

THE COUNCIL OF THE CITY OF NEW YORK

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Chair, Subcommittee on Capital Budget



Report of the Finance Division on the
Fiscal 2019 Preliminary Budget and the
Fiscal 2018 Preliminary Mayor's Management Report for the
Department of Design and Construction

March 20, 2018

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Department of Design & 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 2019 Preliminary Plan includes funding for 1,453 positions, which is an increase of nine positions when compared to the Fiscal 2018 Adopted Plan of 1,444 positions.

This report provides a review of the DDC’s Preliminary Budget for Fiscal 2019. In the first section, the highlights of the \$155.9 million Fiscal 2019 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 2018 and the Contracts Budget. This is followed by a review of the Fiscal 2019 Preliminary Capital Commitment Plan for the Department with a discussion of significant changes proposed to the \$9.6 billion Capital Plan for Fiscal 2018-2022. Finally, the appendices highlight the Budget Actions in the November and Preliminary Plans.

***Table 1**

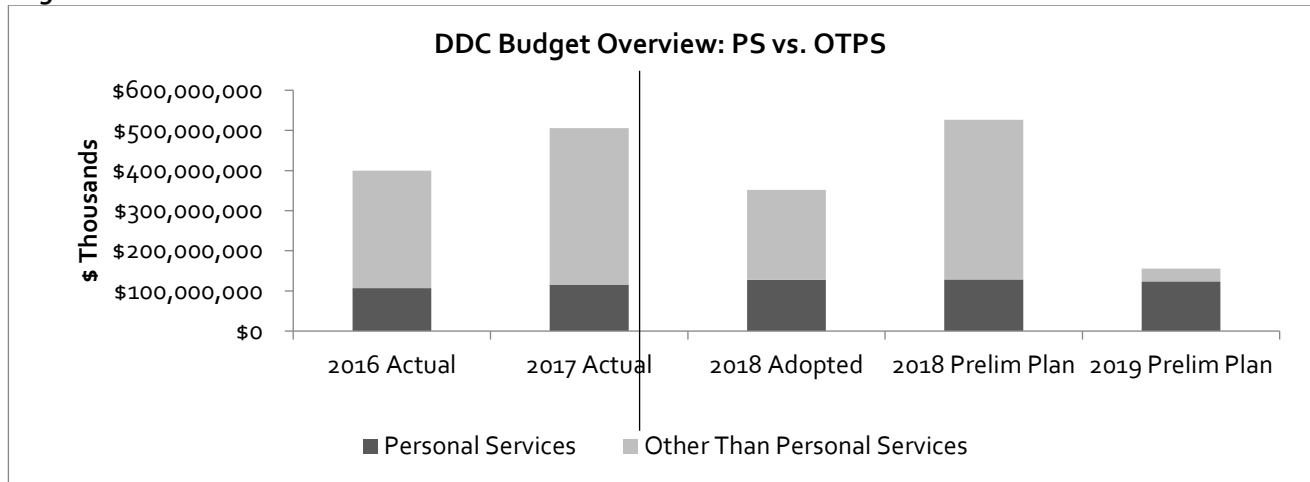
DDC Expense Budget						
<i>Dollars in Thousands</i>						
	2016	2017	2018	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2018	2019	2018 - 2019
Personal Services	\$106,993	\$115,577	\$127,703	\$128,307	\$123,634	(\$4,069)
Other Than Personal Services	292,294	389,977	224,093	397,906	32,285	(191,808)
TOTAL	\$399,287	\$505,554	\$351,796	\$526,213	\$155,919	(\$195,877)

**The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.*

Fiscal 2019 Preliminary Budget Highlights

The Department of Design and Construction’s Fiscal 2019 Preliminary Budget totals \$155.9 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 2019 Preliminary Budget is \$195.9 million less than the Fiscal 2018 Adopted Budget of \$351.8 million. The majority of this change is due to a natural fluctuation in the Department’s contract budget, which is further explained later in the report. It must be noted that 87 percent of the Department’s expense funding comes through Capital IFA funding. IFA funds are amounts transferred from the city’s Capital Fund to the General Fund as reimbursement for costs related to any capital planning and design work, and project supervision performed by city employees. Under city rules, IFA expenditures may be financed with proceeds from long-term borrowing. Since the Department is the capital construction agency of the City, IFA funding is necessary.

