



# Capital Equipment Overview

FY 2017 · September 28, 2016

# Capital Equipment Overview

## Introduction

# Capital Equipment Overview – Introduction

- Before our departure



# Capital Equipment Overview – City Requirements

**Equipment Projects funded by the City are primarily governed by:**

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

**As such:**

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

# Capital Equipment Overview – City Requirements

Funding allocation does not guarantee:

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



FUNDS ARE **NOT** SAFE  
FROM BUDGET CUTS

# Capital Equipment Overview – Organization Responsibilities

## **Organization agrees to:**

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

# Capital Equipment Overview

How to get the stuff



# Capital Equipment Process Overview

## Stage 1

**Certificate to Proceed**



**Scope Development**



# Stage 1: Scope Development – Equipment Systems

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

## **Equipment Systems** (as per Directive 10)

- Each system must be composed of mutually dependent and physically or wirelessly\* connected elements that are integral to the system's function
- Each system must be at least \$35K
- Minimum useful life of 5 years

\*Connected through a wireless network

# Stage 1: Scope Development – Equipment Systems

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



Soho Repertory Theatre Seating

# Stage 1: Scope Development – Equipment Systems

## Ineligible Items

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

# Stage 1: Scope Development – Equipment Systems

## Exhibit A - Organization prepares an equipment list detailing the requested equipment:

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

# Stage 1: Scope Development – Brand Specific or Equal

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

BRAND SPECIFIC ITEMS  
REQUIRE A LENGTHY  
DETERMINATION  
PROCESS

AND  
MAY **NOT** BE  
APPROVED

# Stage 1: Scope Development – CP Request Questionnaire

**To help understand the project, the questionnaire provides OMB with detail on the system and how it will be used by the organization:**

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

# Capital Equipment Process Overview

## Stage 1

**Certificate to Proceed**



**Scope Development**



**OMB Review**

# Stage 1: OMB Review

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

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

**Documents required for CP request:**

- Exhibit A equipment list
- OMB Questionnaire
- Organization and project narrative(s)
- Vendor quote(s)
- Legal documentation  
(Capital Equipment Letter Agreement or Funding Agreement)
- Useful life statement
- Proof of site control (deed of ownership or lease of at least 5 years)



# Stage 1: OMB Review

## **OMB will review CP request for equipment for:**

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



Harlem School of the Arts Pianos

# Stage 1: Timeline

Month																							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24

Scope Development



OMB CP Approval



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

# Capital Equipment Process Overview

## Stage 1

**Certificate to Proceed**



**Scope Development**



**OMB Review**

## Stage 2

**Procurement**

## Stage 2: Determination of Procurement Method

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

Local Laws that may apply to the procurement:

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

## Stage 2: Determination of Procurement Method

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

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

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

# Capital Equipment Process Overview

## Stage 1

**Certificate to Proceed**



**Scope Development**



**OMB Review**

## Stage 2

**Procurement**



**DCLA**

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

### **Standard Purchase Process:**

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

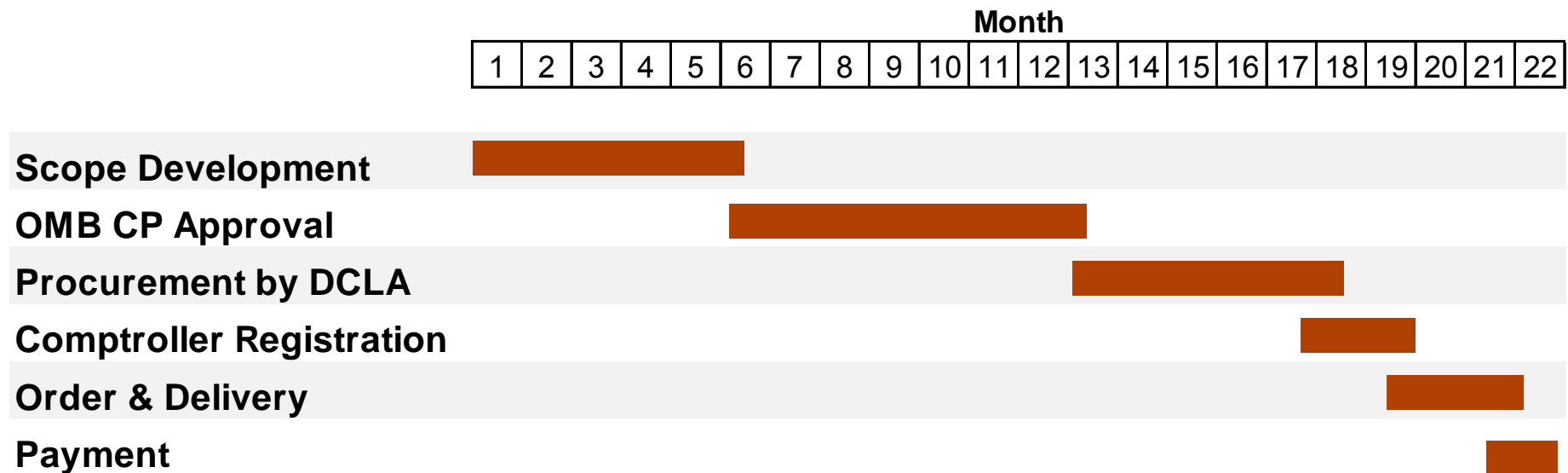
## Stage 2: Procurement – DCLA Managed <\$100K

