

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Julissa Ferreras – Copeland
Chair, Committee on Finance



Report of the Finance Division on the
Fiscal 2018 Preliminary Budget and the
Fiscal 2017 Preliminary Mayor's Management Report for the
Department of Design and Construction

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Finance Division

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director
Nathan Toth, Deputy Director

Paul Scimone, Deputy Director
Kenneth Grace, Financial Analyst
Chima Obichere, Unit Head

Table of Contents

Department of Design and Construction Overview..... 1

Fiscal 2018 Preliminary Budget Highlights..... 1

Financial Plan Summary 3

Headcount Numbers..... 5

Contract Budget..... 6

Preliminary Mayor’s Management Report..... 7

Capital Program..... 9

 Capital Budget Summary 9

Appendix A: Budget Actions in the November and the Preliminary Plans 12

Department of Design and Construction Overview

The mission of the Department of Design and Construction (DDC or the Department) is to deliver the City's capital construction projects in a safe, cost-effective manner while maintaining the highest degree of architectural, engineering and construction quality. Projects range from roadways, sewers and water mains to public safety, health and human services facilities, as well as cultural institutions and libraries. DDC uses a combination of in-house staff and private consultants and contractors to execute its mission.

As the City's capital construction agency, DDC is given much latitude in determining the method by which capital contracts are let. DDC utilizes several different special contracting procedures for awarding capital work, including, but not limited to, requirements contracts, pass-thru contracts, negotiated acquisitions and sole-source contracts. These methods allow DDC to award contracts in instances when competitive sealed bidding is not practicable or advantageous. The Fiscal 2018 Preliminary Plan includes funding for 1,458 positions, which is an increase of 59 positions when compared to the Fiscal 2017 Adopted Plan of 1,399 positions.

This report provides a review of the DDC's Preliminary Budget for Fiscal 2018. In the first section, the highlights of the \$148.3 million Fiscal 2018 expense budget are presented along with the relevant new needs that were added in the November Plan, as well as the most current Preliminary Plan. The report then presents the impact of the federal actions on the Department's budget, the Preliminary Mayor's Management Report for Fiscal 2017 and the Contracts Budget. This is followed by a review of the Preliminary Capital Commitment Plan for the Department with a discussion of significant changes proposed to the \$7.3 billion Capital Plan for Fiscal 2017-2020. Finally, the appendices are included to highlight the Budget Actions in the November and Preliminary Plans and the Contract Budget.

Fiscal 2018 Preliminary Budget Highlights

The City's Preliminary Fiscal 2018 Budget is \$84.7 billion, \$2.6 billion more than the Fiscal 2017 Adopted Budget of \$82.1 billion. The Fiscal 2018 Preliminary Budget includes \$61.6 billion in City tax-levy funding and \$23.1 billion in non-City funds.

The Department of Design and Construction's Fiscal 2018 Preliminary Budget totals \$148.3 million (including City and non-City funds); this represents approximately less than one percent of the City's total Budget. The Department of Design and Construction's Fiscal 2018 Preliminary Budget is \$330.5 million less than the Fiscal 2017 Adopted Budget of \$478.7 million.

DDC Expense Budget						
	2015	2016	2017	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2017	2018	2017 - 2018
Personal Services	\$96,879	\$106,993	\$114,507	\$122,648	\$122,162	\$7,655
Other Than Personal Services	63,400	292,294	364,225	518,487	26,107	(338,118)
TOTAL	\$160,279	\$399,287	\$478,732	\$641,135	\$148,269	(\$330,463)

**The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.*

The preliminary budget includes \$13.5 million in new needs, mostly for personal services (PS) costs associated with 139 full-time civilian positions that were added since adoption to help improve overall operations and a net reduction of \$250,000 in other adjustments. In total, the DDC's Fiscal 2018 Preliminary Budget includes Personal Services (PS) funding of \$122 million, an increase of \$7 million and Other than Personal Services (OTPS) funding of \$26 million, a decrease of \$331 million in Fiscal 2018. The PS increase is reflective of the staffing related to new needs while the OTPS decrease is, in part, due to a reduction of \$328 million in funding for expense contractual services that were funded through Federal Community Development Block Grant programs in relation to the Build It Back program that was created after Super storm Sandy. The federal budget is in October, so if there are any new CDBG funds, they will be highlighted in the November Plan.