***Figure 1**



Highlights of DDC’s Fiscal 2019 Preliminary Budget

- **New Needs.** Since the adoption of the Fiscal 2018 Budget, the Department of Design and Construction has identified \$2 million in new needs for Fiscal 2019.
 - **Engineering Auditors.** The November Plan included \$1.5 million in capital IFA for Engineering Auditors.
 - **IT Strategic Plan.** The November Plan included \$490,000 in capital IFA funding, which was baselined starting in Fiscal 2018. This includes seven new positions.
- **Preliminary Mayor’s Management Report (PMMR) Highlights.** Notable performance metrics reported by the Department of Design and Construction in the Fiscal 2018 PMMR include the following:
 - ✓ Complete projects on time and within budget;
 - ✓ Meet quality assurance and site safety standards for all active projects; and
 - ✓ Improve customer satisfaction ratings.

Financial Plan Summary

*Table 2

DDC Financial Summary						
<i>Dollars in Thousands</i>						
	2016	2017	2018	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2018	2019	2018 - 2019
Spending						
Personal Services	\$106,993	\$115,577	\$127,703	\$128,307	\$123,634	(\$4,069)
Other Than Personal Services	292,294	389,977	224,093	397,906	32,285	(191,808)
TOTAL	\$399,287	\$505,554	\$351,796	\$526,213	\$155,919	(\$195,878)
Personal Services						
Additional Gross Pay	\$4,229	\$3,924	\$3,363	\$3,366	\$3,363	\$0
Additional Gross Pay - Labor Reserve	79	0	0	0	0	0
Full-Time Salaried - Civilian	98,908	108,118	121,574	122,175	117,505	(4,069)
Other Salaried	49	0	2	2	2	0
Overtime - Civilian	2,693	2,998	2,131	2,131	2,131	0
P.S. Other	(5)	(132)	0	0	0	0
Unsalaries	1,040	667	632	632	632	0
SUBTOTAL	\$106,993	\$115,576	\$127,703	\$128,307	\$123,634	(\$4,069)
Other Than Personal Services						
Contractual Services	\$242,118	\$305,150	\$184,434	\$304,758	\$2,175	(\$182,259)
Contractual Services – Prof. Services	25,686	51,166	17,560	60,412	7,281	(10,278)
Contractual Services - Waste Export	3	2	3	11	3	0
Fixed & Misc. Charges	7,952	15,253	81	79	81	0
Other Services & Charges	11,302	14,321	18,305	28,863	18,881	577
Property & Equipment	3,187	2,388	2,448	2,311	2,602	153
Supplies & Materials	2,046	1,695	1,263	1,473	1,262	(1)
SUBTOTAL	\$292,294	\$389,977	\$224,093	\$397,906	\$32,285	(\$191,808)
TOTAL	\$399,287	\$505,554	\$351,796	\$526,213	\$155,919	(\$195,878)
Funding						
City Funds			\$16,723	\$17,058	\$14,745	(\$1,978)
Other Categorical			0	87	0	0
Capital- IFA			132,017	133,052	134,379	2,361
State			250	250	0	(250)
Federal - Community Development			202,748	341,493	5,831	(196,917)
Federal - Other			46	15,016	197	150
Intra City			11	19,257	767	756
TOTAL	\$399,287	\$505,554	\$351,796	\$526,213	\$155,919	(\$195,878)
Budgeted Headcount						
Full-Time Positions - Civilian	1,390	1,349	1,444	1,570	1,453	9
TOTAL	1,390	1,349	1,444	1,570	1,453	9

** The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Preliminary Budget.

The Department's Fiscal 2019 Budget reflects a decrease of \$195.9 million when compared to the Fiscal 2018 Adopted Budget and is primarily due to a decrease of over \$192 million in the agency's Other Than Personal Services (OTPS) budget. This decrease is predominately in the contractual services category as reflected in the above chart. Build it Back contracts, which totaled \$182 million, were spent down in the last fiscal year. These contracts were the result of Superstorm Sandy in 2012 and related to design and construction work on Build it Back projects.

Since the last budget adoption, the Department has identified nearly \$2 million in new needs for Fiscal 2019; most of which are to be used for Non-IFA work, staffing and resources for its IT Strategic planning and Engineering Auditors for the Front End Planning Unit.

Details of the notable New Needs and Other Adjustments are below:

New Needs

- **Engineering Auditors.** The November Plan included \$1.5 million in capital IFA for Engineering Auditors. The purpose of this funding is to ensure timely auditing of payments and change orders for the construction work related to the Raise the Age Program.
- **IT Strategic Plan.** The November Plan included \$490,000 in capital IFA funding, which was baselined starting in Fiscal 2018 for costs associated with seven new positions and related OTPS costs. The positions are part of a new strategic plan for DDC's Information Technology Department, which will create a new project and portfolio management system. The goal is to bring DDC's in-house IT operations to speed up process with the newest and latest technology.

