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ADMINISTRATIVE NOTICE

TO: Distribution

From: Carlo Costanza, Executive Director

Date: April 27, 2018

Subject: Requirements of a CCEs Submitted to the Board

EFFECTIVE APRIL 30, 2018

Construction Cost Estimates (CCEs) are required to be submitted to the Board of Standards and Appeals (the "Board") to justify development cost, and are typically submitted as part of a variance application. CCEs are typically incorporated in the development financial analysis, to demonstrate the degree of financial feasibility of the development and/or to show hardship claimed due to non-self-created unique site-specific conditions.

Any CCE submitted to the Board must satisfy the minimum requirements below. If necessary, additional requirements may be imposed by the Board, depending on the complexity of the subject application. The requirements to be satisfied in a CCE submitted to the Board are as follows:

- The financial analysis shall have an independent CCE for each development scheme explored, such as "proposed", "as-of-right", "scheme A", etc.;
- For each development scheme, CCEs shall be consistent with the development scheme drawings submitted to the Board, including all drawings based on which the CCE, for all trades, was established (i.e. architectural, structural, foundations, excavation support, etc.). These drawings can be either Construction Drawings (CDs) or Schematic Drawings (SCDs). All CDs and/or SCDs shall be signed and sealed by the project engineer and/or the architect, as applicable;
- CCEs shall include detailed calculations for all quantities shown on these CCEs. Excerpts from applicable CDs and/or SCDs shall be referenced, as necessary, in "explanation/clarification notes" to clarify, explain and make it easy to review all quantity calculations;
- Unit prices used in CCEs shall be reasonable and consistent with the unit prices prevailing in the area where the development is located and with the development site conditions. If unit prices used in a CCE are considered by the Board to be exaggerated, references justifying the unit prices used shall be provided by the applicant. References accepted by the Board include cost of recently-constructed similar developments, or prevailing prices from cost-estimating references such as RSMeans;



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- All drawings utilized to develop a CCE shall be consistent and compliant with all project conditions and minimum design requirements established in the project documents (such as geotechnical report, design criteria, subject-site conditions, etc.), as well as with all applicable design standards/codes. For example, if a proposed site excavation is surrounded by existing building(s) that has/have cellar floor(s) extending below the bottom of the proposed excavation, the CCE shall NOT include any cost for either excavation support or for underpinning along any excavation sides that are adjacent to these lower cellar floor(s),
- The Board recognizes a project team can build an over-designed development, however, the Board will not accept an overdesigned drawing to be the basis for a CCE that is submitted to the Board, since the development cost affects the size of waiver requested. The drawings utilized in any CCE shall not represent an over-design and shall indicate the most cost-effective design, thus a “minimum variance” can be evaluated. The drawings utilized in CCEs shall not indicate size of any structural element, or capacity of any equipment (such as boiler, water pump, HVAC, etc.) larger than the minimum technically feasible size or capacity.