Specific actions affecting the DDC's budget since the adoption of the Fiscal 2017 budget include the following new needs:

- **Lease for Expansion Space at 30-30 Thompson.** The Plan includes \$88,000 in Fiscal 2017 and \$176,000 in Fiscal 2018 and beyond for a lease expansion. (see p. 4)
- **Non-IFA Work.** DDC has a new need of \$5 million in Fiscal 2017, as well as a baselined amount of \$4.8 million in Fiscal 2018 and beyond for 86 positions for non-IFA work. (see p. 5)
- **On Call Disaster Recovery Contracts.** The November Plan includes \$1.6 million in Fiscal 2017 only to fund disaster recovery contracts. (see p. 4)
- **Staffing and Resources for Front End Planning Unit.** DDC will receive additional City funding of \$1.9 million in Fiscal 2018 and beyond for 18 positions for the front end planning unit. (see p. 4)
- **Staffing for Southeast Queens Program.** DDC will receive \$3.7 million in Fiscal 2017 and \$6.3 million in Fiscal 2018 and in the out years for costs associated with 69 positions. (see p. 4)
- **New Lease.** In the Preliminary Plan, DDC will receive \$317,000 in Capital funding in Fiscal 2018 and beyond for a new lease. (see p. 5)

Financial Plan Summary

DDC Financial Summary						
<i>Dollars in Thousands</i>						
	2015 Actual	2016 Actual	2017 Adopted	Preliminary Plan		*Difference
				2017	2018	2017 - 2018
Spending						
Personal Services	\$96,879	\$106,993	\$114,507	\$122,648	\$122,162	\$7,655
Other Than Personal Services	63,400	292,294	364,225	518,487	26,107	(338,118)
TOTAL	\$160,279	\$399,287	\$478,732	\$641,135	\$148,269	(\$330,463)
Personal Services						
Additional Gross Pay	\$3,849	\$4,229	\$2,628	\$2,628	\$2,628	\$0
Additional Gross Pay - Labor Reserve	1,093	79	0	0	0	0
Fringe Benefits	0	2	0	0	0	0
Full-Time Salaried - Civilian	89,211	98,908	109,818	117,930	117,470	7,652
Full-Time Salaried - Uniformed	0	5	0	0	0	0
Other Salaried	0	43	40	40	40	0
Overtime - Civilian	2,225	2,693	1,294	1,294	1,294	0
P.S. Other	(2)	(5)	0	0	0	0
Unsalaries	502	1,040	727	756	730	3
SUBTOTAL	\$96,879	\$106,993	\$114,507	\$122,648	\$122,162	\$7,655
Other Than Personal Services						
Contractual Services	\$19,994	\$242,118	\$307,137	\$399,293	\$1,935	(\$305,202)
Contractual Services - Professional Services	17,265	25,686	28,584	79,941	6,487	(\$22,097)
Contractual Services - Waste Export	3	3	3	3	3	\$0
Fixed & Misc. Charges	12,865	7,952	81	81	81	\$0
Other Services & Charges	10,552	11,302	24,243	34,779	13,885	(\$10,359)
Property & Equipment	1,594	3,187	2,908	2,881	2,448	(\$460)
Supplies & Materials	1,127	2,046	1,269	1,510	1,269	\$0
SUBTOTAL	\$63,400	\$292,294	\$364,225	\$518,487	\$26,107	(\$338,118)
TOTAL	\$160,279	\$399,287	\$478,732	\$641,135	\$148,269	(\$330,463)
Funding						
City Funds			\$7,354	\$15,103	\$14,166	\$6,812
Other Categorical			0	5,260	0	0
Capital- IFA			123,677	127,507	131,269	7,592
State			0	75	0	0
Federal - Community Development			347,652	468,220	2,777	(344,876)
Federal - Other			38	14,408	46	8
Intra City			10	10,560	11	1
TOTAL	\$160,279	\$399,287	\$478,732	\$641,135	\$148,269	(\$330,463)
Budgeted Headcount						
Full-Time Positions - Civilian	1,197	1,390	1,376	1,584	1,439	63
TOTAL	1,197	1,390	1,376	1,584	1,439	63

*The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Preliminary Budget.

