

# CAPITAL BUDGET WORKSHOP FY17



July 27<sup>th</sup>, 2016

# THE PURPOSE OF TODAY

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- ⊙ **Overview the capital funding process**
  - What makes a cultural organization's capital project successful
  - Funding constraints and time frames
- ⊙ **Initiate the process**
  - Meet fellow cultural organizations and learn about the City agencies (DCLA, DDC, EDC, DCAS, OMB) involved in the process
  - Meet your DCLA project manager

# Recent Capital Projects

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Staten Island Zoo's carousel



Mind-Builders



The new Whitney



Brooklyn Children's Museum



Blackbox Theatre at Downtown Art



Weeksville

# DCLA'S GOALS FOR CAPITAL PROJECTS

**Enhance the public's experience of cultural life in New York City through projects that:**

- Increase public access to cultural programming throughout the City
- Contribute to the vibrancy and diversity of the City's communities and maximize the effectiveness of public/private partnerships
- Preserve and promote the highest quality cultural facilities, programs and collections



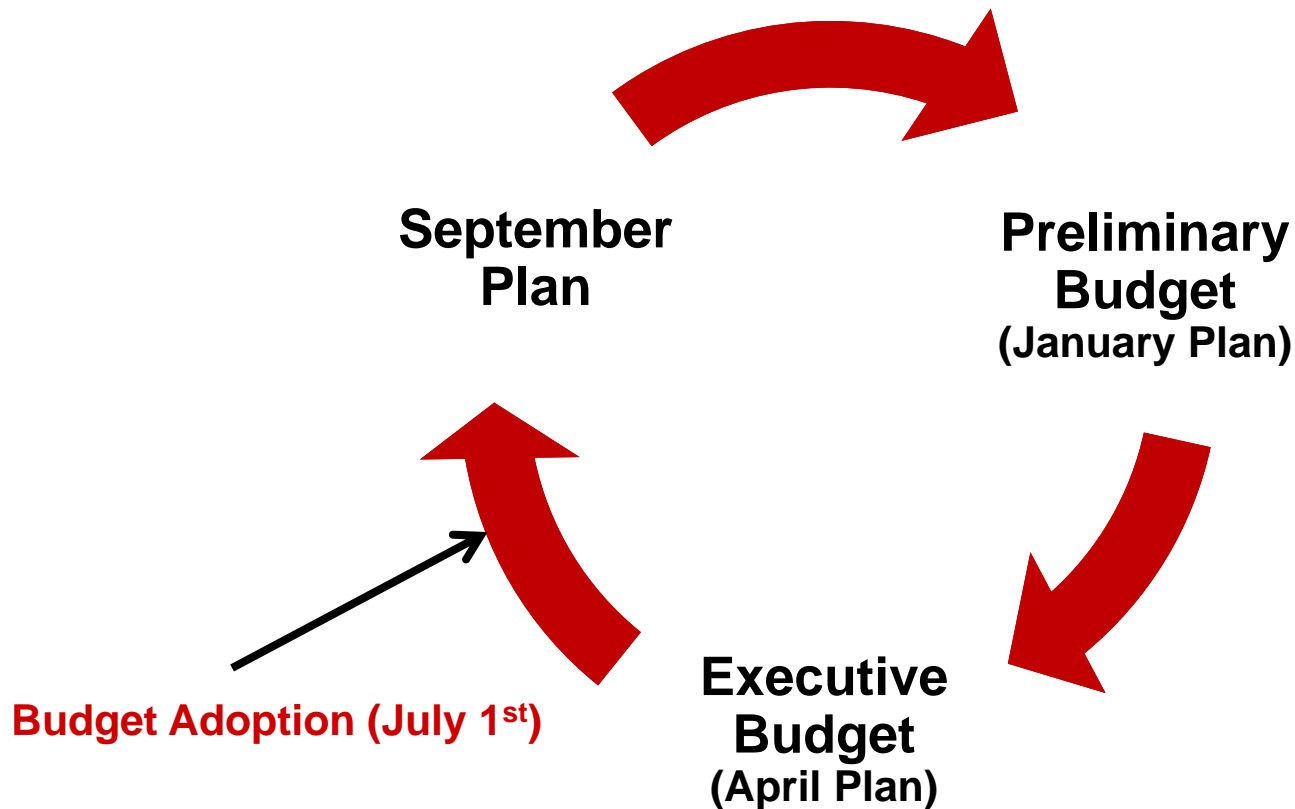
Atlantic Theater's state-of-the-art renovation of their main stage theater

**YOUR ORGANIZATION CONTRIBUTES TO THESE GOALS  
– THAT'S WHY YOUR PROJECTS HAVE BEEN FUNDED!**

# THE CITY'S BUDGET CYCLE

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Each plan updates the City's budget to reflect current project funding needs, there are three major updates during the course of a fiscal year.



# INITIAL REQUIREMENTS and EXPECTATIONS



# PUBLIC PURPOSE

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Every project must further a public purpose, and the improved property or purchased equipment must be used consistently with the mission of the organization for the duration of the useful life of the improvement or equipment. Projects must establish a legal interest in the City funded asset by:

- enhancing City Owned Property *or*
- on non-City owned property, by including the following:
  - ⊙ **Restrictive Covenant**  
When capital funds are being used for a capital improvement (**non-City owned property**)
  - ⊙ **Security Agreement**  
When capital funds are being used to invest in movable equipment or systems (e.g. computer system, furniture) (**non-City owned property AND, in some instances, City-owned property**)

The cultural organization must have **site control for the duration of the capital improvement's useful life** (10-30 years), measured from the date of substantial completion.

