

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Julissa Ferreras
Chair, Committee on Finance



Hearing on the Fiscal 2015 Preliminary Budget & the Fiscal 2014 Preliminary Mayor's Management Report

Department of Design and Construction

March 5, 2014

Nathan Toth, Deputy Director

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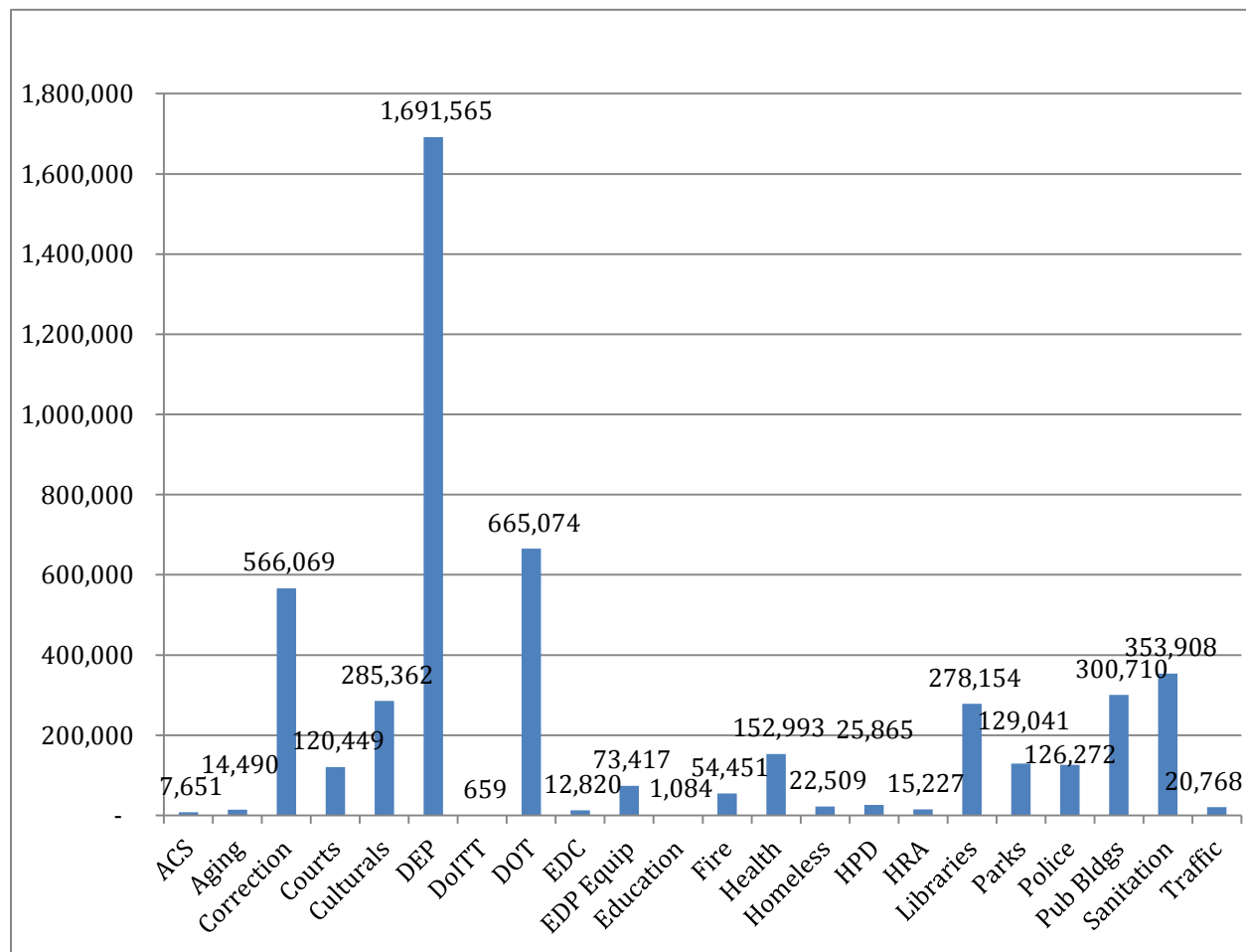
Summary and Highlights

The Department of Design and Construction's (DDC) mission 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. Currently the DDC manages all or a portion of 22 client agencies capital budgets, the table below summarizes DDC's FY14 Commitment Plan by client agency.

The Department of Design and Construction (DDC) manages a design and construction portfolio of more than \$9 billion in the City's capital program.

Department of Design and Construction's FY 14-17 Commitment Plan by Agency

Dollars in Thousands, excluding IFA and contingency



Budgetary Highlights

As the City's capital construction agency, DDC is given much latitude in determining the method by which capital contracts are let. DDC utilizes a few different special contracting procedures for awarding capital work including 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 Adopted Fiscal 2014 budget included funding for 1,302 employees, which has remained constant in the 2015 Preliminary Plan.