The Department's Fiscal 2018 Budget reflects a decrease of \$330 million when compared to the Adopted Budget primarily as a result of a decrease of over \$338 million in the agency's other than personal services budget for contractual services, including \$22.1 million for professional services contracts relating to design and construction work on projects.

Since Adoption, the Department has identified over \$13.5 million in new needs for Fiscal 2018; most of which are to be used for Non-IFA work, staffing and resources for its Front End Planning Unit, and staffing for the Southeast Queens Program.

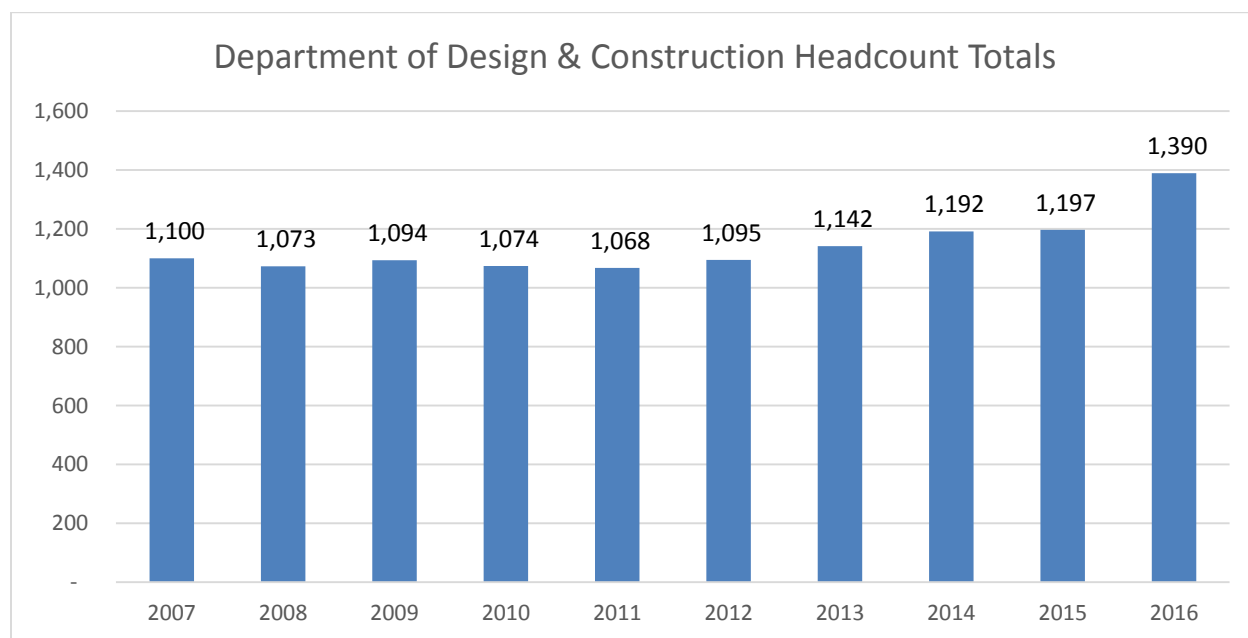
Fiscal 2018 Preliminary Plan Actions

- **Lease for Expansion Space at 30-30 Thompson.** The Fiscal 2018 Preliminary Plan includes \$88,000 in Fiscal 2017 and \$176,000 in Fiscal 2018 and in the out years for space costs at the DDC's headquarters in Long Island City, Queens. The additional funding will enable the Department to lease approximately 45 percent of the rentable square footage in the building.
- **Non-IFA Work.** DDC has a new need of \$5 million in Fiscal 2017, as well as a baselined amount of \$4.8 million in Fiscal 2018 and beyond for 86 positions associated with non-IFA work. This includes work on Projects ineligible for capital funding (Expense Projects), capital project scope development (CPSD), and front end planning; the headcount increase includes 33 positions for Expense Projects, 19 positions for Capital Project Scope Development and 34 positions for the transition of Build It Back staff after the end of the program.
- **On Call Disaster Recovery Contracts.** The November Plan includes \$1.6 million in Fiscal 2017 only to fund disaster recovery contracts. In 2015, the Mayor's Office directed the NYC Office of Emergency Management, DDC, and OMB to coordinate to build emergency contracting capacity to support the NYC disaster response. The purpose of these contracts is to provide City agencies access to a range of emergency response services.
- **Staffing and Resources for the Front End Planning Unit.** DDC will receive additional City funding of \$1.1 million in Fiscal 2017 and \$1.9 million in Fiscal 2018 and in the out years for costs associated with 18 positions for the front end planning unit. The new positions will form two new DDC units, one in the Public Buildings Division and one in the Infrastructure Division, and they will work with client agencies on project scope, schedule, cost estimates, and risk assessments before the formal commencement of capital project initiation. The goal for these units is to improve capital project delivery outcomes and thereby ensure that projects are completed on time and on budget. As such, the DDC client agency customer service experience should be improved.