# RESTRICTIVE COVENANT & SECURITY AGREEMENT

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## Use Restriction

- The improved property or purchased equipment must be used consistently with the mission of the organization for the **duration of the useful life** of the improvement or equipment

## Recorded against (real) Property

- Any current and future owners (or lessors) of property are bound by **use restriction** (during the covenant term)

## First Property Lien

- **Other liens** against property (mortgages, financing, loans, etc.) **must be subordinated to the City's interest**

**YOUR ORGANIZATION **MUST** AGREE TO THESE  
CONDITIONS TO RECEIVE CAPITAL FUNDING  
**NON-COMPLIANCE PUTS ALL CITY FUNDING AT RISK****



# FUNDING CONDITIONS AND EXPECTATIONS

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- ⊙ **Organization agrees to:**
  - Follow the City's process, comply with all requirements, and obtain approvals in order to successfully complete the project
  - Initiate the project with DCLA and respond to City requests for information in a timely manner
- ⊙ **Your funding allocation does NOT guarantee:**
  - Approval by government entities
  - Disbursement of funding according to a pre-conceived timeline
  - Disbursement of funding for a pre-conceived, unapproved scope of work or equipment purchase

**FUNDS ARE NOT SAFE  
FROM BUDGET CUTS**

# FULLY FUNDING THE PROJECT

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**Before the project starts, any gap between funds available and the project's total cost must be closed through other secure sources such as:**

- Board Donations
- State and/or Federal Funds
- Cash-in-hand
- Other Non-City Funding

# ORGANIZATION RESPONSIBILITIES

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- ⊙ **Get scope and design approvals for all city-funded capital projects**
  - DCLA approval at design phase milestones (Scope Development, Schematic Design, Design Development, Construction Documents)
  - DCLA approval prior to submission to PDC or LPC
  - Include accurate information on operating implications (increased costs, maintenance, security, etc.)
  
- ⊙ **Operational Responsibilities:**
  - Filings with DOB, FDNY, etc.
  - Violations
  - Maintenance Plan
  - Certificate of Occupancy
  - Public Assembly permits
  
- ⊙ **DCLA approval of donor credit, naming rights, press announcements (including capital funding announcements) and signage**

# GETTING STARTED WITH YOUR CAPITAL PROJECT



Bronx River Art Center's (BRAC) groundbreaking ceremony in June 2014

# STEP 1: (RE)DEFINE YOUR PROJECT

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**Since submitting your Capital funding request, things might have changed, e.g.**

- Your project was not fully funded
- Design plans or your organization's priorities changed
- You received a major grant other than from the city

**The actual project scope can be different from the project described in your funding request.**

**The project scope should realistically reflect the funding available in the active fiscal year. Discuss your project in detail with your DCLA Project Manager as soon as possible so that we can initiate the administrative review and approval process.**

**Documents you should prepare for DCLA's review:**

- All projects – DCLA's program form and itemized budget
- If applicable – Design documents and cost estimates
- FA and CCGs: Scope narrative, application package, board resolution, and program form

# THE FOUR KEY REVIEW STAGES

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1

DCLA

Scope Review &  
Approval

Establishes project  
eligibility and  
feasibility

2

DDC/EDC/DCLA/DCAS

Administration &  
Management

Works with architects,  
engineers and the  
organization to  
manage the design  
and construction  
process

3

OMB

Project Review &  
Approval

Reviews the project  
for capital eligibility  
and issues  
necessary funding  
approvals

4

COMPTROLLER

Project Review &  
Approval

Reviews and  
authorizes capital  
projects for conformity  
with  
applicable accounting  
standards and  
directives

# ELIGIBLE PROJECTS

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**Two types of projects are eligible for funding:**

## Construction/Renovation

- Construction of new facility
- Expansion of existing facility
- Upgrade/renovation of contiguous existing space
- Upgrade/replacement of building system e.g. HVAC
- \$500K minimum initial City contribution for non-City owned property

## Equipment

- Equipment systems or standalone equipment (at least \$35K)
- \$250K minimum for non-moveable equipment (e.g. bolted down seat systems)

# CAPITAL ELIGIBILITY: DETAILS

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## Comprehensive

- Create new asset/systems
- Upgrade existing asset

## City Purpose

- Provides public benefit for useful life of improvement or equipment

## Long-Term Investment

- Equipment: 5-10 years
- Construction/renovation: 10-30 years

## Minimum City Contribution

- Construction/renovation: at least \$500K (for non-City owned property)
- Non-moveable equipment: at least \$250K
- Moveable equipment: at least \$35K



# DIRECTIVE 10: CHARGES TO THE CAPITAL PROJECTS FUND

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In order to attain capital eligibility, a project must comply with the Comptroller's Directive 10 and its definition of comprehensive betterment:

- Directive 10 defines comprehensive betterment as **extensive, physically connected, and typically involved in all four trades** (electrical, plumbing, HVAC, and general construction)
- It specifically **does not allow work in non-contiguous spaces unless functionally related**, i.e. dependent upon each other and necessary for the asset to perform its primary purpose
- If a project does not meet this definition of comprehensive betterment, the cost of renovations to different areas of a building or element of infrastructure must each be a \$35,000 minimum
- [http://www.nyc.gov/html/ddc/downloads/pdf/nfpp/Dir10-CapitalProjectsFund\[1\].pdf](http://www.nyc.gov/html/ddc/downloads/pdf/nfpp/Dir10-CapitalProjectsFund[1].pdf)

