-concept deliverable or a functional tool with a longer-term action plan to expand utility and meet the objectives of the recommendation. |
| 15 of 39 | |

This 2024 Year-end Report captures status updates on each individual recommendation. The State legislative and internal recommendations are now organized by overarching goals, to better track the impact across various aspects of the City’s capital delivery and anticipate the internal tasks necessary to operationalize State legislation.

Project Life Cycle: Phases of Capital Delivery



Each of the City’s capital projects follow a process that consists of phases: initiation, design, procurement, and construction. Some of the Task Force recommendations address a specific phase and other recommendations involve the entire workflow of delivery. Not every recommendation impacts every project – but together, these improvements adapt our capital delivery systems to meet 21st century challenges, representing a generational investment in the way we do work.

Goal 1: Improve the Pipeline

Prepare for Better Projects



7 OF **7**

RECOMMENDATIONS IMPLEMENTED

Status: The City has completed all 7 Task Force recommendations related to project initiation, partnering across agencies and with the Comptroller’s Office to release and implement the Task Force commitments. Together these reforms to properly define projects and streamline financial approvals help accelerate the timeline when projects kickoff, mitigate risks of project scope issues during delivery, and lay groundwork for comprehensive portfolio planning.

Action plan: The City launched an interagency working group that is exploring future options for a citywide tool for data management and analysis, supporting prioritization in the City’s capital program and scoping better capital projects.

Goal 2: Reform Procurement

More Flexibility Without Sacrificing Quality or Oversight



4 OF **7**

RECOMMENDATIONS IMPLEMENTED,

3 OF **7**

RECOMMENDATIONS IN PROGRESS

Status: The City has completed the Task Force internal reform recommendations related to procurement, eliminating redundant requirements and updating contract processes to reflect contemporary capital projects. At the State level, the City was authorized to require electronic bids with a 2023 State law. In 2024, the Task Force advocated for Expanded Alternative Delivery (CM-Build and Progressive Design-Build) and Public Notice and Comment.

Action plan: Now signed into Law, the City will apply this new legislation to adopt CM-Build and Progressive Design-Build delivery models at DDC. The Task Force will pursue State authorization for expanded project types and extended authorization for additional agencies in 2025.

Goal 3: Make It Easier To Participate In Capital Projects

Increase Minority and Women-owned Business Enterprises (M/WBE) Participation



4 OF **10**

RECOMMENDATIONS IMPLEMENTED,

6 OF **10**

RECOMMENDATIONS IN PROGRESS

Status: The City has made progress with internal Task Force recommendations that reduce barriers for entry and expand opportunities to work with the City, including published procurement pipelines and broad use of M/WBE prequalified lists. The Task Force advocated for State laws that increase M/WBE participation, including raising discretionary spending to \$1.5M, a centralized construction mentorship program and Owner Controlled Insurance Program (OCIP) authority.

Action plan: In 2025 the City will launch the citywide construction mentorship program, evaluate program options for wrap-up insurance, and release standardized construction invoicing materials. The Task Force will use feedback from Albany legislators about the Small Contractor Relief Fund to advocate for this insurance option in 2025.

Goal 4: Manage Projects More Effectively And Transparently

Reduce Timelines And Save Money, With Increased Flexibility And Transparency On Delivery



9 OF **15**

RECOMMENDATIONS IMPLEMENTED,

6 OF **15**

RECOMMENDATIONS IN PROGRESS

Status: The City has advanced internal Task Force recommendations related to project management, including the launch of the NYC Capital Project Dashboard and broad use of contract tools for greater flexibility to manage risks and incentivize delivery across agencies. A working group across agencies in partnership with the Comptroller’s Office has been developing the program for expanded work allowance, first piloted at DDC, to address known unknowns in construction and save time.

Action plan: In early 2025, the City will launch expanded work allowance with adjustments across agency project types and pilot self-management of libraries. Having laid three years of groundwork with State legislators to establish DDC as an authority, the Task Force is committed to supporting this flagship effort in 2025.

DEEPER DIVE: STATE LEGISLATIVE AGENDA

Because much of the power to regulate procurement and capital projects lies with the State, the Task Force reports in 2022 dedicated a chapter on State legislative proposals.

With the Task Force's advocacy and partnership, State legislators have given the City 7 of the 9 tools that the Task Force sought to improve efficiency, inclusivity, and collaboration within the City's operations and partnerships.

Working with the Governor and the State Legislature, the Task Force championed four new bills that were signed into law in 2023 and three bills that were signed into law in 2024. The Task Force and administration

officials will also work closely with the City Council on advocating for these State legislative proposals, including home rule and related local legislation that seeks to enhance the capital process, and on the internal resources needed to implement this legislation.

What this means: Together these seven laws help to improve efficiency, inclusivity, and collaboration within the City's operations and partnerships. We're putting these tools to use immediately to reform procurement, without sacrificing quality or appropriate oversight. We're also growing the number of New Yorkers involved in the City's capital process, minimizing barriers for entry, and expanding access for M/WBEs.



2023

LEGISLATIVE ACHIEVEMENTS: FOUR BILLS SIGNED INTO LAW IN OCTOBER 2023

Authorization of owner-controlled and contractor-controlled insurance programs (OCIP / CCIP): expand NYC's insurance options, promoting flexibility and removing barriers to entry

Increase M/WBE Small Purchase to \$1.5M: increase threshold for discretionary spending to historically under-utilized businesses

Citywide Small Business Construction Mentorship: expand small business construction mentorship citywide

E-bidding: modernize and streamline the bidding process

2024

LEGISLATIVE ACHIEVEMENTS: THREE KEY INITIATIVES SIGNED INTO LAW IN NOVEMBER 2024

Public notice and comment: save time on registration and expand access to award information

CM-Build: provide flexibility with expanded alternative delivery methods, allowing agencies to use Construction Manager Build

Progressive Design-Build: provide flexibility with expanded alternative delivery methods, allowing agencies to use one-step Progressive Design-Build

2025

LEGISLATIVE AGENDA: TWO BILLS FOR ADVOCACY

Establish DDC as an Authority: streamline procurement and relieve administrative burdens while maintaining critical oversight, transparency, and public accountability.

New insurance fund for small contractors (less than \$3M revenue) and M/WBEs: expand NYC's insurance options, promoting flexibility and removing barriers to entry.

DEEPER DIVE: CITY INTERNAL REFORMS

In addition to pushing for reforms at the State level, the Task Force has activated reforms with the myriad rules, processes, and procedures that are within the City's control. In 2022, the Task Force working groups investigated pain points, using project case studies to identify common project delays and propose impactful solutions. Since then, the Task Force's interagency team has met monthly to comprehensively track each of the 30 recommendations in the 2022 year-end report. The more straightforward recommendations were advanced and completed in 2023. Many of the more complex recommendations required due diligence and phased activity to meet the true intent of the long-term change.

In Winter 2023, the City launched weekly inter-agency breakout sessions on deeper dive topics, including invoicing and payment process, expanded work allowance, interagency project planning, and alternative delivery roll-out. Since then, to support the City's 2025 action plan to complete on-going recommendations, the Chief Delivery Officer has been working across agencies and incorporating Task Force perspectives and feedback to establish short term and long-term goals that meet the intent of internal recommendations with realistic phasing necessary to roll out more complex initiatives.



Implemented

TWENTY TWO INTERNAL REFORMS IMPLEMENTED, SOME WITH ON-GOING OR PHASED ACTIVITY FOR 2025

Initiatives that included repealing obsolete legislation or rule changes to modernize processes were completed and are in effect. Many of the recommendations that were completed will be reoccurring, such as Capital Project Coordination Expos that align with spring discretionary funding cycles, updates to the Capital Project Tracker that align with the tri-annual capital plan updates, and MWBE pre-qualified lists at each agency on a rolling basis. Some initiatives were adapted to meet the intent of the recommendation with an enhanced project: for example, OMB pivoted from a 'Certificate to Proceed' template to a tech tool that further supports a streamlined submission and review process for funding approvals.

In Progress, with varying stages of implementation

EIGHT INTERNAL REFORMS IN PROGRESS WITH 2025 ACTION PLAN MILESTONES

Project Labor Agreement (PLA) educational sessions:

As initial step in vendor education, the City provides a 'frequently asked questions' document online with the PLA on the MOCS' website. MOCS has developed training materials and in 2025 the City will host additional sessions in partnership with labor and industry organizations.

Invoicing and payment process reform:

The 2024 working group is on track for staff training and industry engagement for deliverables to be launched in 2025, including revised submission requirements that simplify redundant backup and consistent templates across agencies.

Expanded work allowance (EWA):

The City and the Comptroller's Office are finalizing an agreement that defines the terms and conditions for EWA, with a coordinated specification for the standard construction contract. Once launched in 2025, agencies will adapt their construction contracts to include this tool and train staff and vendors.

Self-management of library projects:

In support of this recommendation, the City and library systems are finalizing a draft agreement and projects will be identified for 2025 initiation.

RIPPLE EFFECT: MODERNIZING WORKFLOWS ACROSS THE CITY'S CAPITAL PROGRAM

Spotlights throughout this report highlight related initiatives that complement the Task Force efforts

City capital and oversight agencies have been hard at work on other reform efforts that complement the work of the Task Force. Over the course of implementing the Task Force recommendations, the City's interagency working groups have identified areas of opportunity that merit further exploration, to ensure all aspects of the City's capital delivery systems align with the Task Force objectives. Task Force members inside and outside government have also partnered on related City efforts to champion quality in delivery at all stage, such as improved land use and permitting processes and coordinated street construction program enhancements. In 2025, the Task Force will support interagency and industry efforts to realize co-benefits between these complementary initiatives and the 39 Task Force recommendations, including:

- Explore options for launching a comprehensive tool that incorporates asset management data for decisions about comprehensive city-wide planning
- Streamline the design review process with city-wide roll out of Public Design Commission recommendations
- Advance citywide alternative delivery, including development of a Procurement Policy Board rule to support city-wide design build and prepare an innovative memo that will support DDC's initial CM-Build program
- Explore challenge-based procurement as a tool to allow demonstration projects that propose solutions to challenges in planning, design and construction delivery
- Launch a comprehensive program update to improve DDC's joint bidding program, supporting coordinated street construction
- Develop an online database for construction contractors to electronically submit prevailing wage reports that is designed to reduce duplicative submissions: streamlining the process for both vendors and oversights, increasing transparency and supporting the City's community hiring program
- Explore pathways to provide agencies flexibility to remove and replace a failing contractor, including potential modifications to the City's Procurement Policy Board Rule 4-08 that protect the City's interest with termination for cause on construction projects
- Activate a closeout working group to punch list chronic closeout issues, identify root causes and support a 2025 action plan for close out

IMPLEMENTATION MATRIX

CAPITAL PROCESS REFORM RECOMMENDATIONS: IMPLEMENTATION SNAPSHOT AS OF FALL 2024

Goal 1: Improve the Pipeline

Prepare for Better Projects

| | GOAL | 2022 RECOMMENDATION | 2024 STATUS |
|-----|---|--|--|
| 1.1 | Prioritize and plan for discretionary funding | Host pre-budget Capital Project Coordination Expos with elected officials on projects eligible for discretionary funding to prioritize and plan for accurate budget needs. | Both SCA and Parks convene expos with all City Council members during the budget process to review project scopes and budgets for discretionary funding. |
| 1.2 | Increase capacity for the Capital Project Scope Development (CPSD) Fund | Expand the use of complex projects studies to comprehensively evaluate scope and establish more accurate budgets before initiation | OMB is on track to double the number of annual studies from 10 to 20 annual studies, with 16 registered project studies in FY24 and 20 approved new studies in the pipeline for FY25. |
| 1.3 | Standardize the Certificate to Proceed (CP) process | Create a funding approval request template and establish standard response times for review to save two to three weeks per submission | After successfully introducing a CP template in summer 2023, OMB developed a digital system to streamline submissions and track response cycles. This system was rolled out in July 2024, and OMB is actively working with each agency to operationalize and capture efficiencies. |
| 1.4 | Revise Comptroller Directive 10 | Streamline the capital approval process with clarifications and updates to the 'generally accepted accounting principles' that define capital eligibility | The Comptroller's Office released a revised Directive 10 in February 2023, accompanied by a document outlining frequently asked questions using common scenarios. |
| 1.5 | Expand the Capital Approval Standards (CAS) system to reflect current work and capture a wider slice of eligible projects | Expand typologies eligible for streamlined initiation | OMB released new CAS for 5 work types and will reassess the typologies in FY2026. |