- **Staffing for Southeast Queens Program.** In Fiscal 2017 DDC added \$3.7 million in funding for 69 positions and baselined \$6.3 million starting in Fiscal 2018 and beyond for these positions. The Southeast Queens program is a Mayoral initiative for the Department of Environmental Protection, under the management of DDC, to address, upgrade and improve the drainage system in low lying sections of the area that have experienced frequent flooding over many years. Even though this is a multi-year initiative, DDC believes that the 69 positions are sufficient for the needs of the program.
- **New Lease.** In the Preliminary Plan, DDC will receive \$317,000 in Fiscal 2018 and beyond for a new lease. DDC has been pursuing additional leased space with the

assistance of DCAS. Under consideration are two locations: one near DDC's headquarters in Long Island City and one on Tyrellan Avenue in Staten Island. According to DDC, the Staten Island location would provide 60 seats for approximately 80 staff (roughly half of the seats will be flexible work stations for field staff) while the Long Island City location would provide approximately 100 additional seats for 100 financial/administrative staff.

Headcount Numbers

From Fiscal 2007 through Fiscal 2016, DDC has increased its headcount by approximately 290 positions. As stated earlier, the current Preliminary Budget includes funding to increase the Department's headcount to 1,439 positions, this would be 339 more positions than DDC had in the Fiscal 2007 Adopted Budget.



The Department's Fiscal 2018 Preliminary Budget allocates \$7.7 million in funding for an additional 63 positions to support various divisions, including: Non-IFA work, Front End Planning Unit, and the South East Queens Program. This increase would bring DDC's Fiscal 2017 budgeted headcount to 1,439 positions, an increase of over 23 percent since 2007.

These new headcount additions represent a large increase as opposed to the relatively small uptick or flat numbers that the agency experienced from 2007 through 2012. This is the largest workforce that the Department has had in its existence.

Contract Budget

DDC Fiscal 2018 Preliminary Contract Budget <i>Dollars in Thousands</i>				
Category	Fiscal 2017 Adopted	Number of Contracts	Fiscal 2018 Preliminary	Number of Contracts
Contractual Services - General	\$305,896	27	\$682	18
Prof. Services - Computer Services	400	60	400	61
Prof. Services - Other	28,184	8	6,087	22
All Other Contracts	1,244	35	1,255	37
TOTAL	\$335,723	130	\$8,424	138

The City's Contract Budget, as proposed, totals \$14.4 billion in Fiscal 2018, a decrease of \$604.9 million or four percent when compared to the Fiscal 2017 Adopted Budget of \$14.99 billion. For the DDC, the contract budget for Fiscal 2018 is approximately \$8.4 million, a substantial decrease from Fiscal 2017 of \$335.7 million. The decrease can be attributed to the expiration of several large contracts valued at over \$400 million for the repairs and infrastructure improvements related to Superstorm Sandy. These are funded with federal CDBG-DR funding and are recognized in the November Plan due to the federal budget process starting in October of each year.