# INELIGIBLE CAPITAL COSTS

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## Maintenance

- Repair/Maintenance work, e.g. roof patching
- Painting & carpeting unrelated to capital project
- Extended warranties
- Maintenance agreements & service contracts

## Operational

- Employees' salaries
- Administrative expenses
- Training

## Studies

- Environmental assessments (as a stand-alone item)
- Feasibility studies

## Fixtures

- Fixtures or equipment that require attachments to the property are ineligible without a restrictive covenant or security agreement
- Organization-specific signage/donor plaques

## Other

- Owner's representative fees, fundraising, financing, or legal fees
- Work performed prior to the capital allocation
- Organization's project management costs
- Custom Databases
- Consumable Goods

# OVERVIEW: LOCAL LAWS & CITY POLICIES

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***These Local Laws and City Policies may apply to your Capital Project and should be discussed with DCLA project manager.***

- Local Law 1: M/WBE
- Local Law 77: ULSD & BAT
- Local Law 58: Accessibility/ADA
- Local Laws 84/85/87/88: Greener, Greater Building Plans
- Local Law 86: Green Buildings Law
- Local Laws 118, 119, 120 & 121: EPP
- Interfund Agreement Fees (IFA)
- State/City Environmental Review Act (SEQRA/CEQR)
- Tropical Hardwoods (NY State Finance Law § 165)
- Wicks Law
- Project Labor Agreements (PLA)
- Landmarks Preservation Commission (LPC)
- Public Design Commission (PDC)
- Department of Buildings (DoB)

***Please see Appendix for links to resources.***

# ADDITIONAL APPROVALS

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**NOTE: Projects may be subject to additional approvals from the following agencies and commissions:**

## Landmarks Preservation Commission (LPC)

- Approval required for any alteration, reconstruction, demolition or new construction affecting landmarked property
- Documents, drawings and other materials describing proposed work reviewed and approved before issuance of permit
- Fees for LPC permits when work requires DoB permit
- <http://www.nyc.gov/html/lpc/html/home/home.shtml>

## Public Design Commission (PDC)

- Approval required for exterior work **on or above** City-owned property
- Conceptual, preliminary and final designs are reviewed and approved
- <http://home2.nyc.gov/html/artcom/html/home/home.shtml>

## Department of Buildings (DoB)

- Reviews and approves plans and permits for construction and renovation projects
- Fees for inspections and permits performed by the DoB
- <http://www.nyc.gov/html/dob/html/home/home.shtml>

# PROJECT ADMINISTRATION & MANAGEMENT



The team for South Street Seaport Museum's Wavertree restoration project

# PROJECT MANAGEMENT METHODS

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There are five ways cultural capital projects are managed:

1. DDC Managed

2. Cultural Capital Grant (CCG)

3. EDC Funding Agreement (FA)

4. EDC Managed

5. Equipment



The Jerome Greene Performance Space at WNYC

# PROCESS OVERVIEW

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Based on a project's needs, and organization's capacity, DCLA identifies an appropriate managing Agency:

1. DDC Managed  
(Design + Construction)

( DDC )

2. Cultural Capital  
Grant (CCG)

( DDC )

3. EDC Funding  
Agreement (FA)

4. EDC Managed

( EDC )

5. Equipment  
purchase through:

( DCLA )

( DCAS )

# INITIATING THE PROJECT

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## STEP 1

DCLA,  
a representative  
from the proposed  
managing agency,  
and  
cultural organization  
establishes:

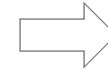
- Public purpose
- Capital eligibility
- Project complexity
- Organization capacity
- City requirements
- Project budget



## STEP 2

DCLA and the  
cultural organization  
finalize the  
“Program” or  
equipment list:

The Program:  
DCLA template prepared  
by the organization that  
describes the scope of the  
project, overall  
development  
plan and a project funding



## STEP 3

DCLA sends the  
program to the  
appropriate  
managing agency:

{	DDC	}	{	EDC	}
{	DCAS	}	{	DCLA	}



# DDC MANAGED: CRITERIA

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- Generally, smaller **cultural organizations that do not have the financial and operational resources** and experience to manage capital projects benefit from DDC's project management and design resources
- Ideal for **projects with limited private funding**, where City funds must pay for design, or where city funds may be spread over multiple fiscal years
- **Design and construction phases** are managed (DDC does not manage design only)



The Brooklyn Children's Museum's expansion and renovation project was managed by DDC. BCM is the country's first LEED-certified children's museum.

# DDC MANAGED: DETAILS

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## **DDC administers the project and its funding:**

- Procurement of consultants and contractors
- Management of contracts for design and construction
- Review of design
- Regulatory approval review
- Construction progress
- Budget management and oversight
- Compliance and payment administration

**Project Team: Cultural organization, DCLA, DDC and consultants**  
DDC Managed projects use both in-house resources and private consultants  
and contractors

# DDC MANAGED: EXAMPLES

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Snug Harbor Building E's exterior restoration



South Street Seaport Museum's Wavertree leaving for the dry dock



Brooklyn Children's Museum's new roof canopy

# DDC MANAGED: DESIGN PROCESS

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## DDC can contract for design in four ways:

### Design & Construction Excellence

- A quality-based selection for procurement of design services.
- Allows the City to hire firms based on their qualifications and past work, rather than on the more traditional lowest bid methodology.
- Selection and Award takes about 3 months.
- Design Schedule varies from 9 months – 2 years depending on the size of the project.
- Visit the DDC website for the current list of Design Excellence Consultants

### Request for Proposal (RFP)

- A custom RFP and contract is written for projects that require special expertise.
- Firm is chosen based on specific project needs and process typically exceeds 6 months.
- Design Schedule varies greatly depending on project size, but it is recorded in the contract with the architect.