IMPLEMENTATION MATRIX

| GOAL | 2022 RECOMMENDATION | 2024 STATUS | |
|------|---|--|--|
| 1.6 | Expand the Capital Approval Standards (CAS) system to reflect current work and capture a wider slice of eligible projects | Ensure CAS eligible value reflects current costs | OMB adjusted thresholds of 3 existing work types in FY2024 to reflect current cost indices, with a fourth work type under review, in alignment with modern construction prices. The City will revisit these cost thresholds in FY2026, and thereafter every other year. |
| 1.7 | Enhance the City's tools for capital planning and asset management | Pilot a comprehensive tool that centralized data for decisions about capital planning and prioritization | DDC developed the first stage of a data portal and conducted a study analyzing the BPL and QPL library facility portfolios. The pilot study results published in Fall 2024 inform interagency scope development necessary to explore a citywide tool, and further develop DDC's Advanced Capital Planning program. |

Goal 2: Reform Procurement

More Flexibility Without Sacrificing Quality or Oversight

| | | | |
|-----|--|--|--|
| 2.1 | Modernize and streamline the bidding process | Pass State legislation that allows the City to require electronic bids | Electronic bidding legislation was signed into law in 2023 and MOCS rolled out a city-wide policy in March 2024. |
| 2.2 | Save time on registration and expand access to award information | Pass State legislation to allow the City's Procurement Policy Board to determine the threshold value that would trigger online public commenting and allow online commenting on contract awards that require public notice | State legislation allowing for public notice and online comments for contracts over \$100,000 passed both houses in 2024 was signed into law by the Governor in November 2024. (A8864) |

IMPLEMENTATION MATRIX

| GOAL | 2022 RECOMMENDATION | 2024 STATUS |
|------|---|---|
| 2.3 | Provide flexibility with expanded alternative delivery methods | Pass State legislation to add Progressive Design-Build (PDB) to the Design-Build Authorization |
| 2.4 | Pass State legislation to add CM-Build and CMAR to the Design-Build Authorization | State legislation expanding DDC's alternative delivery authorization passed both houses in June 2024 and was signed into law by the Governor in November 2024. This initial legislation allows for focused project types managed by DDC: PDB for resiliency infrastructure projects over \$10M, and CM-Build for libraries and cultural facility renovation projects, located on City-owned land, over \$5M. The City will operationalize these procurement and contract tools in 2025 and will also pursue expanded project types for additional agencies. |
| 2.5 | Increase Financial Control Board (FCB) contact review thresholds | Align contract review thresholds with growth in the City's budget, to reflect the scale and complexity of contemporary capital projects |
| 2.6 | Repeal Executive Order 102 (EO102) of 2007 | New guidelines for FCB's contract review became effective in January 2023, reflecting a five-fold increase to the monetary threshold for review that was set in 1987. |
| 2.7 | Eliminate redundant steps to verify payment of prevailing wages | Through Executive Order 35 of 2023, NYC repealed the 2007 EO and subsequently, MOCS operationalized PASSport steps. In addition, the City is developing an online database for construction contractors to electronically submit prevailing wage reports, that complies with 2024 State payroll legislation. |
| 2.7 | Revise the City's implementation of Executive Order 50 (EO50) of 1980 | Streamline vendor compliance to eliminate redundant submissions to verify equal employment hiring processes |
| | | SBS completed a rule change and new rules are in effect as of November 2023, allowing verification of a single submission per vendor rather than multiple submissions for separate contracts. |

IMPLEMENTATION MATRIX

Goal 3: Make It Easier to Participate in Capital Projects

Increase Minority and Women-owned Business Enterprises (M/WBE) Participation and Strengthen Workforce Development

| GOAL | 2022 RECOMMENDATION | 2024 STATUS | |
|------|--|--|--|
| 3.1 | Increase M/WBE discretionary spending | Pass State legislation raising to \$1.5M non-competitive contracts, including construction | State legislation for M/WBE discretionary spending was signed into law in 2023 and this increased the NYC threshold. |
| 3.2 | Expand small business construction mentorship citywide | Pass State legislation authorizing a centralized mentorship program to facilitate knowledge sharing and support, fostering growth and expertise within the construction sector and building capacity | State legislation was signed into law in 2023, and the Mayor's Office of M/WBE is establishing a new program with construction management and training. The program is in procurement for 2025 kickoff. |
| 3.3 | Expand NYC's insurance options, promoting flexibility and removing barriers to entry | Pass State legislation authorizing owner controlled and contractor controlled insurance programs (OCIP/ CCIP) for flexibility based on project characteristics | State legislation was signed into law in 2023. CCIP is in use on select construction projects. The City is evaluating OCIP program considerations to inform a potential 2025 pilot. |
| 3.4 | | Pass State legislation to establish a new insurance option for small contractors (less than \$3M revenue) and M/WBEs | The Task Force will continue advocacy for 2025 legislation – refer to 2024 legislation A7317-A/ S7975 Small Contractors Relief Act. |
| 3.5 | Publish centralized information about upcoming work opportunities | Create a database of future projects and procurement documents | NYC publishes capital commitment plans on OMB's website. For improved ease of access, agencies including DDC and DEP post upcoming work opportunities on their websites. In 2025, MOCS will work across agencies to centralize this information in an accessible format. |

IMPLEMENTATION MATRIX

| | | | |
|------|--|--|--|
| 3.6 | Require M/WBE pre-qualified lists (PQLs) | Expand M/WBE pre-qualified lists at all agencies, to increase M/WBE participation. | DDC created the first M/WBE-only PQL for General Contractors on small projects, and City agencies are expanding use of M/WBE-only PQLs: DCAS, DOT, and Parks each have at least one M/WBE PQL active or open for applications, and DEP will launch an M/WBE PQL by the end of FY2025. |
| 3.7 | Provide contractors with a senior point of contact for enhanced 'customer service' | Identify an existing senior employee to serve as an agency ombudsperson | Each agency has identified an ombudsperson, e.g. to provide information or resolve disputes. Contact information about agency Chief Diversity Officers and M/WBE Officers is posted publicly here. |
| 3.8 | Expand education on Project Labor Agreements | Conduct informational sessions to engage with M/WBEs about PLA requirements | MOCS has provides a 'frequently asked questions' document online with the PLA materials on their website. MOCS has developed training materials and in 2025, MOCS will host additional trainings. |
| 3.9 | Streamline the invoicing and payment process | Standardize invoice checklists, and reduce redundant submission requirements | In support of a 2025 launch of construction invoice and payment process reforms across DDC, DEP, DOT and Parks, agencies training staff trainings and conducting industry engagement on updates, including revised submission requirements to simplify redundant backup and coordinated templates across agencies. |
| 3.10 | | Better tracking of invoice workflows to improve payment timeline | Agencies are tracking invoices from date of draft invoice to final approved invoice to identify common issues and address pain points. Where possible to utilize 'pencil copy' draft invoices, agencies are piloting a commitment tying payment processing that starts with the date of draft invoice. |

IMPLEMENTATION MATRIX

Goal 4: Manage Projects More Effectively and Transparently

Reduce Timelines and Save Money, with Increased Flexibility and Transparency on Delivery

| GOAL | 2022 RECOMMENDATION | 2024 STATUS | |
|------|---|---|---|
| 4.1 | Streamline procurement and relieve administrative burdens while maintaining critical oversight, transparency, and public accountability | Pass State legislation to establish DDC as an authority | The Task Force will continue advocacy for 2025 legislation. |
| 4.2 | Enhance construction mobilization payments | Provide an up-front payment of 1% of contract value to facilitate project construction start and smoothly transition into work in the field | Agencies including DDC, DEP, DOT and Parks have adopted this tool to use on contracts depending on project characteristics. |
| 4.3 | Utilize price adjustment allowances | Provide a mechanism for price adjustments for fuel, steel, and asphalt, to mitigate risks associated with unexpected variance in actual costs | Agencies including DDC, DEP, DOT and Parks have adopted this tool to use on contracts depending on project characteristics. |
| 4.4 | Encourage contractor input with technical and delivery recommendations | Institute engineering reviews to optimize cost effectiveness | Agencies including DDC, DEP, DOT and Parks have adopted this tool to use on contracts depending on project characteristics. |
| 4.5 | Reward schedule milestone commitments | Utilize Early Construction Completion Incentives, applying DDC pilot lessons learned to all agencies | Agencies including DDC, DEP, DOT and Parks have adopted this tool to use on contracts depending on project characteristics. |
| 4.6 | Provide contract tools to address the 'known unknowns' | Expand Expanded Work Allowance for unforeseen field conditions, applying DDC pilot lessons learned to agencies including DEP, DOT, and Park | The City and Comptroller are finalizing an agreement that defines the terms and conditions for EWA, with a coordinated specification for the standard construction contract. Once launched in early 2025, agencies including DDC, DEP, DOT, and Parks will adapt their construction contracts to include this tool and train staff and vendors. |
| 4.7 | | Expand categories included in Expanded Work Allowance | |
| 4.8 | | Include Expanded Work Allowance on Capital Approval Standards | |

IMPLEMENTATION MATRIX

| GOAL | 2022 RECOMMENDATION | 2024 STATUS | |
|------|--|---|---|
| 4.9 | Provide contract tools to address the 'known unknowns' | Use Expanded Work Allowance on professional service contracts in limited circumstances | Once EWA for construction contacts is launched to expanded agencies, the City and Comptroller's Office will work on an expansion for professional service contracts in 2025. |
| 4.10 | Improve the change order process | Process certain non-Expanded Work Allowance change orders more efficiently, to save time with budget administrative steps in parallel to negotiations | OMB launched workflow improvements in 2023. |
| 4.11 | | Create service level agreements governing change orders, to result in a 7 to 12 week turnaround | Using the timeframe benchmarks established by the Task Force, agencies are identifying typical issues and adjusting workflows in support of accelerated processing goals. |
| 4.12 | Partner with utilities for proactive issue resolution | Coordinate closely with utilities to troubleshoot pipeline project issues and align priorities | City Hall convenes a quarterly utility task force, as well a breakout meetings between agencies and utility partners, regarding two primary types of issues: electrification requests and infrastructure interference coordination. |
| 4.13 | Address unique needs for civic institution projects at library and cultural facilities | Pilot program for self-management of small projects | The City and the library systems are finalizing a draft agreement and projects will be identified for 2025 initiation. Once the agreements are executed, each library system will each submit a CP to OMB. |
| 4.14 | | Shorten timeline for equipment purchases | The NYC Department of Cultural Affairs increased staffing with 3 additional program managers, and has standardized the bundling of equipment procurements to reduce separate procurements and attract more responses. |
| 4.15 | Local Law 37 of 2020: Capital Project Tracker | Create a public, online database to track capital projects citywide, increasing transparency | The Mayor's Office of Operations launched the NYC Capital Projects Dashboard in Fall 2023. Budget and schedule data is updated three times annually. |

MODERNIZING NYC CAPITAL PROCESS WITH 39 REFORMS

MODERNIZING NYC CAPITAL PROCESS WITH 39 REFORMS

The Capital Process Reform Task Force advocated for initiatives that improve the City's capital delivery process at each phase of work, from planning to closeout. As leaders in the design and construction community, representing industry and agency perspectives, the Task Force is committed to delivering quality public works and critical infrastructure projects that serve the City of New York. Together, this group represents the stakeholders involved in performing the range of construction and design services necessary to complete projects ranging from building renovations of libraries and cultural institutions to new recreation and community centers, and infrastructure like our public parks and plazas, sewers, and stormwater management and resiliency work. Because each of these projects are different, the processes and tools to deliver them must be more flexible, too. Although not every strategy is applicable to every city project, these reforms collectively represent a concerted effort to improve the capital process at every phase of delivery.

GOAL 1: IMPROVE THE PIPELINE



IMPROVE THE PIPELINE

PROJECT PLANNING: GOALS 1.1 AND 1.2

This pair of goals prepares City agencies for advancing specific projects through better planning: properly defining project scope, analyzing project site locations, and compiling better asset condition information.