### **Standard Small Purchase Process:**

- Vendors are randomly selected from the City vendor list
- DCLA will award contract to the lowest responsive and responsible bidder
- Contracts require registration by the Comptroller (reviewed for 30 days)
- Once registered, DCLA issues purchase order to the vendor



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



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

## Stage 2: Procurement – DCLA Managed FA

### **DCLA Discretionary Purchase through a Funding Agreement (FA):**

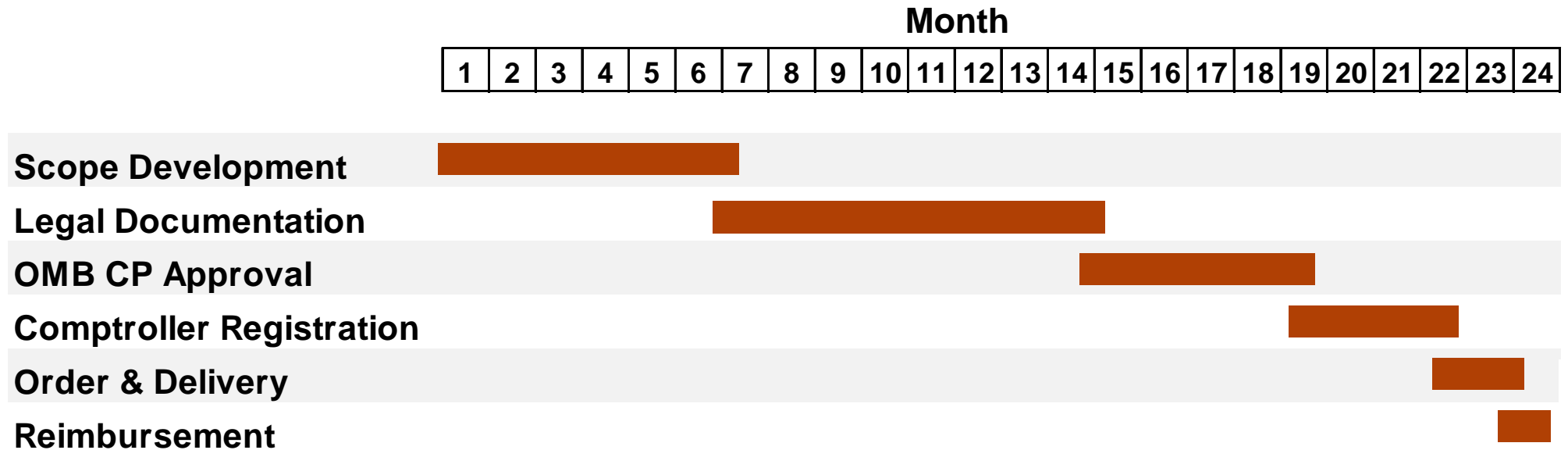
- Used only for certain projects funded by Borough President and/or City Council; DCLA will determine whether this method will be used
- All vehicles are purchased through a Funding Agreement
- Organization is responsible for bidding and procurement of the equipment (including vendor payment) per the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