### Requirements Contract

- Specialized firms in mechanical, electrical, engineering, exterior, landmark and landscaping that are on retainer contract with DDC.
- Selection takes 4–6 months
- Design Schedule takes 6-12 months.

### DDC In-house Design

- **Pilot program**
- Intended as time-efficient solution for straight-forward projects
- Will apply to clearly defined, limited scope (e.g. parking lot)
- Details forthcoming

# DDC MANAGED: CONSTRUCTION PROCESS

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## DDC contracts for construction in TWO ways:

### Public BID

- The DDC openly and competitively bids the project
- Selection Time: 5-6 months
- Construction Schedule varies, typically 2-3 years
- DDC manages project in-house or supplements management with a construction manager

### JOCS

(Job Order Contracting System)

- On-call, requirement contracts that are best used for small, simple projects
- Construction Schedule varies, but typically shorter because of small size of projects (1-2 years)

# DDC MANAGED: TIMELINE

*Note: Timeframes depend on the scale, budget and complexity of the project. The timeline shown represents optimal durations without delays, and is based on complete submissions + timely actions; RESTRICTIVE COVENANTS may require additional time to the schedule.*



Management transfer DCLA to DDC

Project Scope Creation (DCLA & DDC)

3

Architect Procurement (includes OMB approval)

6

Project Design

6-18

Construction Contract Bidding (includes OMB approval)

9

Construction

6-24

Project Closeout with Project Evaluation and Summary

3

# DDC CULTURAL CAPITAL GRANT (CCG)

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**A Cultural Capital Grant allows a cultural organization to manage its own project while protecting the City's investment of public dollars. A CCG:**

- Guarantees scope at a fixed price
- Allows capital funds to be reimbursed to the organization; cost overruns are borne by the organization
- Assures robust public-private funding partnerships

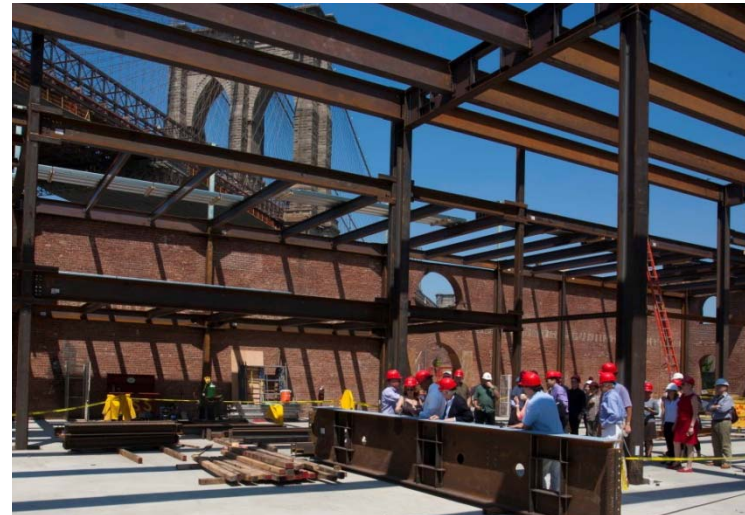


Carnegie Hall's Educational Wing opened in fall 2014

# CCGs: EXAMPLES



BBG's Discovery Garden opened in June 2015



St. Ann's Warehouse opened in fall 2015



The Weill Music Institute at Carnegie Hall opened in fall 2014



Installation at the Cooper Hewitt Smithsonian Design Museum



# DCLA REVIEW FOR CCG ELIGIBILITY

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**The following is a sample of requirements to establish organizational capacity to manage a project:**

## Project Planning

- Clear rationale for the project
- Comprehensive, recent master plan or strategic plan; project is technically complex and has special scheduling needs
- Project types include major renovation and construction
- Compliance Paperwork (Vendex, Insurance, RC etc.)

## Project Managerial Capacity

- Relevant project management experience
- Addresses future maintenance/operation changes
- Familiarity with approvals (ULURP, LPC, PDC etc.)