Better planning enables more comprehensive risk management, mitigating impactful changes during design and construction. Because changes typically take several months to process and can sometimes extend to over a year, better planning will save time during design and construction and prevent the type of “stop and start” work that can be challenging for firms to manage. This improved pipeline of projects also supports agency staff resources with more accurate workplans that anticipate future phases of delivery.

1.1 Prioritize and plan for discretionary funding

Holding pre-budget Capital Project Coordination Expos with elected officials on projects eligible for discretionary funding within their districts

Elected officials provide funding for capital projects, and it is essential that they receive sufficient upfront information about priority community projects that they may fund, such as school renovations or parks and playgrounds upgrades. The Task Force recommended hosting an expo series early in the budget cycle, sequenced to provide an opportunity for elected officials and City agencies to discuss potential projects and plan for accurate budgeting.

After reviewing across agencies, the City determined that it was most effective for agencies to convene about their individual projects directly, for example specifically for schools or for parks, rather than jointly across agencies, to better serve specific project needs. By facilitating a forum where technical feedback can be provided on a range of specific feedback ideas, by project types, the City will better position capital projects for budgetary approval and successful implementation. Both SCA and Parks convene expos with all City Council members during the budget process to review project scopes and budgets for discretionary funding and will continue this effort in 2025.



1.2 Increase capacity for the Capital Project Scope Development (CPSD) Fund

Expanded complex projects evaluations to properly define budgets before initiation

A thorough evaluation of a proposed capital project's scope and potential risks, including necessary site investigation and testing, is essential to define project characteristics and establish needs before initiation. The CPSD Fund was established by OMB as a vehicle for agencies to obtain more detailed scope and design information and better position a large capital project for funding approval. Complex projects that have undertaken CPSD studies have been able to get started faster, cut down on design time, and improve design quality.

The Task Force recommended doubling the use of the CPSD fund from 10 projects to 20 projects per year, which will allow better scoping and budgeting of complex projects before design starts, saving time and reducing risk. These projects range from public buildings to administrative and operations facilities, plazas and greenways to master plans.

PROJECT INITIATION: GOALS 1.3 THROUGH 1.6

The City relies on bond proceeds to finance capital projects. Maintaining the City's bond rating and capital market access requires that bond proceeds be spent only on eligible capital projects, in alignment with Generally Accepted Accounting Principles.

- State law and the City Charter require that bond proceeds are used only to finance costs that result in a new capital asset under Generally Accepted Accounting Principles. The Comptroller's Directive 10 interprets Generally Accepted Accounting Principles for New York City.
- In turn, every capital project needs a Certificate to Proceed (CP) from OMB to ensure it is capitably eligible, sufficiently funded, and consistent with the scope for which it was originally approved. During the Certificate to Proceed (CP) process, OMB reviews and confirms the capital eligibility of every project before funding is authorized and work can proceed.

The Task Force put forth recommendations to improve these processes, while respecting legal requirements and accounting standards. Together, these initiatives save at least two to four weeks at project initiation, and allow work to move from planning to design more quickly.

1.3 Standardize the Certificate to Proceed (CP) process

Launched a revised CP process, with templates and submission workflows to support standard response times for review

Historically, the CP process has involved substantial back-and-forth between OMB and City agencies, often due to inconsistencies with submitted materials. The Task Force recommended a standardized template for agencies to submit project information to OMB, in effort to reduce the likelihood of missing information and ensure that OMB is better equipped to approve the initiation of a capital project.

In partnership with OMB and the agencies, a CP template was initially rolled out in 2023 and subsequently updated based on training feedback. With a feedback loop from the successful launch of the CP template, OMB developed a digital system to streamline submissions and track response cycles. This system was rolled out in July 2024, and OMB is working with each agency to operationalize the new workflows and capture efficiencies. Additionally, OMB worked with capital agencies to establish a standard response timeline, intended to improve communication and expedite review.

1.4 Revise Comptroller Directive 10

Streamlined the capital approval process with clarifications and updates to the ‘generally accepted accounting principles’ that define capital eligibility

The [Comptroller’s Directive 10](#) governs the way that Generally Accepted Accounting Principles apply to New York City capital projects. In 2022, agencies pinpointed recent scenarios that yield frequent questions about compliance with Directive 10. Based on these lessons learned, the Task Force recommended updating and clarifying certain parts of Directive 10 to simplify the capital project approval process.

The Comptroller published a [revised directive in February 2023](#), implementing the following changes to Directive 10 accompanied by a [frequently asked questions explainer document](#).

- Increases the radius for combining work to meet minimum cost requirements from two blocks to half a mile for sidewalks, pedestrian ramps, street lighting, tree guards, and green/gray infrastructure such as right-of-way bioswales and catch basin
- Treats tree planting within parks like street tree planting for capital eligibility purposes
- Expands scenarios where renovations to different areas of an asset may be combined for purposes of meeting minimum capital cost requirements;
- Allows Energy Conservation Measures to help the City meet climate goals to be eligible for capital dollars

- Clarifies eligibility rules for window replacements and various types of HVAC systems
- Allows capitalization of additional quantities of eligible equipment to ensure continuity of operations, in consideration of regular maintenance needs
- Extends eligible time frames surrounding substantial completion and final completion of work, including work required to pass regulatory inspections and direct costs related to punch list items necessary to complete the capital project and identified at the time of substantial completion

DEEPER DIVE: CAPITAL APPROVAL STANDARDS

Capital Approval Standards are a standardized type of CP for a pre-defined range of frequently occurring agency project types -- such as street reconstruction, playgrounds, and public restroom buildings -- with a cost limitation below a certain threshold. Capital Approval Standards cut down agency prep time, minimize back-and-forth between agencies and OMB about capital eligibility, and allow pre-registration steps to move in parallel. Capital Approval Standards move two to four weeks faster than the regular two- to three-month CP process.



1.5 & 1.6 Expand the Capital Approval Standards (CAS) system to reflect current work and capture a wider slice of eligible projects

Expanded typologies eligible for streamlined initiation

The Task Force recommended that OMB and the agencies develop new Capital Approval Standards (CAS) to allow OMB and agencies to apply this framework for additional typical project typologies. In FY2024, OMB released new CAS for 5 work types: new green infrastructure, pedestrian ramps, traffic signals, incidental and ancillary bridge work, and roadway markings. The City will reassess the typologies in FY2026.

Adjusted Capital Approval Standards where necessary to reflect current costs

Previously, the existing Capital Approval Standards (CAS) had thresholds set years ago and did not accurately reflect contemporary capital projects. The Task Force recommended increasing existing CAS thresholds to align with current cost and scope conditions.

The following thresholds were released to meet current cost indices:

- DEP Consultant Services: increase from \$25M to \$50M
- Parks Design Consultants: increase from \$1.5M to \$2M
- Parks, Playgrounds, and Public Restroom Buildings: increase from \$5M to \$10M

The following work type's CAS is currently in development:

- DOT Street Reconstruction: increase from \$8M to \$25M, and modify scope to include items that are now common in street reconstruction projects

These adjustments increase the CAS eligible value by as much as 100%, in alignment with contemporary market conditions and construction prices. OMB and agencies will reassess Capital Approval Standards thresholds every other year to make potential adjustments based on industry-standard construction cost indices that track construction costs over time.

COMPREHENSIVE ASSET MANAGEMENT: GOAL 1.7

The City lacks access to centralized information and data on its public buildings, needed to prioritize capital projects and create holistic, long-term capital plans. The Task Force recommended that the City pilot an advanced capital planning database that combines building conditions data from the charter-mandated Asset Information Management System survey, DDC project data including design drawings and as-built drawings, and external GIS-based data sources like FEMA floodplain maps. This data portal will enable better prioritization of resources and strategic long-term planning.

1.7 Enhance the City's tools for capital planning and asset management

Piloted a comprehensive tool that centralizes data for decisions about capital planning and prioritizations

In 2023, DDC built and launched the first phase of a new data portal to bring together key sources of information on the City's public buildings. DDC also built a prototype site survey tool for use in the effort to house asylum-seekers, modeling how detailed building assessment information can be integrated into a central database. The Mayor's Office of Operations partnered with DDC to analyze best practices in asset information management and capital planning.

Using this data portal, DDC launched a pilot Advanced Capital Planning program for the QPL and BPL library systems. The pilot program explored how building condition data and other parameters like resiliency, accessibility, and programmatic needs can be compiled and analyzed to inform capital planning. DDC published the results of the pilot program in Fall 2024.

Informed by this pilot, the Deputy Mayor for Operations and the Mayor's Office of Operations are co-chairing a data portal working group with stakeholders including DDC, DCAS, OMB, NYC Department of City Planning, and NYC Emergency Management. Together these agencies will define the data portal scope and explore options for launching a citywide tool.



GOAL 2: REFORM PROCUREMENT



MORE FLEXIBILITY WITHOUT SACRIFICING QUALITY OR OVERSIGHT

Procurement is governed by laws, directives, and regulations at all levels of government, which effect every capital project at the critical milestones for selecting and contracting with the delivery team. Government entities and other public owners around the country have expanded procurement systems to allow for more flexibility, to speed up projects without sacrificing appropriate oversight. Because every month of cost savings to our projects also results in savings to the City with staff time for management and oversight, procurement process improvements translate directly to more efficient spending of tax dollars. The Task Force recommended a suite of reforms that would forefront quality at each stage of delivery, eliminating administrative barriers and increasing competition.

STATE LEGISLATION FOR PROCUREMENT: GOALS 2.1 — 2.4

Changing State law is essential to moving the City’s capital process faster, with objectives such as extending additional alternative project delivery methods to the City’s toolkit consistent with those used by other governmental entities. These goals focus on changing modernizing procurement and accelerating the City’s capital process, creating more flexibility without sacrificing quality and appropriate oversight.

2.1 Modernize and streamline the bidding process

Secured State Legislation that allows the City to require electronic bids

Historically, construction contractors were required to submit paper bids when they competed for City projects. This outdated requirement was inefficient for everyone involved: resource intensive for agency staff to open, transcribe, and track paper bids, but also resource intensive on for contractors to prepare and submit paper bids.

The Task Force championed [legislation](#) to enable electronic bidding, which modernizes and streamlines the bidding process, promoting a shift towards a single digital system to submit and track construction bids. Signed by Governor Kathy Hochul on November 17th, 2023 and effective effect on March 1st 2024, the Mayor’s Office of Contract Services operationalized new processes to reduce error-prone paperwork and eliminate time spent on bid opening.

2.2 Save time on registration and expand access to award information

Passed State legislation to allow online public commenting on contract awards that require public notice

Previously, public hearings were required on procurements above \$100,000. This step added about three weeks to the procurement process for each contract undergoing a public hearing, but very few projects in fact generated comments.

The Task Force advocated for State legislation ([A8864-A/S7383-A](#)) that passed in 2024, authorizing the City's Procurement Policy Board (PPB) to determine the threshold value and allow public notice and comment, rather than public hearings, for contracts above the threshold.

After being signed in November 2024, it will take effect 180 days to become law. To prepare for this new workflow, the Mayor's Office of Contract Services, the PPB, and city agencies will work together to pass an updated PPB rules so the City can utilize this authority when it's effective.



In the first 6 months since eliminating paper bid documents from construction project procurements, we've conducted 180 competitive sealed bid procurements electronically. For every individual contractor submitting their bids on those projects, this process change saves time and money, making it easier to submit a proposal. Additionally, because agencies no longer need to manually tabulate bids for what are often dozens of bid submissions and conduct individual leveling calculations, staff save up to one week in bid review and can focus on the lowest bidders' pricing for quality control.



In recent years on average the City has held over two dozen public hearings each year, reflecting a total of over 1,000 contract awards. With the authority enabled by this new legislation, the City can provide better access to contracting information, allowing the public to interact with hundreds of contract award notices and provide their comments online – meeting New Yorkers where they are.





Citywide Design-Build

When procuring and delivering construction projects, State law requires the City to follow a design-bid-build process and award the job to the lowest responsive and responsible bidder, with limited exceptions. This means that typically, the City must conduct two separate procurements: one for design, and then one for construction after design is finished. This sequencing not only protracts project schedules, but also limits collaboration. Because design must be completed before construction can be bid out, the design is finished without input from the contractors that will build the project.