These contracts, using expense dollars, are part of DDC's efforts to assist HRO (Housing Recovery Office) on delivering homes back to the people impacted by Superstorm Sandy. The Build It Back program, which is managed by DDC, has hosted citywide forums and has addressed the construction community. These contracts were awarded through the City's competitive procurement process and were all duly registered.

Preliminary Mayor's Management Report

The Mayor's Management Report (MMR), which is mandated by the City Charter, serves as a public report card on City services affecting New Yorkers. The MMR is released twice a year. The Preliminary MMR provides an early update of how the City is performing four months into the fiscal year. The final MMR, published each September, looks retrospectively at the City's prior fiscal year's performance.

Performance Goals and Measures

- ✓ **Complete projects on time and within budget.**
- ✓ **Meet quality assurance and site safety standards for all active projects.**
- ✓ **Improve customer satisfaction ratings.**

DDC Performance Indicators	Actual			Target		4-Month Actual	
	FY14	FY15	FY16	FY17	FY18	FY16	FY17
Design projects completed	128	179	181	106	*	48	31
Total design projects completed early/on time (%)	86%	84%	87%	88%	88%	NA	NA
- Completed early/on time: Infrastructure (%)	85%	84%	87%	88%	88%	NA	NA
- Completed early/on time: Public buildings (%)	87%	84%	87%	88%	88%	NA	NA
Construction projects completed	122	125	135	104	*	45	23
Total construction projects completed early/on time (%)	81%	84%	87%	82%	82%	NA	NA
- Completed early/on time: Infrastructure (%)	87%	88%	87%	82%	82%	NA	NA
- Completed early/on time: Public buildings (%)	76%	83%	85%	82%	82%	NA	NA
Average cost change for all completed consultant design and construction supervision projects (excluding programmatic scope	2.70%	2.60%	8.40%	3.00%	3.00%	2.70%	8.40%
Average cost change for all completed construction projects (excluding programmatic scope changes) (%)	2.10%	2.00%	8.80%	3.00%	3.00%	2.80%	8.80%
Projects completed within budget (%)	89%	89%	82%	*	*	85%	92%
Lane miles reconstructed	42.6	20.4	16.7	20.4	*	4.5	15.6
- Construction completed on schedule (%)	85%	93%	89%	82%	82%	83%	100%
Sewers constructed (miles)	12.8	9.8	11.4	8.2	*	3.6	6.1
- Construction completed on schedule (%)	84%	85%	84%	82%	82%	92%	80%
Sewers reconstructed (miles)	6.7	6.1	4.6	8.4	*	1.1	5.6
- Construction completed on schedule (%)	86%	84%	89%	82%	82%	82%	76%
Water mains (new and replaced) (miles)	31.8	34.6	34.3	55.2	*	7.6	51.1
- Construction completed on schedule (%)	88%	92%	91%	82%	82%	95%	86%
Active design projects: Early/on time (%)	86%	88%	84%	88%	88%	89%	83%
Active construction projects: Early/on time (%)	88%	84%	90%	82%	82%	85%	88%
Active design projects: Difference between projected and scheduled duration (%)	2.00%	1.30%	-0.40%	1.50%	1.50%	1.30%	-1.80%
Active construction projects: Difference between projected and scheduled duration (%)	2.40%	1.90%	-2.70%	2.50%	2.50%	1.90%	3.70%
Projects audited (%)	100%	100%	100%	95%	95%	52%	46%
Project inspections with at least one high-risk deviation (%)	72.70%	74.60%	69.10%	DOWN	DOWN	68.40%	75.90%
Eligible projects with completed post-construction surveys (%)	47%	28%	56%	*	*	59%	50%
Post-construction satisfaction - Surveys returned	46	27	54	*	*	37	15
Respondents rating a completed project as adequate or better (%)	93%	85%	91%	90%	90%	87%	90%
E-mails responded to in 14 days (%)	94%	95%	86%	90%	90%	92%	85%
Letters responded to in 14 days (%)	96%	94%	88%	90%	90%	92%	77%