## Organization Managerial Capacity

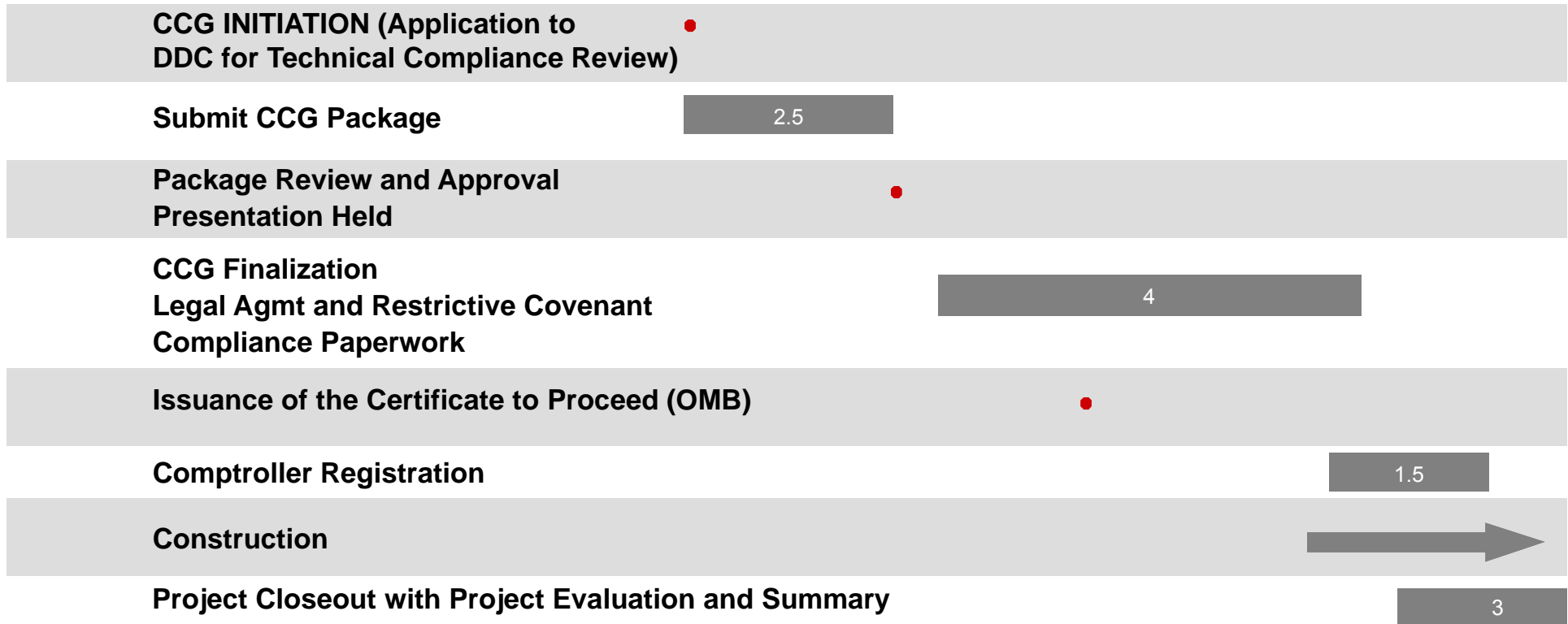
- Successful execution of mission
- An actively engaged Board
- Effective leadership/administration staff

## Financial Capacity

- Project requires significant private contribution, typically 50%
- City funding is at least \$1 million in current fiscal year
- Capacity to fully finance project / cover all cost overruns
- Capital campaign/plan with realistic goals
- Institutional track record of successful fundraising campaigns

# DDC CCG: TIMELINE

*Note: Timeframes depend on the scale and complexity of the project. The timeline shown represents optimal durations without delays, and is based on complete submissions + timely actions; RESTRICTIVE COVENANTS may require additional time to the schedule.*



# EDC FUNDING AGREEMENT

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**If City funding is allocated through a contract between EDC and a cultural organization, the following conditions apply:**



The Whitney opened its new downtown home in May 2015

- Project has an economic development focus
- Organization has the capacity to implement and maintain its capital project
- Project is technically complex and has special scheduling needs
- Organization is responsible for any cost overruns
- Specific requirements, approvals and the Funding Agreement (FA) process must be complete in order to receive funds
- Project requires significant private contribution
- City funding is at least \$500K and <50% of total project cost

# EDC FUNDING AGREEMENT: EXAMPLES

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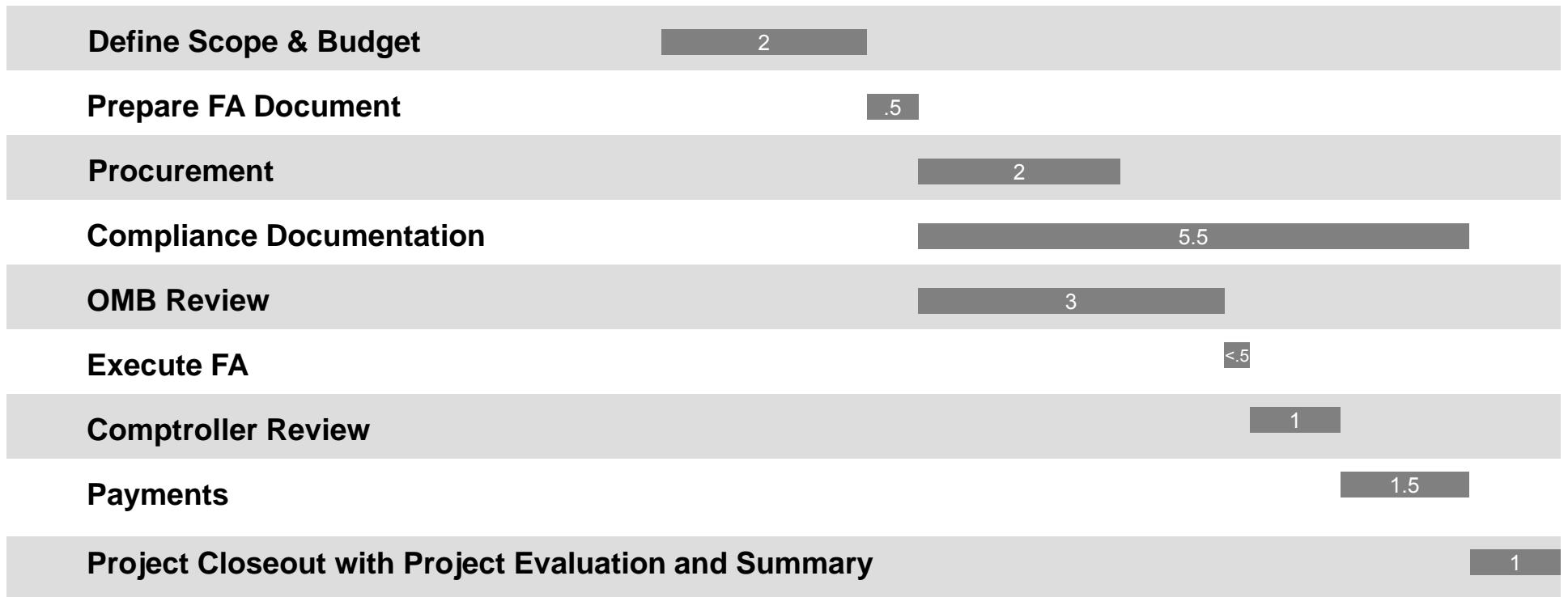
Spaceworks Williamsburg