Design-build eliminates the two procurements required under design-bid-build and brings the designer and builder together, creating a single point of responsibility and emphasizing quality in addition to price. Design-build is a single procurement with two steps: a Request for Qualifications (RFQ) that produces a shortlist followed by a Request for Proposals (RFP). It is anticipated that design-build will cut years off the typical design-bid-build project.

The passage of the New York City Public Works Investment Act (PWIA) in December 2019 authorized seven agencies — New York City's Department of Design and Construction, Department of Transportation, Department of Parks and Recreation, Department of Environmental Protection, School Construction Authority Housing Authority, and Health and Hospitals Corporation — to use design-build project delivery on certain projects. The PWIA enables these agencies to use a two-step qualifications-based procurement process to select a single team of designers and builders to work on public works projects from start to finish. Additionally, New York City Housing Authority (NYCHA) received legislative permission from the State of New York under the NYC Housing Authority Modernization Investment Act in 2018 to use design-build project delivery on certain projects. Since the 2018 and 2019 legislation, the City successfully advocated for and received a five-year extension of the PWIA from the State. In addition, the Department of Citywide Administrative Services (DCAS) was authorized to use design-build.

In Fiscal Year 24, four design-build contracts were registered, all of which were by DDC (the only Agency that has registered Design-Build contracts to date), totaling \$57 million. While additional Agencies have Design-Build authority and have initiated procurements using this alternative delivery method, none of those procurements resulted in contract registrations in FY24.

Additionally, DDC registered a total of 11 design-build contract change orders in FY24 totaling \$11.6 million. These 11 change orders applied to four previously registered design-build contracts, with ten change orders applying to the construction phase of the associated projects, totaling almost the entire \$11.6 million, and one change order applying to the design phase of a project for approximately \$26,000.

The City continues to dedicate resources to adopt design-build best practices across agencies authorized to use design-build: hiring staff, seeking outside expertise, implementing training programs, and developing new procedures and documents as needed. The City continues to conduct outreach, including hosting virtual open-houses and roundtables and engaging with potential contractors and new vendors, particularly small firms and M/WBE contractors.

As part of DDC's pilot design-build program, DDC is currently managing the Shirley Chisholm Recreation Center for the Parks Department in Flatbush, Brooklyn. When this \$141 million state facility is completed by the end of 2025, a full two years faster than would be expected under the preexisting lowest-bidder contracting system, it will provide the community with programming offerings and amenities to encourage learning, recreation, and community and civic engagement

Design-build innovation on this project includes a competition sized pool with a unique glulam ceiling, seen [above] in construction.

Learn more about DDC's design-build program on their design-build website, which includes links to the City's recent annual progress reports to the State.

BEYOND DESIGN-BUILD FOR EXPANDED ALTERNATIVE DELIVERY

While a very important tool, two-step design-build is far from the only tool in the procurement toolbox: it's best for new buildings, where the project requirements and site conditions are well-defined upfront, and less suitable for complex infrastructure projects or building renovations, where site conditions heavily influence design and delivery.

The Task Force has advocated for tools that integrate construction expertise in the design process, provide cost control and reduced durations, and mitigate risk. These tools have been preliminary authorized to DDC only, on limited project types, in an 'expanded alternative delivery' bill was signed into law in November 2024. The Task Force will support the City in developing the tools to stand up this legislation for 2025 project implementation.

DEEPER DIVE: BEYOND DESIGN-BUILD



Alternative Delivery facilitates collaboration: whether as a single contract for design and construction services, like with Design-Build and Progressive Design-Build, or as separate contracts for Design Services and Construction Manager services, the builder is engaged early in the process, rather than after design is complete. These concurrent steps in project development allow for preconstruction input that informs design, with enhanced M/WBE, subcontractor, and workforce engagement. Site preparation and early work construction can start before design is complete, informing final design and reducing the overall project duration. This more flexible approach to delivery allows for better cost control, risk management, and construction outcomes that forefront quality and design intent.



2.3 & 2.4 Provide flexibility with expanded alternative delivery methods

Securing State legislation for Progressive Design-Build

The current two-step design build is well-suited for new construction and other projects with relatively defined project requirements and site conditions, but not for renovation or complex infrastructure when the exact conditions cannot be detailed thoroughly enough in an RFP for design-builders to make a building price commitment as part of their proposal.

Over the past three years, the Task Force has laid groundwork for authorization to use progressive design-build, a one-step procurement process that will allow the City to quickly select a team based on qualifications and collaborate throughout the essential early phases of design, expanding the range of projects that can be delivered using design-build. Effectively, more than half the country's states are authorized to use progressive design-build, for most of their agencies.

In 2024, the State passed legislation ([A10543/S9849](#)) that allows DDC to use progressive design-build on resiliency projects over \$10 million. The City is actively working to develop new procurement and contract documents for an initial cohort of resiliency projects, and in 2025 the City will release the first set of PDB procurements. DDC will award these projects using a 'guaranteed maximum price' contract, evaluating only the applicable cost components at time of award.

In coming years, the Task Force will advocate for expanded authority to allow more city agencies to use this tool, on a wider range of project types. The Task Force will also support technical adjustments to the legislation to make the mechanics of cost in selection and the off-ramp conditions more explicit, in alignment with industry best practices.



DDC will work with sponsor agencies, including DEP and DOT, to identify a cohort of resiliency infrastructure projects appropriate for a 'guaranteed maximum price' contract award. In parallel, DDC will work with the Law Department, MOCS, OMB and other oversights to develop a new contract model and conduct industry engagement, to ensure a robust response to the initial Progressive Design-Build procurements.

Securing State legislation for Construction Manager-Build

CM-Build and CM-at-Risk allow the City to bring on the construction manager early in the process to collaborate with the designer as part of an integrated project delivery team. These delivery models are currently only permitted during an emergency: for example, during the COVID emergency, when the City was able to use CM-Build and CM-at-Risk, DDC built testing sites in an average of seven days with 55% M/WBE utilization and built three permanent healthcare facilities in an average of 192 days with 46% M/WBE utilization. Effectively, public owners at all levels use this tool, including the federal government and the Army Corps of Engineers; locally, NYCHA will begin to use CM-Build under State legislation enacted in 2022 to establish a NYCHA Trust.



DDC will work with their sponsor agencies, including the library branch systems and Department of Cultural Affairs, to identify a cohort of projects at the right stage of design. In parallel, DDC will work with the Law Department and other oversights to develop a new contract model and conduct industry engagement, to ensure a robust response to the initial CM-Build procurements.



The Task Force advocated for State legislation ([A10543/S9849](#)) to allow the City to use CM-Build during non-emergency times. In 2024, the State passed legislation that allows DDC to use CM-Build on renovation projects for libraries and cultural facilities over \$5 million.

The City is actively working to develop new procurement and contract documents for our initial set of projects, and in 2025, DDC will release the first set of CM-Build procurements. In coming years, the Task Force will advocate for expanded authority to allow more city agencies to use this tool, on a wider range of project types.

CITY REGULATIONS FOR PROCUREMENT: GOALS 2.5, 2.6, AND 2.7

Although much of the authority to regulate procurement lies with the State, there are also actions within the City's purview that affect procurement. The Task Force recommends that the City implement reforms that will modernize outdated practices and obsolete mayoral executive orders, laws, and rules.



Before this threshold was right-sized to current construction contract values, many contracts were required to go through this approval workflow: 54 City construction contracts went through FCB review in Fiscal Year 2022 and 70 City construction contracts went through FCB review in Fiscal Year 2023. After this threshold was changed, in Fiscal Year 2024 15 City construction contracts went through FCB review. This reduction in volume significantly impacted construction procurement sequencing, saving two weeks for every contract that is below this new threshold – in Fiscal Year 2024, this was less than 10% of the City's construction contracts.

2.5 Increase Financial Control Board contract review thresholds

Enacted a five-fold increase to Financial Control Board contract review thresholds to streamline approvals on smaller value contracts

New York City's financial management is regulated by the New York State Financial Control Board (FCB). FCB performs review and oversight responsibilities. As part of the City's standard contract review workflows, both capital and expense contracts undergo a review if they are above a certain dollar value. The dollar thresholds that trigger contract review had not been updated in 35 years and, therefore, this baseline did not reflect growth in the City's budget. The Task Force recommended that the FCB increase the dollar threshold that triggers a review of contracts. With the City Comptroller's advocacy and the support of the Task Force, in 2023 the FCB [approved](#) a fivefold increase to the contract approval threshold, from \$10 million to \$50 million, to reflect the commensurate increase in the size of the City's budget since 1987.

2.6 Repeal Executive Order 102 (EO102) of 2007

Repealed Executive Order 102 (EO102) of 2007, eliminating redundant steps to verify payment of prevailing wages

New York City is committed to having a strong network of safeguards to monitor whether prevailing wages have been paid to the hardworking tradespeople that build public works, and the City has numerous checks for prevailing wage compliance. The City's Standard Construction Contract includes extensive language for prevailing wage enforcement and requires that all contractors and subcontractors provide significant documentation of their wage compliance. Agencies are also required to review history of prevailing wage compliance when reviewing bids.

The Task Force recognized that an obsolete regulation prescribing processes for verifying payment of prevailing wages contain redundancies that added weeks, or in some cases months, to the procurement process without adding value. A 2007 mayoral executive order, [EO102](#), required that lowest bidders whose bids are within a certain percentage or dollar amount under the next lowest bidder submit prevailing wage documents in the pre-award phase. Since implementation of mayoral Executive Order 102 in 2007, the City had put in place a number of stronger and faster checks for prevailing wage, rendering EO102 redundant and inefficient.

2.7 Revised implementation of Executive Order 50 (EO50) of 1980

Revised implementation of Executive Order 50 (EO50) of 1980, streamlining vendor compliance with EEO to eliminate redundant submissions.

New York City is committed to ensuring that contractors are equal employment employers. Prior to the Task Force recommendations, the procedures outlined by Executive Order 50 and the SBS Division of Labor Services review required a check each time a contractor is awarded a City contract, even if that contractor has recently gone through the process for another contract. The Task Force identified that outdated implementation of these procedures included redundant steps and recommended a reform to streamline certification and minimize redundancies.

In 2023, the City completed the rulemaking process to change the SBS Division of Labor Service implementation of Executive Order 50 for reviews by-vendor rather than by-contract and created a certification that lasts for three years.



In 2023, by issuing EO 35, the City repealed this obsolete process -- potentially saving months for procurement with firms new to the City and weeks for firms who regularly work with the City. Additionally, in support of greater transparency with prevailing wage compliance, the City is currently working to comply with the 2024 State labor law for electronic certified payroll records.



The [revised EO50](#) rules save an average of 15 days per contract for vendors that have been certified within the last three years. The City will still conduct important checks to ensure that City contractors do not have discriminatory hiring processes but will not unnecessarily burden contractors and City employees by repeating the process over and over again in short periods of time.