- **Total Design Projects Completed Early/ On time.** According to the PMMR, DDC is experiencing an upward trend this year in design projects completed early or on time

compared to the last few years. Total design projects completed on time have increased to 87 percent in Fiscal 2016, which is nearly at target (88 percent), when compared to Fiscal 2015 at 84 percent. A project is defined as “On Time” when it is completed no more than 30 days behind the baseline schedule. However, given that this indicator does not take into account Non-City capital projects managed by DDC, it does not appear to provide the best measure of the agency’s on-time completion rate for project design.

- **Total Construction Projects Completed Early/ On time.** Construction projects completed early or on time have increased from 84 percent in Fiscal 2015 to 87 percent in Fiscal 2016. A project is within budget when the sum of the contract award and approved Task Orders is less than or equal to the current budget. In Fiscal 2016, total construction projects completed on time is above DDC’s target goal of 82 percent for this category.
- **Number of Construction Projects Completed.** In Fiscal 2016, the Department completed 135 construction projects. This is more than its goal of 106 projects in Fiscal 2017. However, it must be noted that DDC has approximately 2,549 projects in its capital commitment plan, which has grown significantly every year since its inception. It is also noteworthy to mention that the agency’s headcount has increased considerably over the last few years without similar increases in the rate of projects completed.
- **Non-City Capital Projects.** There is currently no PMMR indicator for City Council funded Non-City Capital Projects. For the most part, DDC is responsible for the implementation of these projects, mostly equipment and vehicle purchases, when a not-for-profit organization will be the recipient of the asset. According to DDC, once it contacts the not-for-profit the project’s start time begins with the organization’s response. The not-for-profit is provided information and is required to follow the City’s process to establish a clean and clear legal nexus to the equipment or vehicle for the City, as well as satisfy the City’s comprehensive capital eligibility requirements. It is DDC’s position that the agency is not responsible for delays in these projects and that the clock remains solely with the not-for-profit. Currently there are 55 Council-funded projects in DDC’s budget from Fiscal 2007 through Fiscal 2013 totaling \$39.3 million. The Council would like to see an indicator in the PMMR for these projects, since there currently is none.

Capital Program

Capital Budget Summary

The Fiscal 2018 Preliminary Capital Commitment Plan includes \$7.3 billion in Fiscal 2017-2020 for the Department of Design and Construction (including City and Non-City funds). This represents approximately 11.4 percent of the City's total \$64 billion January Plan for Fiscal 2017-2020. The agency's Preliminary Commitment Plan for Fiscal 2017-2020 is 16.9 percent more than the \$6 billion scheduled in the September Commitment Plan, an increase of \$1.2 billion.

The majority of the capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2016, the Department of Design and Construction committed \$3.4 billion or 46.6 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2017 Capital Plan will be rolled into Fiscal 2018, thus increasing the size of the Fiscal 2018-2021 Capital Plan. Since adoption last June, the Citywide total Capital Commitment Plan for Fiscal 2017 has increased from \$19.2 billion in the September Capital Commitment Plan to \$20 billion in the Preliminary Capital Commitment Plan, an increase of \$785 million or 4.1 percent.