Whitney Museum of American Art

# EDC FUNDING AGREEMENT: TIMELINE

*Note: Timeframes depend on the scale and complexity of the project. The timeline shown above represents optimal durations without delays, and is based on complete submissions + timely actions; RESTRICTIVE COVENANTS may require additional time to the schedule.*



# EDC MANAGED

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- Projects must include an **economic development focus** (e.g. located within a redevelopment area and/or opportunity for job creation)
- Project is **technically complex** and/or has **special scheduling needs**
- Generally smaller **cultural organizations that do not have the financial and operational resources** to manage capital projects benefit from EDC's project management resources
- Ideal for **projects with limited private funding** or where the organization pays for design
- Design is procured through a **Request for Proposal (RFP)**; construction is managed by a pre-selected **Construction Manager** and a shortlist of contractors
- Typically applies only to organizations on City-owned property

# EDC MANAGED: EXAMPLES

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BRIC's Downtown Brooklyn location by night



Museum of the Moving Image's Screening Room

# EDC MANAGED: TIMELINE

*Note: Timeframes depend on the scale, budget and complexity of the project. The timeline shown represents optimal durations without delays, and is based on complete submissions + timely actions; RESTRICTIVE COVENANTS may require additional time to the schedule.*



Management transfer DCLA to EDC

**Project Scope Creation (DCLA & EDC)**

3

**Architect Procurement through RFP  
(includes OMB approval)**

4-6

**Project Design**

6 -15

**Construction Contract through CM shortlist (includes OMB approval)**

6-9

**Construction**

6-18

**Project Closeout with Project Evaluation and Summary**

3



# EQUIPMENT: BASICS

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**All equipment contracts are governed by:**

- New York City's Comptroller's Directive 10
- NYS Local Finance Law
- NYC Charter Chapters 9 & 13
- NYC Procurement Policy Board Rules



DCTV: Shared Media Storage System



# EQUIPMENT: GUIDELINES

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What constitutes an equipment system project?

- **Each system must be \$35K or over** (\$250K minimum for non-moveable equipment)
- If there are multiple components to the system, it **must be demonstrated how each part** or group of parts is **interrelated** and integral to the system
- **Useful life** of equipment **must be at least 5 years**



Steinway piano purchase for Harlem School of the Arts

The cultural organization must have **site control for at least 5 years** from the time equipment is purchased.

# EQUIPMENT: CAPITAL ELIGIBILITY

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## Capitally Eligible

- ✓ **Equipment Systems**
  - Theatrical lighting
  - Audio Visual systems
  - Sound systems
  - IT systems
  
- ✓ **Vehicles**

## Not Capitally Eligible

- ⊘ **Consumable goods (ie. draperies, lamps)**
- ⊘ **Laptops, PDAs, other handheld devices**
- ⊘ **Software**
- ⊘ **Ineligible in a system purchase:**
  - Carrying cases
  - Projection screens
  - Equipment that needs to be attached or mounted to non-City owned property is ineligible without a Restrictive Covenant or Personalty Agreement

### SAVE THE DATE:

A **mandatory equipment meeting** will be held on  
Wednesday, September 28<sup>th</sup>, 2016 at DCLA

# EQUIPMENT: PROCUREMENT

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Who manages the equipment procurement process?

