

**Useful Life Period Statement**  
**(Sample letter for Discretionary Funded Projects)<sup>1</sup>**

[Organization letterhead]

[Insert date]

Attn.: [insert name of Agency Project Manager]  
NYC Department of Design + Construction  
30-30 Thomson Avenue, Law Division, 4<sup>th</sup> Floor  
Long Island City, NY 11101

Re: Useful Life Period Statement

Dear [insert name of Agency Project Manager],

We agree to use and operate all of the items funded by the City of New York (the "City") listed in the project budget attached hereto as Exhibit A<sup>2</sup> for at least [insert the # of years<sup>3</sup>], in accordance with the City Purpose Covenant as defined in the funding agreement with the City ("City Funding Agreement").

In addition, I, \_\_\_\_\_, [insert Name and title of Organization staff person<sup>4</sup>], represent that:

- 1) The estimated useful life of [insert name of item A<sup>5</sup>] in Exhibit A hereto is [10-15<sup>6</sup>] years and [insert name of item B<sup>7</sup>] in Exhibit A hereto is [20-25<sup>8</sup>] years.
  - a) In order to arrive at this estimate, I spoke to the manufacturer who told me on [date] that the [insert name of item A] had that useful life range, and I spoke to manufacturers of similar models of that item whose estimates also fell into that range.
  - b) In order to arrive at this estimate for the [insert name of item B], I based it on the fact that we have purchased [ten] of these items in the past and on average, they lasted [20-25<sup>9</sup>] years.
- 2) I have the expertise to make this representation since have been directly involved in the use and operation of the equipment on nearly a daily basis for [insert number<sup>10</sup>] years.

Finally, although we understand that the Performance Term as defined in the City Funding Agreement is [insert # of years of Performance Term], we anticipate that we will actually be using the items in Exhibit A hereto for at least [insert number of years, which must be as least as long as the Performance Term.]

Sincerely,

[Handwritten Signature of CEO/Authorized Representative]

[Printed Name]

[Title]

[Date of signature]

[Handwritten Signature of Staff Person providing useful life estimate]

[Printed Name]

[Title]

[Date of signature]

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<sup>1</sup> The City may require varied statements from each organization based on the details and requirements of each project.

<sup>2</sup> Attach to this letter the final Exhibit A included within the final version of the Funding Agreement.

<sup>3</sup> Insert the number of years of the Performance Term, as indicated in the Funding Agreement.

<sup>4</sup> The person that makes the assertions mentioned in this letter must have expertise in the purchase of the items being purchased by the organization for City reimbursement purposes (i.e., a purchasing manager or an IT specialist for computer and software equipment, etc.)

<sup>5</sup> Please note that this sample letter relates to a situation where it is practical for an organization to refer to the useful life periods of specific items being reimbursed by the City. However, if your organization has an extensive list of equipment and/or if multiple items are being purchased from one vendor (that are similar in nature), then please contact DDC to see whether your organization may group all such equipment together in this letter for the purposes of stating a useful life period for such equipment.

<sup>6</sup> The number of years must be greater than the Performance Term mandated in the Funding Agreement.

<sup>7</sup> See footnote no. 5 above.

<sup>8</sup> See footnote no. 5 above.

<sup>9</sup> See footnote no. 5 above.

<sup>10</sup> The person that is making this assertion for your organization must state how long s/he has been involved in the use and operation of the applicable equipment.