Department of Design and Construction Financial Summary

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	<i>Actual</i>	<i>Actual</i>	<i>Adopted</i>	<i>Prelim. Plan</i>	<i>Prelim. Plan</i>	<i>2014 - 2015</i>
Budget by Units of Appropriation						
001 - Personal Services	\$127,276	\$87,231	\$98,801	\$99,068	\$98,801	\$0
002 - Other than Personal Services	-	50,911	20,951	28,071	21,433	482
TOTAL	\$127,276	\$138,142	\$119,752	\$127,139	\$120,234	\$482
Funding						
City Funds			\$6,833	\$6,833	\$6,823	(\$10)
Capital Funds I.F.A.			\$112,919	\$112,919	\$113,411	\$492
Federal – Other			0	\$3,768	0	0
Intra-City Other			0	3,619	0	0
TOTAL	\$127,276	\$138,142	\$119,752	\$127,139	\$120,234	\$482
Positions						
Full-Time Positions	1,095	1,296	1,302	1,306	1,302	0
TOTAL	1,095	1,296	1,302	1,306	1,302	0

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.

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 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 is experiencing a downward trend in design projects completed early/on time over the three year period spanning Fiscal 2011 through Fiscal 2013. Total design projects completed on time have declined from 95 percent in Fiscal 2011 to 90 percent in Fiscal 2012 to 87 percent in Fiscal 2013. The target performance for this category is 88 percent. Construction projects completed early or on time have also declined from 86 percent in Fiscal 2011 to 84 percent in Fiscal 2012 and finally 81 percent in Fiscal 2013. The target for early or on time performance category is 82 percent.

However, DDC's Customer satisfaction has continued to improve from 86 percent in Fiscal 2010 to 94 percent in Fiscal 2012 to 95 percent in Fiscal 2013. DDC has exceeded its target level of customer satisfaction of 90 percent and has a 93 percent rating through the first four months of Fiscal 2014.

Appendix A

Fiscal 2014 Mayor's Management Report Performance Measures

	FY 11 Actual	FY 12 Actual	FY 13 Actual	Target FY14	Target FY15	4-Month Actual FY 13	4- Month Actual FY 14
Design Projects Completed	127	141	127		*	30	33
Total design projects completed early/on time (%)	95%	90%	87%	88%	88%	NA	NA
- Completed early/on time: Infrastructure (%)	99%	91%	83%	88%	88%	NA	NA
- Completed early/on time: Public Buildings (%)	91%	89%	90%	88%	88%	NA	NA
Construction projects completed	91	111	117	127	*	28	30
Total construction projects completed early/on time (%)	86%	84%	81%	82%	82%	NA	NA
Completed early/on time: Infrastructure (%)	83%	87%	81%	82%	82%	NA	NA
Completed early/on time: Public Buildings (%)	88%	81%	82%	82%	82%	NA	NA
Average cost change for all consultant design and construction Supervision projects (excluding programmatic scope changes) (%)	1.2%	1.1%	2.0%	3.0%	3.0%	4.4%	3.2%
Average cost change for all completed construction projects (excluding programmatic scope changes) (%)	1.0%	1.0%	1.8%	3.0%	3.0%	0.6%	2.9%
Projects completed within budget (%)	NA	92%	94%	*	*	94%	90%
Lane miles reconstructed	32.3	28.0	51.8	38.3	*	10.4	13.1
- Construction completed on schedule (%)	75%	93%	83%	80%	80%	83%	88%
Sewers constructed (miles)	6.1	8.5	9.9	14.3	*	3.4	4.1
- Construction completed on schedule (%)	91%	92%	88%	80%	80%	90%	100%
Sewers reconstructed (miles)	4.6	5.8	8.8	9.2	*	1.8	1.6
- Construction completed on schedule (%)	81%	91%	82%	80%	80%	90%	88%
Water mains (new and replaced) (miles)	20.6	31.5	38.2	48.4	*	9.1	10.7
- Construction completed on schedule (%)	89%	89%	80%	80%	80%	87%	85%
Active design projects: Early/on time (%)	97%	86%	84%	88%	88%	82%	85%
Active construction projects: Early/on time (%)	91%	88%	86%	82%	82%	84%	86%
Active design projects: Difference between projected and scheduled duration (%)	1.1%	1.2%	1.6%	1.5%	1.5%	1.7%	2.0%
Active design projects: Difference between projected and scheduled duration (%)	1.6%	1.9%	1.9%	2.5%	2.5%	2.3%	1.8%
Project inspections with a at least one critical deviation (%)	6.1%	8.9%	9.4%	8.5%	8.5%	7.9%	10.1%
Eligible projects with completed post-construction surveys (%)	53%	67%	42%	*	*	47%	45%
Post –construction satisfaction – Surveys returned	51	52	47	*	*	39	23
Respondents Rating a completed project as adequate or better (%)	86%	94%	95%	90%	90%	94%	93%
Design Quality Indicator – Average project rating (%)	89%	94%	91%	*	*	NA	NA