Contract  
<\$100K

DCLA

Contract  
>\$100K

DCAS

Vehicles

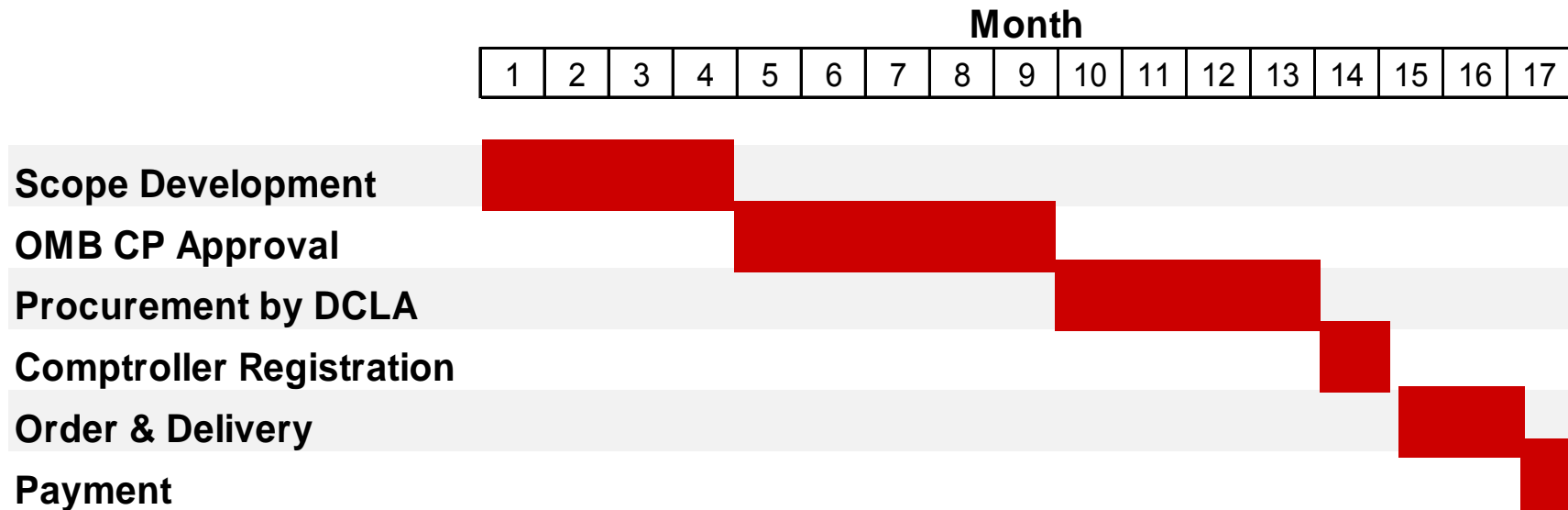
DCLA



Lower Eastside Tenement Museum Interactive Multimedia System

# EQUIPMENT: TIMELINE

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

# OMB (OFFICE OF MANAGEMENT AND BUDGET)

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- ⊙ **The Office of Management and Budget (OMB) reviews all project documentation:**
  - Capitably eligible project scope
  - Itemized Budget & Funding status
  - Legal Agreement
  - City ownership
  - OR-**
  - If Non-City ownership, Restrictive Covenant and/or Security Agreement
  
- ⊙ **Review time is estimated to be 90 days**
  
- ⊙ If OMB approves the project, OMB will issue a **Certificate to Proceed (CP)**

# COMPTROLLER

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With the CP in hand, the Managing Agency (DDC/EDC/DCLA) prepares compliance paperwork and awards the design consultant or contractor. The project is submitted to the Comptroller for registration.

- ⦿ The Comptroller **verifies procedural compliance and accuracy of agreement information**
- ⦿ Process includes **30 days for Comptroller review**
- ⦿ Once the Comptroller's office gives approval, **the contract, purchase order, grant or funding agreement is registered.**



The Weeksville Heritage Center recently received the “Best New Building” award, the Municipal Art Society’s highest honor.

# KICK OFF & CAPITAL PROJECTS IN PROGRESS



Caribbean Cultural Center's groundbreaking in September 2014



# CAPITAL PROJECTS IN PROGRESS

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**Finally, design/construction commences. Alternatively, equipment is purchased or the requisition process begins.**

- ⊙ **Managing Agency is in charge of day-to-day project management.** You will have a dedicated Project Manager at both agencies (DDC & DCLA or EDC & DCLA).
- ⊙ **The organization's responsibilities are:**
  - ⊙ **Attend all meetings** (e.g. bi-weekly design and construction meetings for DDC and EDC managed projects)
  - ⊙ **Follow City requirements** on procurement, reporting and reimbursement (CCG/FA)
  - ⊙ **Respond in a timely matter** to questions and RFI's (Request for Information)
  - ⊙ **If you have plans to announce or publicize your capital funding, capital project, or events around design or construction, please inform your DCLA capital representative with as much advance notice as possible.** We will work with you to confirm funding amounts and coordinate with officials when appropriate.

**NOTE: Project timeline and budget can shift throughout the process due to unforeseen field conditions, scheduling constraints, and other external circumstances.**

**Scope changes** during the design or construction phase will cause delays and lead to cost increases.

# AT LAST: RIBBON CUTTING!



The Smithsonian Cooper Hewitt Design Museum reopened after an extensive renovation in December 2014.

# DCLA CAPITAL UNIT CONTACTS

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**Andrew Burmeister**  
Assistant Commissioner

**(212) 513-9333**

**[aburmeister@culture.nyc.gov](mailto:aburmeister@culture.nyc.gov)**

**Victor Metoyer**  
Deputy Director

**(212) 513-9332**

**[vmetoyer@culture.nyc.gov](mailto:vmetoyer@culture.nyc.gov)**

**Angela Blocker**

Director of Capital Projects

**(212) 513-9337**

**[ablocker@culture.nyc.gov](mailto:ablocker@culture.nyc.gov)**

**Maj-Britt Jungjohann**

Associate Director

**(212) 513-9330**

**[mjungjohann@culture.nyc.gov](mailto:mjungjohann@culture.nyc.gov)**

**Darren Brannon**

Capital Projects Manager

**(212) 513-9368**

**[dbrannon@culture.nyc.gov](mailto:dbrannon@culture.nyc.gov)**

**David Bryant**

Capital Program Manager

**(212) 513-9334**

**[dbryant@culture.nyc.gov](mailto:dbryant@culture.nyc.gov)**

**Sei Young Kim**

Capital Equipment Manager

**(212) 513-9314**

**[skim@culture.nyc.gov](mailto:skim@culture.nyc.gov)**

**Sara Minard**

Capital Projects Manager

**(212) 513-9306**

**[sminard@culture.nyc.gov](mailto:sminard@culture.nyc.gov)**

**Carolyn Sarkis**

Capital Projects Manager

**(212) 513-9360**

**[csarkis@culture.nyc.gov](mailto:csarkis@culture.nyc.gov)**

[www.nyc.gov/culture](http://www.nyc.gov/culture)

# APPENDIX

# LOCAL LAWS & CITY POLICIES

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***These Local Laws and City Policies may apply to your Capital Project and should be discussed with DCLA project manager.***