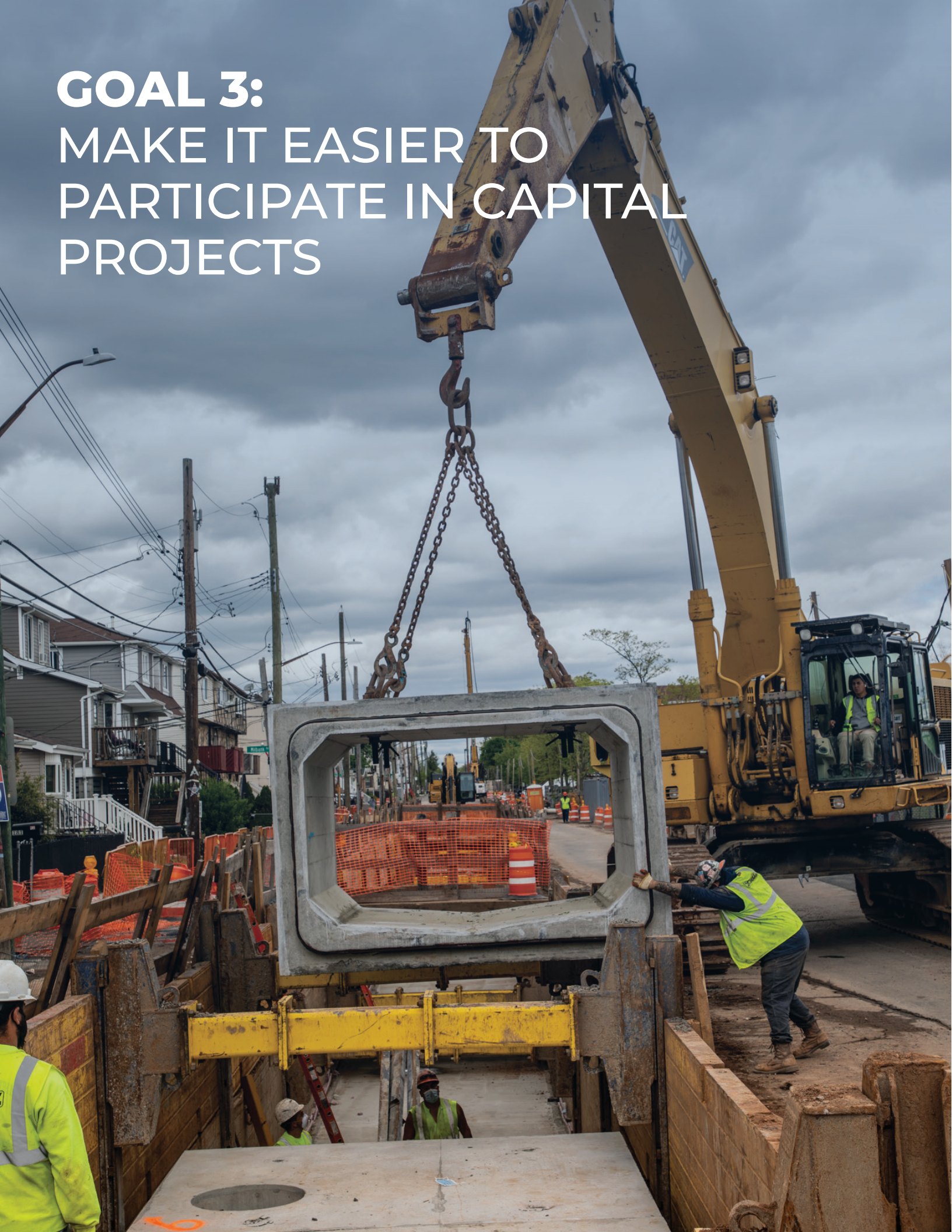
Local Law 63 Reforms

This year, City Council unanimously passed Intro 0863-2024, effectuating [Local Law 85 of 2024](#). This legislation included several reforms for contracts subject to Local Law 63 of 2011 (“LL63”). LL63 previously required agencies to provide notice of all standard or professional services contracts valued over \$200,000. Notices that were not included in agency annual plans had to wait 60 days after publication before they could be solicited.

Local Law 85 raises the threshold from \$200,000 to \$1 million, reduces the waiting period from 60 days to 10 days, and exempts some methods, including the M/WBE small purchase method. It also codifies current processes that are aimed at ensuring agency compliance with the law. The implementation of this bill will have marked impacts resulting in reduced cycle times, improved efficiency, and increased effectiveness of the M/WBE Small Purchase.

These impactful reforms to LL 63 will help hundreds of contracts get registered faster while protecting the integrity of the law’s original labor oversight function.

GOAL 3: MAKE IT EASIER TO PARTICIPATE IN CAPITAL PROJECTS



INCREASE MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES (M/WBE) PARTICIPATION AND STRENGTHEN WORKFORCE DEVELOPMENT

EXPANDING OPPORTUNITIES FOR M/WBE: GOALS 3.1 THROUGH 3.4

The Task Force focused on strategies to sustain and increase M/WBE participation in the City’s capital work and strengthen local and community hiring and workforce development initiatives. The recommendations range from accessibility, with providing M/WBEs increased access to information about opportunities, to addressing entry points, with access to insurance coverage, effective M/WBE mentorship programs, and additional pathways to apprenticeship programs.

3.1 Increase M/WBE discretionary spending

Increased the M/WBE Small Purchase Threshold to expand access to opportunities

Increasing M/WBE participation in City capital work requires a multi-faceted strategy to provide more opportunities. The Task Force recognizes that additional opportunities could be realized if parity was established with other New York public entities that have a higher small purchase threshold to boost M/WBE participation for their contracts.

In the 2022 legislative session, the Governor and State legislature [enacted](#) an increase to the M/WBE small purchase threshold for City contracts, raising it from \$500,000 to \$1M. The following year in 2023, the Task Force advocated for a State legislative proposal to increase this threshold to \$1.5M, consistent with the threshold for other public entities such as the Metropolitan Transportation Authority (MTA).

In support of this, effective September 2024, the City’s PPB [amended](#) the PPB rule to change the name of the “M/WBE Noncompetitive Small Purchase” method to “M/WBE Small Purchase” to clarify the procurement method:

- While competition is not required for contracts awarded pursuant to this method, agencies often do utilize various forms of source selection in connection with M/WBE small purchase contracts to promote competition and in the best interests of the City.

- Renaming this method by removing the word “noncompetitive” from the title reduces confusion amongst vendors and potential vendors regarding whether to expect potential competition in connection with contracts awarded through this method.



With the increased M/WBE small purchase threshold, \$249M in project work was awarded to M/WBEs in FY24, a 40% increase from the \$176M in project work that was awarded to M/WBE's in FY23. As a point of reference, this is a significant shift from \$112M in FY22 before the thresholds were increased.

3.2 Expand small business construction mentorship citywide

Launching a Citywide Mentorship Program

M/WBEs have historically faced barriers to entry when competing for City jobs. Some agencies have successful models regarding how to support M/WBEs in building the capacity to compete for and successfully deliver City projects, but most agencies do not have the ability under State law to replicate those models.

Both SCA and DDC both have M/WBE mentorship programs that provide training, networking, and bidding opportunities to support and increase business opportunities for M/WBEs. Through these programs, M/WBEs get project-specific assistance, access to industry events, tailored business management and growth planning support, and exclusive opportunities to bid on specially designated projects up to \$1.5M and up to \$3M for M/WBEs in the graduate mentorship program. In City Fiscal Year (FY) 2022, SCA awarded over \$100M through their mentorship program, which has 158 firms, 61% of which won prime contracts. DDC's mentorship program was authorized in 2019, with two cohorts of over 75 firms who had support in outreach, technical assistance, business growth, and advocacy. DDC awarded 8 projects through their mentorship program, with a collective value of over \$325M in contracting work including ADA compliance renovations, demolition, roof and façade renovations, and emergency renovations.

In 2023, the Task Force championed [legislation](#) to expand mentorship programs to all City agencies. The Mayor's Office of Minority and Women-owned Business Enterprises is coordinating across agencies to build this program.



The citywide program services are currently in procurement, including the Construction Manager services that will support this program and initiate contract awards. The firms that participated in DDC's initial mentoring program will be transitioning into the larger Citywide program in 2025, when the program is launched.

DEEPER DIVE: INSURANCE

M/WBEs and small contractors often struggle to find insurance options that meet the standards required for City projects, and they particularly struggle to obtain insurance options that are affordable. Lack of affordable insurance makes M/WBEs and small contractors less competitive as prime contractors and subcontractors. The Task Force will advocate for State legislation that makes it easier for firms to procure affordable insurance – minimizing barriers to entry for working on City projects.

3.3 & 3.4 Expand NYC's insurance options, promoting flexibility and removing barriers to entry

Secured State legislation for Owner-Controlled Insurance Programs and Contractor-Controlled Insurance Programs (OCIP and CCIP)

Conventionally, each contractor and subcontractor on a City capital project is required to purchase their own project-specific insurance, which leads to high costs for contractors and therefore, indirectly, for the City. When contractors' bids have to include the cost of insurance, the City cannot evaluate bids based on the merit of their materials and labor and instead must take lowest bidders inclusive of insurance costs. Additionally, there is significant time and cost in determining, for any given incident that arises on a project, which of the many insurance companies will cover it. Finally, the City must ensure that each contractor maintains their coverage if the project runs longer than the length of the project and straddles more than one calendar year.

The Task Force advocated for State legislation that allows City agencies to use wrap-up insurance programs like OCIPs and CCIPs, just as the SCA, the Port Authority, and MTA already do. This legislation was passed and signed into law in 2023.

- In an OCIP, a single policy held by the owner covers the owner and contractors for the entire project or group of projects.
- Under a CCIP, the insurance program is held by the construction manager or general contractor.
- In both situations, because insurance prices are not factored into bids, M/WBEs and small contractors have greater access to projects because they can bid on the work without facing prohibitively high insurance costs that, without an OCIP or CCIP, are necessarily reflected in their bids

Legislation for wrap-up insurance legislation was passed and signed into [law](#) in 2023. As an initial stage of adopting these tools, the City is evaluating program considerations that will inform a potential 2025 pilot OCIP that

complements existing agency resources in risk management and safety programs. On a case-by-case basis, agencies are using CCIPs on certain projects: standard insurance requirements can stay in place, but City agencies can now explicitly state that the selected bidder/proposer will be required to provide certain policies via a wrap-up CCIP. For example, on DDC's large scale design-build projects, procurements include the option and/or requirement to include a CCIP as part of their proposal. Agencies will take lessons learned from these initial projects that utilize a CCIP and use this experience to develop a standard. This will consider future adaption with CM-Build and Progressive Design-Build. Because a CCIP may be expensive to set up for proposers that do not already have a rolling CCIP, this tool may be difficult to adapt to competitive sealed bid, design-bid-build construction projects.

Advocate for New York State Small Contractors Relief Act

The market for insurance for small contractors is characterized by both high insurance rates and lack of capacity. These two features of the market are especially acute for M/WBEs who are more likely to be smaller, newer, and encounter more barriers to entry for working on City projects than large firms. While helpful that the Task Force initiative for OCIP and CCIP authority is being implemented, this initiative, which provides much but not all required coverage, does not eliminate the requirement that all contractors and sub-contractors must still procure their own liability insurance policies.

The Task Force advocated for State legislation to create a pilot program in which the New York State Insurance Fund will provide an additional insurance option for contractors. This legislation has been introduced ([A7317A/S7975](#)) and referred to both the Assembly Insurance Committee and the Senate Finance Committee. Contractors will have to qualify for and purchase insurance, just like on the private market, but this new option will be more available and affordable than current private options. The pilot will be open to small contractors with less than \$3M in gross revenue the previous year and State- or City-certified M/WBEs of any size.



In 2025, the Task Force will continue to advocate for this tool, expanding insurance options and removing barriers for entry.



sdpjpp

MAKE IT EASIER TO PARTICIPATE: GOALS 3.5 THROUGH 3.8

Once contractors are engaged with the City, agencies must be owners of choice. The Task Force recommendations improve invoicing processes and access to senior leadership benefit M/WBEs and small businesses, ensuring more reliable cash flow for resource management and assistance with navigating agency processes.

3.5 Publish centralized information about upcoming work opportunities

Centralize a Future Projects and Procurement Document Database

Historically, the City does not have a public-facing repository that includes upcoming projects to be solicited by the City during a specified period, nor is there an easily accessible location where registered contracts are posted. While the City publishes capital commitment plans on OMB's website, this is not in a format where contractors can navigate upcoming opportunities to pursue work and plan their resources across multiple agency timelines.

The Task Force recommended creating a new public-facing database to learn more about past City contracts and plan for upcoming opportunities. As an interim step, agencies including [DDC](#) and [DEP](#) post upcoming work opportunities on their websites. This includes information about near-term and longer-term procurement.

In 2025, MOCS will work across agencies to centralize this information in an accessible format, so that vendors can find this in a single location rather than searching at each separate agency.

3.6 Require M/WBE pre-qualified lists

Expanded Minority and Women-owned Business Enterprises (M/WBE) Pre-Qualified Lists at All Capital Agencies

While helpful that the Task Force initiative for M/WBE small purchase threshold facilitates M/WBE participation on projects below \$1.5M, there's more work to do to. The Task Force recommended that the City expand the use of M/WBE pre-qualified lists (PQLs) to create access on City projects over the \$1.5M small purchase threshold and for M/WBEs to bid as prime contractors than they do as subcontractors.

- State law allows agencies to create exclusive bidding opportunities for M/WBEs on a pre-qualified list, so long as the list is created for a specific type of work.
- Bidding on that type of work is then limited to M/WBEs on the pre-qualified list and ensures that all bidders are qualified to do the type of work, which can reduce procurement delays later in the process.