Agency	FY17-20 Jan	FY17-20 Sep	Var 17-20	Pct of Total	Number of projects
ADMIN FOR CHILDREN'S SERVICES	\$ 160,154	\$ 160,154	\$ -	2.20%	19
BROOKLYN PUBLIC LIBRARY	84,140	85,090	(950)	1.16%	79
CORRECTION	508,526	508,526	-	7.00%	5
COURTS	159,284	167,529	(8,245)	2.19%	33
CULTURAL INSTITUTIONS	205,325	195,405	9,920	2.83%	177
DEP EQUIPMENT	43,530	34,356	9,174	0.60%	76
DEPARTMENT FOR THE AGING	15,229	15,229	-	0.21%	21
DOITT DP EQUIPMENT	792	792	-	0.01%	3
ECONOMIC DEVELOPMENT	17,648	16,233	1,415	0.24%	28
EDP EQUIP & FINANC COSTS	65,886	61,364	4,522	0.91%	41
FIRE	19,422	19,366	56	0.27%	26
HEALTH	112,548	112,954	(406)	1.55%	230
HIGHWAY BRIDGES	11,280	16,982	(5,702)	0.16%	4
HIGHWAYS	1,243,423	923,289	320,134	17.12%	384
HOMELESS SERVICES	62,781	62,808	(27)	0.86%	76
HOUSING & DEVELOPMENT	286	286	-	0.004%	5
HOUSING AUTHORITY	260	260	-	0.004%	2
HUMAN RESOURCES	22,724	22,280	444	0.31%	38
NEW YORK PUBLIC LIBRARY	270,824	270,425	399	3.73%	117
NEW YORK RESEARCH LIBRARY	14,657	14,657	-	0.20%	2
PARKS	255,371	129,842	125,529	3.52%	42
POLICE	188,644	178,532	10,112	2.60%	32
PUBLIC BUILDINGS	443,996	292,926	151,070	6.11%	209
QUEENS BOROUGH PUB. LIB.	104,781	94,664	10,117	1.44%	63
SANITATION	340,736	330,817	9,919	4.69%	31
SEWERS	1,407,659	1,112,423	295,236	19.38%	327
TRAFFIC	40,282	34,001	6,281	0.55%	120
WATER MAINS	1,176,419	952,724	223,695	16.19%	318
WATER POLLUTION CONTROL	287,931	223,353	64,578	3.96%	41
Grand Total	\$ 7,264,538	\$ 6,037,267	\$ 1,227,271		2,549

Currently, DDC manages all or a portion of the capital budgets of 30 client agencies. The chart above summarizes DDC's Fiscal 2018 Preliminary Capital Commitment Plan by client agency.

DDC manages a portfolio of more than \$7.2 billion in the City's capital program. This represents a \$1.2 billion increase when compared to the previous plan. The increase in funding is primarily due to the addition of \$839 million in funding for infrastructure projects, with the majority of the projects in Sewers, Water Mains and Highways. Even though DDC manages projects for 30 agencies just under 58 percent of its budget and 50 percent of its total projects are for the Department of Environmental Protection and the Department of Transportation portfolio. Consequently, much of its focus seems to be on the large projects in these agencies, potentially leaving smaller projects in other agencies behind. Below is a list of the current capital projects of note with significant increases in DDC's Capital Commitment Plan.

- **Passerelle Bridge**

This project includes the total design and construction of an approximately 1,125-foot-long new pedestrian bridge in Flushing Meadows-Corona Park, as well as the rooftop of the Passerelle Building and ramp into the park. It will provide access between the No. 7 train's Mets-Willets Point station to the north and the recreational area of the park and USTA tennis center to the south. The project includes the demolition of the existing Passerelle Bridge which was found to be in poor condition. The new bridge will re-use the existing foundations with modifications as necessary.

Under the DPR Community Parks Initiative (CPI) program, \$18 million is included to cover the design, the REI services and the Force Account, in addition to the \$106 million for construction costs. The Design began in 2016 and will last approximately two years. Construction is currently estimated to begin in Fiscal 2019.

- **Reconstruction of Queens Blvd Phase**

Phase 2 reconstruction follows Phase 1 (Queens Blvd from Roosevelt Avenue to 73rd Street) and includes reconstruction of Queens Boulevard from 73rd Street to Eliot Avenue.