## Local Law 86: Green Buildings Law

- Applies to projects with City contribution over \$10M or >50% of project costs
- Types of requirements: LEED rating level and/or energy cost and potable water reductions
- LL86 analysis meeting held before design starts (DDC managed)
- [http://www.nyc.gov/html/oc/html/green/ll86\\_basics.shtml](http://www.nyc.gov/html/oc/html/green/ll86_basics.shtml)

## Local Laws 118, 119, 120 & 121: EPP

- Applies to projects >15,000sf and requiring a DOB permit but not covered by LEED requirements of LL86
- Requires Environmentally Preferable Purchasing of certain goods & construction products cited in NYC EPP Minimum Standards
- <http://www1.nyc.gov/site/mocs/resources/environmental-preferable-purchasing.page>

## Local Law 1: M/WBE

- Sets goals for participation of minority or women owned construction and service firms in City projects
- LL1 expands upon LL129 with updated goals: elimination of \$1M cap; counting prime and subcontracts >\$1M toward goal; inclusion of standard services as industry subject to M/WBE
- <http://www1.nyc.gov/site/mocs/resources/mwbe-regulations.page>

# LOCAL LAWS & CITY POLICIES

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## State/City Environmental Review Act (SEQRA/CEQR)

- Applies to **city-owned property**
- Evaluates a project's impact on the environment, e.g. purpose, appearance or condition of a structure or natural resource
- [www.dec.ny.gov](http://www.dec.ny.gov) and [http://www.nyc.gov/html/oec/html/ceqr/technical\\_manual\\_2014.shtml](http://www.nyc.gov/html/oec/html/ceqr/technical_manual_2014.shtml)

## Local Law 58: Accessibility/ADA

- Mandates that the design and construction of buildings **accommodate the accessibility needs of disabled persons**, including appropriate routes of movement in the interior and exterior of the building, interior room modifications, and adjustment of facilities
- <http://www.nyc.gov/html/mopd/html/laws/local.shtml>

## Interfund Agreement Fees (IFA)

- **Applies to all capital projects. Does not apply to equipment purchases**
- An administrative fee that is deducted from your capital funding allocation
- IFA ranges from 2-14%
- Addressed in the NYC Comptroller's Directive 10, Section 9.0
- <http://comptroller.nyc.gov/wp-content/uploads/2014/03/Dir10-CapitalProjectsFund.pdf>

# LOCAL LAWS & CITY POLICIES

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## Tropical Hardwoods NY State Finance Law §165

- Government agencies in New York are prohibited from purchasing or obtaining certain tropical hardwoods in any form for any purpose.
- <http://codes.findlaw.com/ny/state-finance-law/stf-sect-165.html>

## ULSD & BAT Local Law 77

- Requires the use of ultra-low sulfur diesel (ULSD) and “best available technology” (BAT) for reducing emissions from non-road equipment used on City construction projects
- <http://www1.nyc.gov/assets/ddc/downloads/Sustainable/local-law-77-ultra-low-sulfur.pdf>

## Greener, Greater Building Plans

- GGBP targets energy efficiency in large existing buildings (>50,000 sf) with suite of laws:
  - LL84 Benchmarking: requires annual benchmarking of energy and water consumption
  - LL85 NYC Energy Conservation Code (NYCECC): requires buildings to meet the most current energy code for any renovation or alteration project
  - LL87 Energy Audits & Retro-commissioning: conduct an energy audit and perform retro-commissioning every 10 years
  - LL88 Lighting & Sub-metering: upgrade lighting in nonresidential space to meet code & provide large commercial tenants with sub-meters (reports due by 2025)
- <http://www.nyc.gov/html/gbee/html/plan/plan.shtml>

# LOCAL LAWS & CITY POLICIES

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**NOTE: City owned and non-City owned Projects will be subject to different requirements considering the following laws:**

## Wicks Law

### Non-City owned:

- Wicks Law requires separate primes (typically General, Plumbing, HVAC & Electrical)
- Applies to DDC-managed projects on non-city owned property
- Contracts >\$3M must comply with Wick's Law
- Contracts <\$3M can use one General construction contract; GC must provide names and prices of Plumbing, HVAC & Electrical subcontractors
- <https://labor.ny.gov/workerprotection/publicwork/PDFs/WICKS%20Reform%202008.pdf>

## Project Labor Agreements (PLA)

### City-owned:

- PLA is a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a construction project
- Applies to DDC-managed projects on City-owned property
- PLA allows City to enter into one General Construction contract vs. multiple primes of Wicks Law
- M/WBE goals still apply
- <http://www1.nyc.gov/site/mocs/contract/project-labor-agreements.page>



# ADDITIONAL APPROVALS

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**NOTE: Projects may be subject to additional approvals from the following agencies and commissions:**

## Landmarks Preservation Commission (LPC)

- Approval required for any alteration, reconstruction, demolition or new construction affecting landmarked property
- Documents, drawings and other materials describing proposed work reviewed and approved before issuance of permit
- Fees for LPC permits when work requires DoB permit
- <http://www.nyc.gov/html/lpc/html/home/home.shtml>

## Public Design Commission (PDC)

- Approval required for exterior work **on or above** City-owned property
- Conceptual, preliminary and final designs are reviewed and approved
- <http://home2.nyc.gov/html/artcom/html/home/home.shtml>

## Department of Buildings (DoB)

- Reviews and approves plans and permits for construction and renovation projects
- Fees for inspections and permits performed by the DoB
- <http://www.nyc.gov/html/dob/html/home/home.shtml>