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May 1, 2017

Hon. Melissa Mark-Viverito  
Speaker  
New York City Council  
City Hall  
New York, New York 10007

*Re: Local Law 1 Modification Request and Determination*

Pursuant to Section 6-129(i)(12) of the New York City Administrative Code, I am hereby submitting written notice to you of one vendor who was awarded a modification of the subcontractor participation goals established by a City agency for a procurement under the Minority and Women-Owned Business Enterprise (M/WBE) Program.

In 2015, the New York City Department of Design and Construction (DDC) awarded P&T II Contracting Corp. ("P&T") a contract to work on distribution water main extension and replacement (Contract number:20151425778) in the amount of \$5,581,325.01. The agency established a M/WBE participation goal of 10% (approximately \$558,132.40.) The contract start and end dates were set at August 03, 2015 and August 01, 2016, respectively.

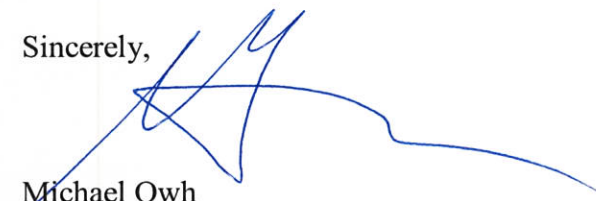
P&T agreed to the M/WBE participation requirement in its Schedule B and identified four areas of work, asbestos abatement (\$500,000), trucking (\$55,000), transport (\$55,000) and tree services (\$15,000), as items it planned to subcontract to M/WBE firms in order to satisfy its M/WBE goal obligations. The values for each of these items is based on vendor estimates. However, DDC did not get the necessary force account approval it needed from the Long Island Railroad (LIRR) in order to begin work on the water main replacement at the intersection of Jamaica Avenue and Lefferts Blvd. in Queens. As a result, asbestos abatement, one of the jobs included in the work to be done at this location, was subsequently removed from the contract. This removal eliminated the main work item that P&T intended to subcontract to a M/WBE firm from the contract.

P&T received correspondence from DDC on March 31, 2016 that the work on the water main at the intersection of Lefferts Blvd. and Jamaica Avenue was deleted from the contract due to the failure to receive force account approval. At this point, there was only \$19,400 worth of remaining work items left to be



completed on the contract, which was not enough work to make up the remaining M/WBE goal. P&T also had the capacity to self-perform the majority of this work. Due to the scope of work reduction on the contract, P&T was unable to meet the M/WBE goal of 10%. They awarded a total of \$111,163.13 to M/WBEs, equaling 3% of the contract total. While this total was less than initially estimated by the vendor for the three smaller areas of work identified for M/WBE subcontractors (\$125,000), had the scope not been removed from the project, the anticipated cost of asbestos abatement (\$500,000), as identified by both the agency and P&T, would have more than made up for the remainder of the M/WBE participation goal. Had the water main work at the intersection of Jamaica Avenue and Lefferts Blvd. not been deleted from the contract, P&T would have been able to meet the M/WBE goal by subcontracting asbestos abatement work to a M/WBE firm as anticipated. As a result, MOCS recommends granting the modification of the M/WBE participation goal to 3%.

Sincerely,



Michael Owh  
Director

Cc:

Commissioner Gregg Bishop, Department of Small Business Services  
Deputy Commissioner Kim Hardy, Department of Small Business Services  
Director Jonnel Doris, Mayor's Office of M/WBEs  
Charlette Hamamgian, New York City Department of Design and Construction