- Vendors still go through procurement process including all oversight steps.

The Task Force recommended that the City expand the use of M/WBE pre-qualified lists (PQLs) across agencies working on capital projects. The City currently maintains 19 M/WBE PQLs, and DDC has awarded 5 contracts through the using of and M/WBE PQL. Agencies actively using PQLs include DCAS, DDC, DOT and Parks, with at least one M/WBE PQL active or open for applications. For example, as of 2024, Parks has an MWBE-only PQL for site work live in October, in addition to their three active PQLs on which a majority of the pre-qualified vendors are MWBE's. DEP is identifying project typologies that are well suited for an MWBE PQL, and will be launching this by the end of Fiscal Year 2025 (June 2025).

3.7 Ombudsperson

Identified an ombudsperson at each capital agency so contractors and subcontractors can obtain information or resolve disputes.

Direct access to a senior agency official is important for contractors, especially subcontractors and M/WBEs who may not have a seamless communication channel through which to obtain information or resolve disputes. The Task Force recommended designating an existing senior employee at each capital agency to serve as an ombudsperson for contractors throughout the capital process. Each agency has identified an ombudsperson that's conveyed to vendors at time of contract award. Additionally, the list of agency Chief Diversity Officers and M/WBE Officers is posted publicly [here](#).

3.8 Expanded education on Project Labor Agreements

Host educational sessions for Project Labor Agreements

M/WBEs are sometimes unfamiliar with managing a project under a Project Labor Agreement (PLA). The Task Force recommended that the City, the Building and Construction Trades Council of Greater New York, and the Building Trades Employers Association conduct educational information sessions to engage with M/WBEs about PLA requirements. Currently, MOCS provides a 'frequently asked questions' [document](#) online with the posted PLA, to provide further clarity on how PLAs work, both in terms of opportunities for small firms, opportunities for workers, and compliance. The City has developed materials for PLA trainings, and will host ongoing educational information sessions in 2025, in partnership with Task Force membership organizations including the Building and Construction Trades Council of Greater New York and the Building Trades Employers Association.

PROJECT INVOICING: GOALS 3.9 AND 3.10

Contractor payments begin with the contractor submitting to the agency an invoice for the work completed, which the agency then reviews against the contract and construction status. The invoice review process contains essential checks for accuracy and ensures that the City is paying accurately for work completed. However, the current invoice review process can be arduous and result in payment delays. The Task Force recommended overarching changes to City's payment processes to address these issues.

In Fiscal Year 2024 alone, the City processed over \$3.7B in construction payments on almost 18,000 individual payments.

3.9 & 3.10 Streamline the invoicing and payment process

Launching Streamlined and Standardized Invoice Checklists to Address Pain Points that Delay Invoice Review and Approvals

Agencies each have their own invoicing and payment processes, which can be difficult for contractors that work across agencies. Additionally, some invoice requirements may contain unnecessary information that may no longer be necessary to authorize payments.

The Task Force recommended that agencies create standardized invoice checklists for different types of contracts, to streamline required information and ensure that only necessary information is requested from the vendor.

An interagency working group has prioritized the construction invoice and payment process materials. Agencies have worked together to identify obsolete requirements, reduce redundant submission materials, coordinated templates across agencies and provide more clarity on the specific supporting documentation needed to facilitate review and approval of work performed. Agencies have also met with the contracting community, include the General Contractors Association and the New York Building Congress, for feedback on the invoicing process.

In support of a 2025 launch of construction invoice and payment process reforms across DDC, DEP, DOT and Parks, agencies are conducting fall 2024 staff trainings and industry engagement on the forthcoming updates.

Tracking Invoice and Payment Process Workflows to Improve the Payment Timeline

The City's Procurement Policy Board requires that agencies pay contractors within 30 days of an approved invoice. However, the process to get from the draft invoice to an approved invoice is not uniformly tracked, so there is little data about how long it takes to get from draft invoice to approved. Then, once an invoice is deemed approved and the 30-day clock starts to issue payment, agencies have considerable urgency to meet the payment deadline. However,

before the 30-day clock starts, there are not clear, consistent expectations regarding the timeframe.

The Task Force recommended a few improvements to the tracking process, to better identify pain points for a feedback loop to the invoice checklist and requirements.

- Propose that agencies begin tracking from the date of the draft invoice so the City can understand the timeline between when a contractor submits a draft and when the invoice is considered approved and recommend changes to improve the payment timeline.
- Once agencies begin tracking from the date of draft invoice, one agency will pilot a commitment to paying within a certain number of days of the draft invoice, in addition to the current requirement to pay within 30 days of the approved invoice.
- If successful, this pilot will be expanded and Procurement Policy Board rules will be created in order to ensure timely agency invoice review and expedited payment and contractor response times.

The interagency working group on invoice and payment processing has prioritized construction invoices and will adapt these process improvements to other professional services contracts. Rather than select one agency to pilot a different commitment schedule, agencies have each identified how this can be implemented with their agency-specific invoice review and payment processing systems: i.e., each agency has different tech tools used for invoice tracking, different contract requirements for billing mechanisms and backup, and not all of those are suitable for a pencil copy.

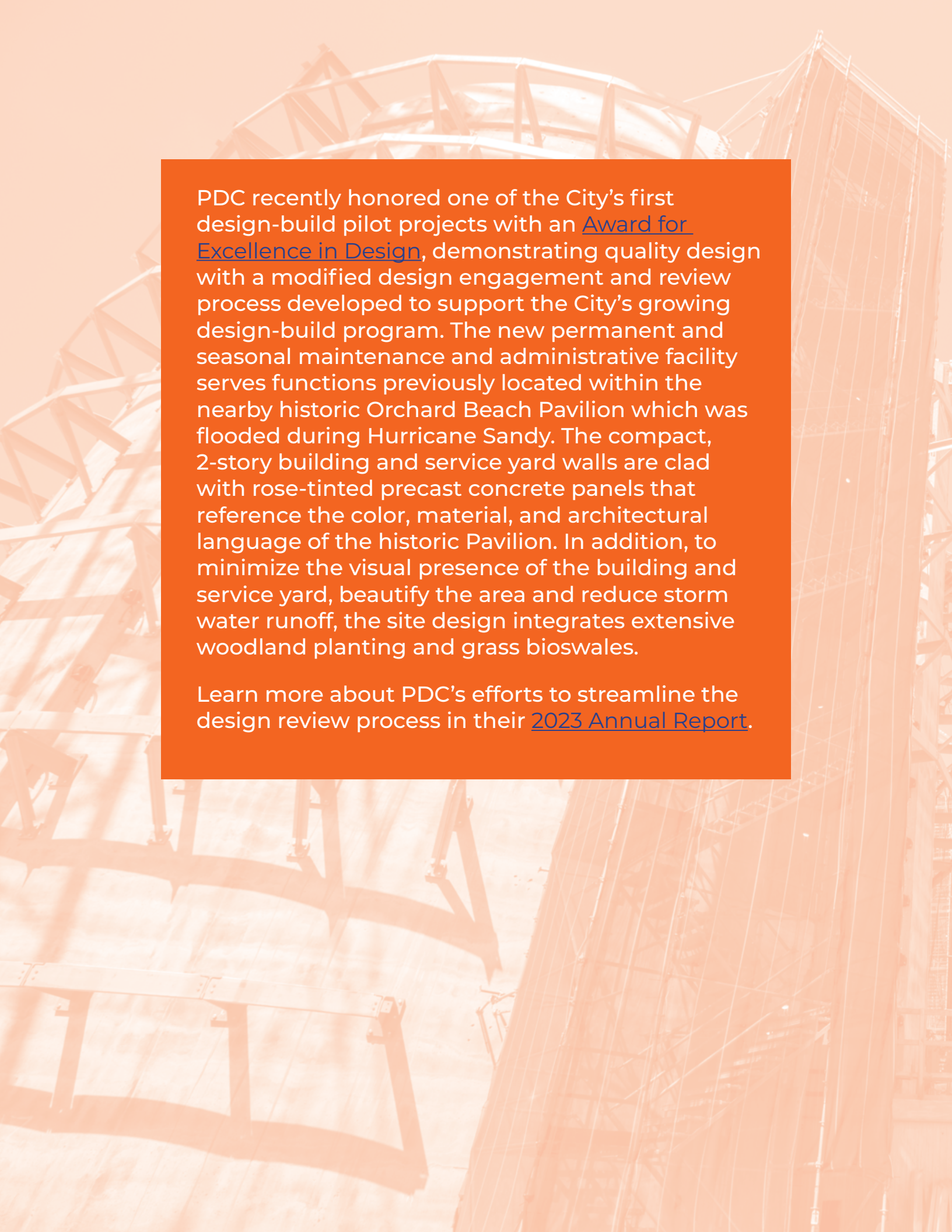
Agencies are each approaching this differently, because the nature of their billing mechanisms for invoicing is different. Certain agency divisions are tracking invoices from date of draft invoice to final approved invoice to identify common issues and address pain points. Where possible to utilize 'pencil copy' draft invoices, agencies are piloting a commitment tying payment processing that starts with the date of draft invoice. Not all project types utilize a pencil copy, and not all contracts require this best practice: e.g., on fee structures with unit pricing, billing projections are subject to change before final submission.



Streamlining Recommendations for NYC Public Design Commission

In December 2023, NYC Department of Design and Construction (DDC) and the NYC Public Design Commission (PDC) released six joint [recommendations](#) that will improve delivery of capital projects citywide, including buildings, streetscapes, artwork and infrastructure, by streamlining the design review process for non-complex projects, easing the approval path for complex projects and improving public-facing resources to make the design review process more accessible to stakeholders. Supported by two Deputy Mayor's teams, PDC staff and commissioners partnered with DDC leadership to identify opportunities to improve the City's design review process to streamline capital project delivery while building on a joint legacy of innovation and excellence in design. These recommendations are the result of comprehensive working group sessions and the release of a survey seeking feedback from professionals within the broader NYC design community.

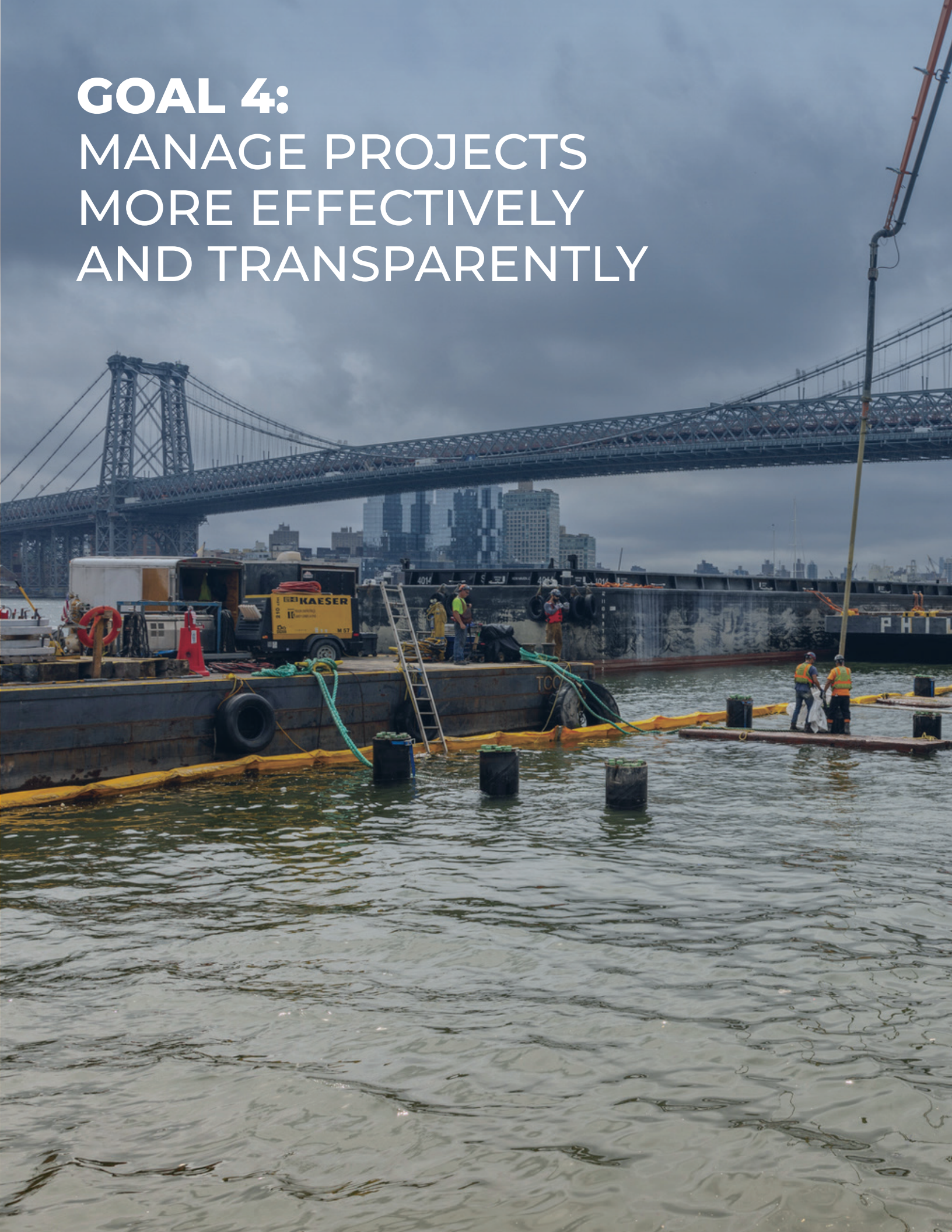
This year, PDC has scaled their efforts, engaging liaisons across capital agencies — including the New York City Department of Parks and Recreation (NYC Parks), the New York City Economic Development Corporation (NYCEDC), the New York City Department of Transportation (DOT), and the New York City Department of Environmental Protection (DEP) — to determine how these recommendations can be adapted holistically.