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

### **Procurements >\$100K will also require:**

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

# Stage 2: Project Schedule - DCLA Managed FA



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

# Capital Equipment Process Overview

## Stage 1

**Certificate to Proceed**



**Scope Development**



**OMB Review**

## Stage 2

**Procurement**



**DCLA**

**DCAS**

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

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

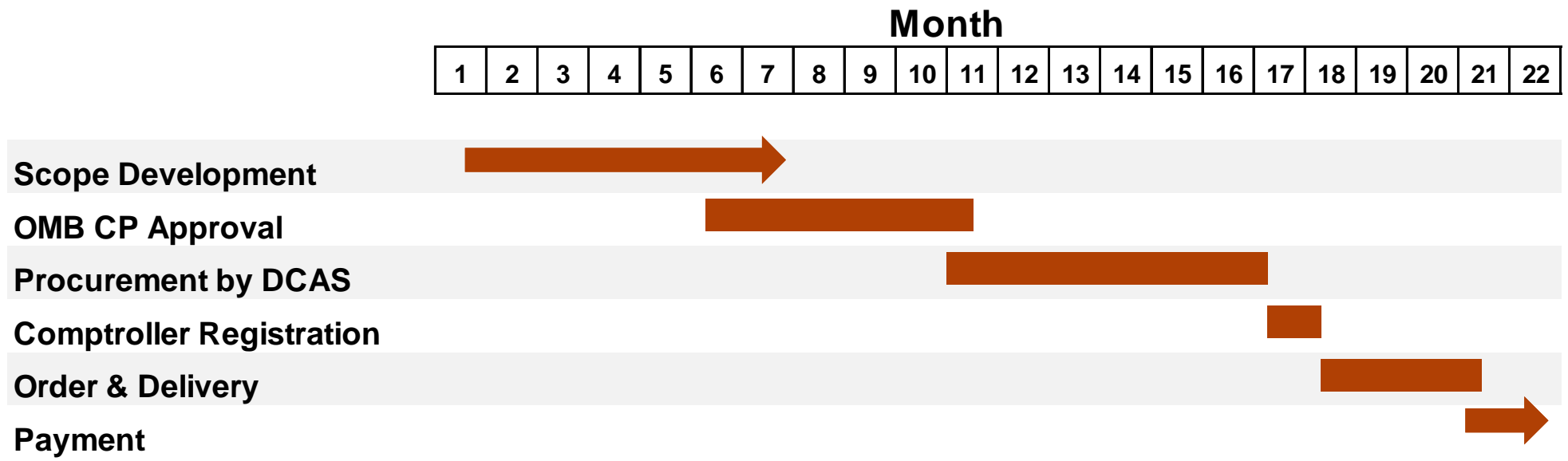
#### **1<sup>st</sup> Stage: DCLA**

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

#### **2<sup>nd</sup> Stage: DCAS**

- Publicly advertises invitation to bid for not less than 15 days
- Legal review, vendor responsibility determination, VENDEX, etc.
- Awards to lowest responsive and responsible bidder

# Stage 2: Project Schedule - DCAS Managed



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

# Capital Equipment Process Overview

## Stage 1

**Certificate to Proceed**



**Scope Development**



**OMB Review**

## Stage 2

**Procurement**



**DCLA**

**DCAS**



**Purchase and Delivery**



## Stage 2: Purchase and Delivery

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



Downtown Community Television Center media lab equipment

# Capital Equipment Overview

Now that you have the stuff



LGBT Community Center Pianos for Kaplan Hall & Lerner Auditorium

# Annual Certification of Use by Organization

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

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

# Final Disposal of Equipment

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

# Next Steps

- ❑ DCLA will send document templates
- ❑ Schedule meeting with project manager
- ❑ Submit initial CP Document drafts



Lower East Side Tenement Museum Interactive Multimedia System

# Abbreviations

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

# DCLA Equipment Contacts

## Capital Unit

**Carolyn Sarkis**  
Project Manager  
(212) 513-9360  
[csarkis@culture.nyc.gov](mailto:csarkis@culture.nyc.gov)

**Darren Brannon**  
Project Manager  
(212) 513-9368  
[dbrannon@culture.nyc.gov](mailto:dbrannon@culture.nyc.gov)

## ACCO

**Louise Woehrle**  
Agency Chief Contracting Officer  
(212) 513-9310  
[lwoehrle@culture.nyc.gov](mailto:lwoehrle@culture.nyc.gov)

**Sei Young Kim**  
Capital Equipment Manager  
Deputy ACCO  
(212) 513-9314  
[skim@culture.nyc.gov](mailto:skim@culture.nyc.gov)

## Legal

**Kristin M. Sakoda**  
Deputy Commissioner/ General Counsel  
(212) 513-9325  
[ksakoda@culture.nyc.gov](mailto:ksakoda@culture.nyc.gov)

## Finance

**Phillippa Shao**  
Director of Finance  
(212) 513-9315  
[pshao@culture.nyc.gov](mailto:pshao@culture.nyc.gov)

**David Francis**  
Staff Analyst  
(212) 513-9312  
[dfrancis@culture.nyc.gov](mailto:dfrancis@culture.nyc.gov)

**Tonia McCaskill-Johnson**  
Accounts Payable  
(212) 513-9311  
[tmccaskill@culture.nyc.gov](mailto:tmccaskill@culture.nyc.gov)

Thank you

Q & A