DOT issued a revised Certificate to Proceed to DDC in September 2016. The funding amount, cost estimate, and project schedule were all amended. The funding changes reflect additional Federal funding DOT received and the updated project schedule reflects the ongoing discussions between DOT and DDC. Funding for construction for Segment A is now programmed in Fiscal 2019 and Segment B in Fiscal 2020. The current funding level for Segment B is \$78.2 million.

- **Storm Sewer outlet in 225th St**

This project involves the placement of a storm sewer on 225th Street in Queens between 149th Avenue and Rockaway Boulevard. The proposed sewer will likely go through Idlewild Park. The project is currently in design. The cost variance is due to a change in scope. Two design alternatives are currently being discussed with DEP and costs will increase in both cases.

- **Fuel Tank Replacement**

This project will address compliance issues involving petroleum product storage tanks and related appurtenances, including required sump replacements. The contract is currently in the procurement phase and being reviewed by legal staff at DDC.

The cost variance of \$8 million in Fiscal 2018, \$9 million in Fiscal 2019, and \$8 million in Fiscal 2020 is due to round estimates for the preliminary proposed scope of work. More specific estimates will be developed once the scope is finalized and the contract approaches registration and kick-off.

- **Staten Island 1 and 3 Garage Construction**

The Department of Sanitation (DSNY) is planning to develop Staten Island District 1 and 3 campuses that will include a new garage and district repair shop serving both Districts, renovation of the existing borough repair shop, and site improvements. DSNY developed a rough construction estimate which was used for the original Certificate to Proceed dated February 17, 2016. Subsequently, a CPSD document was created to further develop the program, timeline, budget and explore some of the unique challenges of this site. This study was made available to RFP proposers on January 30, 2017. Site improvements will include new grading and drainage, new covered salt storage, new outdoor fueling, new household special waste collection, outdoor DSNY truck parking and a new force main sanitary line to connect to the NYC DEP sewer.

Several factors have contributed to the cost escalation between the original estimated construction budget of \$97 million and the \$115 million estimated current budget. Some of these factors include: replacement of mechanical/electrical systems in the existing garage/repair shop; connection of the site to the NYC DEP sewer system; new storm sewer system needs to be put in place due to flooding; phasing of work to keep the site operational during construction; and the need for deep pile foundations for the new building, pump station and force main sewer connections.

Appendix A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2017			FY 2018		
	City	Non-City	Total	City	Non-City	Total
DDC Budget as of the Adopted 2017 Budget	\$7,354	\$471,377	\$478,731	\$7,406	\$127,601	\$135,007
New Needs						
New Lease	\$0	\$317	\$317	\$0	\$334	\$334
Lease for Expansion Space 30-30 Thompson	0	88	88	0	176	\$176
Non-IFA Work	5,010	0	5,010	4,828	0	\$4,828
On-Call Disaster Recovery	1,600	0	1,600	0	0	\$0
Staffing & Resources Front End Planning Unit	1,139	0	1,139	1,932	0	\$1,932
Staffing for South East Queens Program	0	3,741	3,741	0	6,258	\$6,258
Subtotal, New Needs	\$7,749	\$4,146	\$11,895	\$6,760	\$6,768	\$13,528
Other Adjustments						
City Funds	\$0	\$0	\$0	\$50	\$0	\$50
Other Categorical	0	5,260	5,260	0	(16)	(16)
Capital IFA	0	2	2	0	7	7
State	0	0	0	0	0	0
Federal CD	0	120,418	120,418	0	(257)	(257)
Federal Other	0	14,520	14,520	0	0	0
Intra-City	0	10,065	10,065	0	0	0
Subtotal, Other Adjustments	\$0	\$150,265	\$150,265	\$50	(\$266)	(\$257)
TOTAL, All Changes	\$7,749	\$154,411	\$162,160	\$6,810	\$6,502	\$13,271
DDC Budget as of the Preliminary 2018 Budget	\$15,103	\$626,031	\$641,134	\$14,166	\$134,103	\$148,269