PDC recently honored one of the City's first design-build pilot projects with an [Award for Excellence in Design](#), demonstrating quality design with a modified design engagement and review process developed to support the City's growing design-build program. The new permanent and seasonal maintenance and administrative facility serves functions previously located within the nearby historic Orchard Beach Pavilion which was flooded during Hurricane Sandy. The compact, 2-story building and service yard walls are clad with rose-tinted precast concrete panels that reference the color, material, and architectural language of the historic Pavilion. In addition, to minimize the visual presence of the building and service yard, beautify the area and reduce storm water runoff, the site design integrates extensive woodland planting and grass bioswales.

Learn more about PDC's efforts to streamline the design review process in their [2023 Annual Report](#).

GOAL 4: MANAGE PROJECTS MORE EFFECTIVELY AND TRANSPARENTLY



REDUCE TIMELINES AND SAVE MONEY, WITH INCREASED FLEXIBILITY AND TRANSPARENCY ON DELIVERY

The initiatives covered by Goals 1, 2, and 3 -- supporting planning, procurement, and participation -- will have a comprehensive benefit of improving delivery at both design and construction, but there's work to be done that specifically addresses known pain points in the construction phase.

The Task Force identified components of the City's process that impact continuity of construction, once work is underway. Recommendations in the 2022 report, many piloted at DDC and expanded to the other capital agencies by the Task Force, allow agencies to manage projects faster and cheaper while getting better results. The Task Force proposed this slate of reforms to ensure that agencies and industry partners are set up for success with delivery, from the onset of a project. While this set of initiatives focuses primarily on the delivery stages, certain recommendations address front end work to improve delivery

4.1 Streamline procurement and relieve administrative burdens while maintaining critical oversight, transparency, and public accountability

DDC as an Authority

Even with this slate of reforms at each stage of the process DDC's existence as a City agency constrains its ability to deliver projects quickly. The Task Force recommended that the City develop a legislative approach to establish DDC as an authority. As an authority, DDC would have reduced administrative burdens, fewer redundant oversight steps during procurement and contract administration, and wide access to alternative project delivery. With more flexibility to develop procurement and contract requirements tailored to design and construction delivery, DDC would be positioned to better support the needs of the City's varied, critically important capital portfolio that streamlines project delivery. Industry engagement would also be improved, enhancing DDC's ability to engage M/WBEs and local communities, centering workforce development and local hiring.



The Task Force will champion State legislation to create a DDC Authority (DDC+) in 2025 legislative session.

As a public authority, DDC would continue to be subject to audits and reporting requirements to ensure transparency and accountability, remaining accountable to New Yorkers and transparent in operations. Adhering strictly to the highest ethical standards, DDC would remain under jurisdiction of oversight bodies including Corporation Counsel, the Department of Investigations and the Conflicts of Interest Board, and DDC's capital portfolio would continue to be overseen by the Mayor's Office of Management and Budget (OMB) as part of the City's budget process.

CONTRACT TOOLS FOR PERFORMANCE MANAGEMENT: GOALS 4.2 - 4.11

The working group tasked with managing projects more effectively sought to expand existing successful pilots that have accelerated completion of projects at reduced costs and develop new ways to improve how agencies can more strategically deliver projects.

4.2 Enhanced mobilization payment

Instituted enhanced mobilization payment

Navigating City processes can be difficult, and the upfront costs of doing business with the City are significant. These challenges limit the pool of contractors that bid on City projects and lead to cashflow challenges when significant change orders arise. The Task Force recommended an increase to the current mobilization payment, which is tied to specific items in the contract. Providing an additional one-time upfront payment of 1% of contract value supports contractors at the onset of work, to facilitate project initiation and ensure the continuity of construction.

DDC launched this as a pilot effort, allowing contractors to submit for payment immediately upon NTP, and has since expanded the program to provide this mobilization payment on all construction contracts. Other agencies have adapted as well: DEP is using this on two current construction contracts and will expand to all future projects currently in design, and Parks is updating their contracts for this term by end of 2024.

4.3 Price adjustments

Utilizing price adjustments for fuel, steel, and asphalt

Sharp and unexpected price increases for materials that may result from inflationary pressures, supply chain disruptions, or geopolitical factors, can strain capital project budgets. The Task Force recommended using price adjustment allowances based on New York State Department of Transportation cost index updates to ensure that unexpected price increases do not delay capital projects or increase bid prices. Offsetting unanticipated cost fluctuations creates a level playing field for competitive pricing and ensures that contractors are fairly compensated.

Agencies including DDC, DEP, DOT, and Parks have adopted this tool on contracts, depending on project characteristics. For example, DDC has incorporated price adjustments on over 20 recent contracts with applicable work, including both infrastructure and new buildings.

4.4 Engineering reviews

Instituted engineering review to optimize cost effectiveness

Because the design is typically complete before the construction team is engaged, historically there was not a contractor assessment for alternative construction approaches and technical solutions for cost effectiveness and constructability. Building on a successful DDC pilot, the Task Force recommended a contract mechanism that would allow contractors to use their technical knowledge to improve outcomes and save money once construction is under way.

Each agency is adapting this tool for their projects. All of DEP's Bureau of Design and Construction contracts have Value Engineering, Constructability and Biddability reviews, and Parks is expanding the use of this tool with a focus group on 5 projects to date. DDC has employed value engineering on 11 of its infrastructure contracts and incorporates language allowing certain substitutions in every contract for its public buildings.

4.5 Early completion

Utilizing Early Construction Completion Incentives

Slippage in project schedules delays project delivery and quickly becomes expensive. In DDC's pilot program offering financial incentives for contractors to meet critical project milestones on a targeted basis, DDC found these incentives to cut two months and 23% of project cost. The Task Force recommended expanding this program across construction contracts at other agencies including DEP, DOT, and Parks. Agencies have adopted this tool to use on contracts depending on project characteristics.



DDC has used this approach on large infrastructure projects, including the reconstruction of Tillary Street in Downtown Brooklyn, and a major, areawide infrastructure investment in Downtown Far Rockaway. Coupled with other contract requirements and significant interagency coordination, we were able to reduce the overall construction timeline by nearly two years. By adding financial incentives at critical milestones, we shaved months off these projects, providing upgraded sewers and street-scapes while allowing businesses to return to normal operations more quickly.



KNOWN UNKNOWNNS: GOALS 4.6 – 4.11

City change orders are contractual documents enable agencies to modify a contract while the scope is being performed, such as accounting for site conditions that were unknown at the time of contracting. This is essential for completing scope that's in contract, but these changes are a significant pain point in the capital process.

In addition to the work required to identify and construct the change, the City process includes negotiations between the agency and contractor to agree on the scope and cost, authorization to use additional money and, in some cases, an amended CP from OMB and registration with the Comptroller—a process that can total six to 12 months.

The current change order process is challenging for the City because of the delays and the costs inherent in those delays, and the current change order process is challenging for contractors because they get paid several months after the completion of work.

The Task Force examined the change order process in detail and made recommendations that will both decrease the number of change orders and improve the process for those remaining.

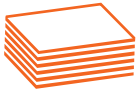
4.6 - 4.9 Provide contract tools to address the 'known unknowns'

Expanding use of Expanded Work Allowance (EWA) for unforeseen field conditions from DDC pilot to all agencies

Conventionally, project budgets do not include an allowance to address unforeseen field conditions in the construction phase of a project, necessitating a lengthy change order approval process. DDC piloted an Expanded Work Allowance for agreed-upon change orders that is budgeted and registered with the Comptroller at the project start. The use of an in-contract allowance, rather than a workflow that requires amending the contract, enables agencies to pay for a significant portion of completed work while negotiations are finalized. This allows contractors to get paid more quickly for the known unknowns that emerge in construction -- an average of 33 days rather than 182 days, according to 2022 data from DDC's successful pilot using Expanded Work Allowance on unforeseen field conditions.

- DDC recently used the Expanded Work Allowance during a successful infrastructure project with DEP to reduce combined sewer overflows to Pugsley Creek in the South Bronx. The \$106 million project, which eliminated about 200 million gallons of sewage overflow annually and upgraded water mains in the area, was completed 14 months ahead of schedule. A change order for \$7.25 million was paid in fewer than three months, saving from three to nine months in potential project delays.

- On a recent \$10 million comprehensive library renovation in Brooklyn, DDC used Expanded Work Allowance to process nine change orders totaling \$400,000, addressing unforeseen concrete, framing, and insulation work to mitigate months of potential schedule delays and deliver the project on time.



A centralized approach to Expanded Work Allowance for our primary capital agencies will help the City improve overall delivery and schedule commitments, by limiting and reducing contract change orders and expediting payments to contractors, while also balancing internal controls and accountability to ensure the City is receiving appropriate value in exchange for public dollars.

The Task Force recommended this tool be scaled up for consistent program implementation of an Expanded Work Allowance at DDC, DEP, DOT, and Parks. An EWA agreement that defines the parameters of this tool is under final development with the City and the Comptroller’s Office as of Fall 2024, with a complementary specification that will go in the construction contract. Once this allowance is launched in early 2025, agencies will adapt their construction contracts to include this tool, supported by training for staff and vendors. Agencies will regularly report on this to the Comptroller’s Office for information about how EWA funds are utilized.

Increasing additional change order categories for Expanded Work Allowance

The initial launch of Expanded Work Allowance planned for only change orders to address unforeseen field conditions. To scale the application and impact of this tool, the City and the Comptroller are finalizing the criteria for more typologies of typical changes during construction. Once this allowance is launched in early 2025, agencies will adapt their construction contracts to include the project types and scopes that are permitted. This list below describes a few anticipated scenarios, for illustration purposes:

- Non-material changes to scope of work caused by site conditions that significantly differ from those shown in the Contract Documents and such conditions as could not reasonably have been anticipated by the Contractor (excluding pollution remediation).
- Cost increases with no change in scope of work, such as increased costs for operation and maintenance of active construction site due to environmental hazards that could not have been reasonably anticipated.
- Non-material scope changes where the overall purpose of the project is not changing, such as changes related to newly available technology that became available and/or approved for use by the City after the bidding opening was complete (e.g., installing a more energy-efficient HVAC or lighting system than what was originally specified).
- Changes to applicable federal, state and local laws, rules, ordinance, regulations, or requirements of the local authority having jurisdiction that are enacted after bid opening of the construction contract and could therefore not reasonably have been anticipated by the Contractor (e.g., FDNY regulatory requirements that result in revisions or upgrades to existing sandpipes,

fire alarm systems, hydrants, pre-combustion gas compressors, or sprinkler systems).

Including Expanded Work Allowance on Capital Approval Standards

The Task Force recommended that, when launching the Expanded Work Allowance program, OMB include Expanded Work Allowance on Capital Approval Standards. This ensures that frequently occurring capital project types that benefit from this streamlined initiation process are set up to allow for the use of Expanded Work Allowance. OMB and DDC have implemented the use of EWA on projects initiated with Capital Approval Standards, and once this allowance is launched to other agencies in early 2025, the City will adjust the Capital Approval Standards to include this allowance.

Explore Expanded Work Allowance on professional service contracts

Some change orders on construction contracts result in change orders for corresponding design and construction manager contracts, which means that even when a construction contract change is an appropriate use of the streamlined Expanded Work Allowance process, the related professional service change orders to effectuate the change cannot.

The Task Force recommended that, in launching the Expanded Work Allowance program, the City develop an approach to use Expanded Work Allowance on professional service contracts when the original change order results from an Expanded Work Allowance change order on a construction contract. Once the construction contract allowance is launched in early 2025, the City and the Comptroller's Office will explore a corresponding professional services contract mechanism and workflow for limited circumstances.

DEEPER DIVE: CHANGE ORDERS

In the City's fiscal year 2024, there were over 1,000 construction change orders, valued at nearly \$428 million, which is a similar in volume to fiscal year 2023. While the expanded work allowance program will reduce the volume of change orders, the Task Force acknowledges that change orders are a reality of construction, and not all changes

in construction are an appropriate use of the expanded work allowance. These recommendations improve the change process by standardizing the workflow and allowing certain activities concurrently rather than sequentially – this reduces the processing timeline and helps get contractors paid more quickly.

4.10 & 4.11 Change orders

Streamlined processing of certain non-Expanded Work Allowance (EWA) change orders

The Task Force identified a structural constraint in the sequencing on funding approvals with change orders:

- Agencies are not able to obtain specific funding authorization for completed change orders until the change order negotiation is complete.
- Negotiation takes a significant number of weeks and each step of the regular change order process happens in succession, rather than in parallel.
- This means, contractors experience significant delays in processing and, as a result, payment, for change orders.

The Task Force recommended that for change orders that remain outside of the EWA process, OMB and the Comptroller's Office will give authorization to fund and register change orders based on eligible scope information and minimum cost, rather than only after negotiation is finalized. Final processing and the related payments for change order work completed to date can then begin in parallel to final negotiation and after registration. OMB launched an initiative in 2023 to provide preliminary budget approvals in parallel with negotiations, and this workflow is currently used on construction change orders outside of the EWA process.

Created service level agreements governing change order negotiation.

Agencies and vendors currently spend approximately 20 weeks negotiating the precise scope and cost of each change order before agencies submit the change order to OMB and the Comptroller. The Task Force recommended that agencies pilot a service level agreement governing change orders with the following timeframes. Using the timeframe benchmarks established by the Task Force, agencies are identifying typical issues and adjusting workflows in support of accelerated processing goals.

4.12 Utilities

Enhanced coordination efforts with utilities, including quarterly City Hall working group

Discussion with utilities occurs regularly on various capital projects but may not always yield timely, constructive outcomes that advance capital project. There are two primary types of issues: electrification requests and infrastructure interference coordination. Both issues delay the critical path of design and construction: delays related to utilities can cost the City \$100,000 - \$200,000 per month and can add between six and eighteen months to projects.

Coordinated Street Construction

In 2024, the City advocated to extend current State laws known as ‘joint bidding.’ This authority allows the City to bid the capital project and the utility work together under a joint contract, to mitigate project coordination risks that cause delays and increase construction costs. The 2024 legislation will extend joint bidding authorization through December 31, 2025.

The City has undertaken a comprehensive review to improve the current Joint Bidding framework, working to address stakeholders including the contracting community and utility companies ensuring a fair and efficient program.

The City’s objective is to improve the City’s coordinated street construction program, enabling our agencies to efficiently manage construction schedules, save taxpayer dollars, and reduce impacts to communities. This City will support 2025 State legislation for permanent authorization that allows greater control of projects schedules, mitigates community impacts, spends tax dollars effectively, and increases M/WBE participation.

Learn more about DDC’s approach to infrastructure coordination on their [website](#).

The Task Force recommended regular meetings between senior leadership at City Hall and senior utility company executives to coordinate projects and avoid delays. Troubleshooting issues with utility infrastructure during capital projects will lead to faster, cheaper project delivery as decision-makers have a forum to resolve disputes. City Hall convenes a quarterly utility task force, as well a breakout meeting between agencies and utility partners.

CIVIC INSTITUTIONS: GOALS 4.13 & 4.14

The Task Force met with the three New York City library systems and several cultural institutions that build capital projects with City dollars. While libraries and cultural institutions will benefit from the Task Force’s work to improve speed, cost, and quality more generally, the Task Force also learned that libraries and cultural institutions face unique challenges. These challenges are often relatively small but critical issues such as a broken HVAC system or boiler—issues that while not particularly large in cost compared to many City capital projects can sometimes have significant implications for communities, such as the temporary closing of a local library. The Administration’s Rebuild, Renew, Reinvent: A Blueprint for New York City’s Economic Recovery report details an initiative being advanced by the Department of Cultural Affairs (DCLA) to support small cultural organizations develop scope, budget, and project management strategies for their capital projects. In addition to that initiative, the Task Force developed recommendations focused on addressing the particular needs of libraries and cultural institutions.

4.13 Civic institutions: self-managed library projects

Launch pilot program for self-management of small projects

Libraries can register directly with the Comptroller and self-manage limited projects – a practice that works well but has been typically limited to specific vehicle and initial outfitting purchases. The Task Force recognized that for certain projects with complex staging and sequencing requirements, such as building systems renovations, the libraries themselves are uniquely qualified and positioned to manage the design and construction themselves. The Task Force recommended that each of the three library systems pilot self-managing one project. The City is finalizing a legal agreement that delineates the kinds of additional projects eligible for this pilot and establishes conditions for project execution. In parallel to finalizing these agreements, each library system will identify projects for 2025 initiation. Once the agreements are executed, each library system will each submit a CP to OMB.

4.14 Civic institutions: equipment purchase for cultural projects

Shortened timeline for equipment purchases.

The process by which (DCLA) helps cultural institutions purchase equipment such as IT systems, performance equipment systems, pianos, and vehicles takes too long. With the Task Force's advocacy, DCLA increased the number of staff managing equipment purchases in the capital unit to speed up these projects. DCLA also bundled equipment purchases, which will be more efficient and attract more bids.

PROJECT TRACKING: GOAL 4.15

The Task Force dedicated focus to launching the City's first comprehensive, interactive portal for the City's active and pending projects. This easy to access tool provides centralized information about schedule, costs, and progress on the City's capital projects, increasing transparency and accountability to New Yorkers. For the first time ever, the City is reporting accurate budget and schedule information covering billions of dollars and thousands of projects.

4.15 Local Law 37 of 2020: Capital Project Tracker

Launched Tracker for Performance Management and Public Reporting

The Task Force supported implementation of a Capital Project Tracker as mandated by Local Law 37 of 2020, sponsored by then-Council Member Brad Lander. The Mayor's Office of Operations led the tracking tool's complex backend development and design of the public-facing website, to launch [this tool](#), troubleshoot integration issues with FISA/FMA, incorporate data from 20+ different agencies, and implement iterative improvements.

This tool, launched in 2023, provides an interactive and searchable public database (updated on a triannual basis) containing information about capital projects citywide including name, location, current phase, and information related to the project schedule and cost. This tracker was developed through a collaborative interagency process and will provide insights into project timelines, schedule delays, and cost overruns, as well as the location and background of each project. For example, budget data is pulled from the City and Comptroller's jointly managed Financial Information Services Agency, and agencies provide project schedule information that aligns with the life cycle of the capital delivery process.

For the first time ever, all projects from major capital agencies are reported through a consolidated, user-friendly tracker.

APPENDIX: WORK IN PROGRESS

DIRECT APPLICATION: MODERNIZING WORKFLOWS ACROSS THE CITY'S CAPITAL PROGRAMS AND RELATED INITIATIVES

Across the board, the City is leveraging these recommendations along with other process improvements to deliver excellence with public projects.

NYC DDC's Strategic Blueprint

As New York City's primary design and construction management agency, the Department of Design and Construction publishes its [Strategic Blueprint](#) as a roadmap for the agency's capital project delivery. The agency provides regular updates against its goals, including changes DDC is making internally, with City agency partners, and through State legislation, in partnership with the Capital Process Reform Task Force. Most recently, DDC released a comprehensive update on its Strategic Blueprint in Spring 2024.

DDC continues to implement the changes that will reduce project timelines, cut costs, and enhance participation while increasing the city's capacity to respond to emerging needs for both Infrastructure and Public Buildings.

Infrastructure: DDC has used various tools and creative engineering on the East Side Coastal Resiliency project, the largest coastal protection project in the City's history. To save time and efficiently spend taxpayer funds, DDC and its contractors have used Value Engineering to design and build elements of the faster and more efficiently, which includes barging in materials to take trucks off the road.

Public Buildings: DDC managed the Snug Harbor Music Hall Annex project for the Snug Harbor Cultural Center and DCLA. Using Expanded Work Allowance, DDC was able to keep work moving while negotiating change orders for unknown conditions as the project physically connected the new Annex building to the 1892 Music Hall building.



DEP Infrastructure Best Practices

DEP continuously releases strategic documents to inform industry partners about the agency's goals with capital project development and execution, including the 2024 Stormwater Analysis report, the Green Infrastructure Annual Report, and the State of the Sewers ([all posted here](#)).

Over the past year, the agency has convened working groups with industry partners to incorporate best practices and address feedback on doing business with the DEP. The agency held a working group series with the American Council of Engineering Companies of New York (ACEC) to improve DEP's professional services contracts. Through multiple rounds of review and feedback, DEP has revised their RFP templates to provide clearer guidance, more flexibility, and foster additional competition. DEP is on track to release these contract improvements by the end of 2024. The agency also convened working group meetings with the General Contractors Association (GCA) to improve DEP's business practices. Substantial changes were made to DEP's contract specifications in 2024.



DOT's Engagement with Industry

DOT has been committed to growing opportunities for minority and women entrepreneurs to access government contracts and grow their businesses. In addition to hosting industry days, DOT launched a new annual meeting with MWBE vendors named “Doing Business with NYCDOT” where NYCDOT, and other agencies, have an opportunity to meet their vendor partners to find ways to work together to learn from and about each other. For increased transparency into the agency’s priorities, DOT recently launched a podcast called ‘Curb Enthusiasm,’ that offers insight on trends in transportation and urban planning in conversation with industry leaders.

Reducing the Duration of Parks' Capital Projects

In December 2023, Parks published a report that focuses on Parks-managed projects and introduces several time-saving strategies and process changes that will be a major step towards reducing the duration of capital projects. This report compliments the Capital Process Reform Task Force initiatives and highlight efforts that unique to the Parks' project typologies, such as standardized design specifications and design guidelines. While not every strategy can be applied to every project, they collectively represent many opportunities to modernize how Parks capital projects are managed.

Reducing the Duration of Capital Projects (Local Law 16 of 2023) – [report here](#)

School Construction Authority Industry Engagement Initiatives

The School Construction Authority hosts quarterly forums with different subsets of the contracting community that are complemented by broader Industry Day events with participation from all SCA stakeholders. In furtherance of SCA's mission to increase transparency wherever possible, SCA has introduced an outward facing module for consulting partners to self-calculate their "multipliers" (comparable to FAR "factors") and is actively in development of a comparable module for its potential construction contractors (and subcontractors). The contracting module will automate the "Financial Model" that is used to determine financial health of a firm and support the review of a firm's current work backlog.

To increase opportunities, the SCA formally launched a Mentor Design Opportunity Partnership Program capitalizing on the ability to award contracts up to \$1.5 million to MWBE firms directly. Additionally, SCA recently closed a Request for Qualifications and Expression of Interest (RFQEI) to solicit industry feedback and evaluate vendor interest and qualifications with services that support program efforts for new buildings and major renovations of public school facilities, including transitioning to industry standards with construction specifications, master planning and design build owner's advisor services.