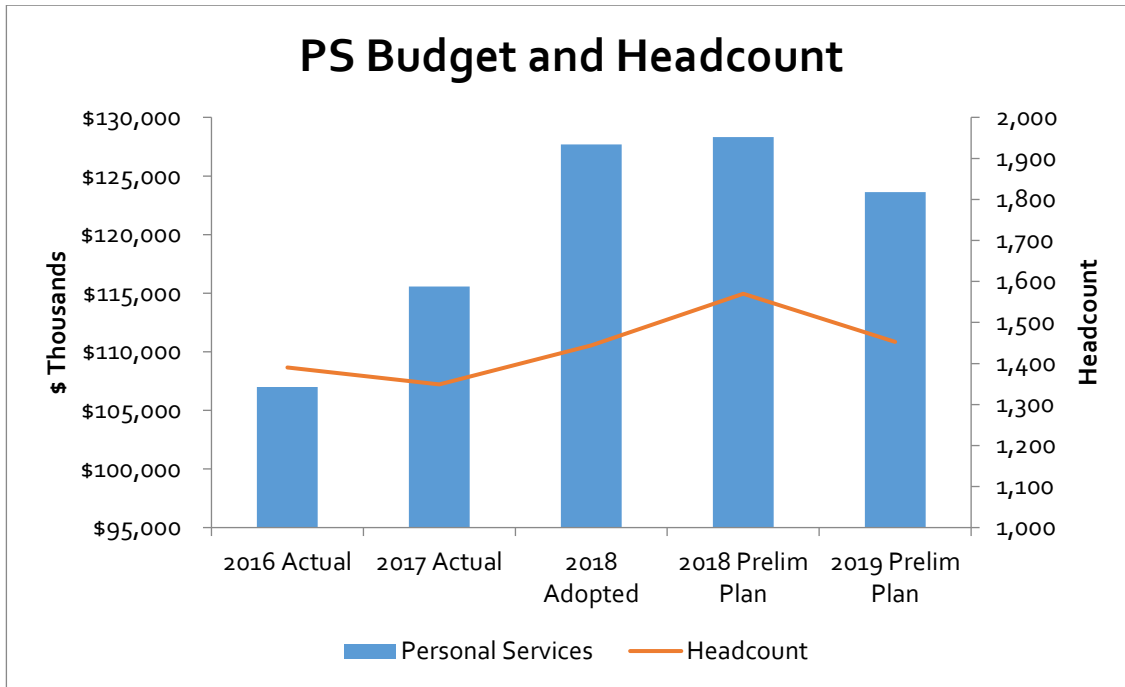
Other Adjustments

- **DDC Single Family Realignment.** The Fiscal 2019 Preliminary Plan includes a funding realignment of \$120 million in CDBG-DR funds that was added to the budget after the adoption of the Fiscal 2018 Budget. This is just a technical adjustment for single-family homes affected by Superstorm Sandy. It must be noted that even though the funding is in DDC's budget, the Housing Recovery Office is the lead agency on these contracts.
- **East Side Costal Resiliency CDBRDR Budget Update.** The Fiscal 2019 Preliminary Plan includes \$15.7 million in Fiscal 2018 for the East Side Coastal Resiliency Program. This adjustment was made to cover design costs for the overall program. This is just a technical adjustment and the project is ongoing.
- **HMGP Nursing Home Healthcare.** The Fiscal 2019 Preliminary Plan includes \$14.4 million in federal funding with the goal of reducing vulnerability and making nursing homes become more resilient. This is a multi-year ongoing project and this adjustment was made to cover design costs in the program.
- **Interim Flood Protection Measures (IFPM) DDC MOU.** The Fiscal 2019 Preliminary Plan includes a \$2 million as part of an Intra-City funding agreement between DDC and the Office of Emergency Management (OEM). The funding is for the installation of Interim Flood Protection Measures (IFPM) at 28 sites citywide. IFPM is a program created and managed by OEM after Sandy to deal with what the City learned about flooding in a post-Superstorm Sandy world.

Headcount

From Fiscal 2007 through Fiscal 2017, DDC has increased its headcount by approximately 281 positions. As stated earlier, the current Preliminary Budget includes funding to increase the Department's headcount to 1,453 positions; this would be an increase of nine positions when compared to DDC's Fiscal 2017 Adopted Budget.

***Figure 2**



The Department’s Fiscal 2019 Preliminary Budget provides for 1,453 full-time positions across the entire agency. This new level of headcount 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

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personnel service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City’s Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Fiscal 2019 Preliminary Contract Budget totals nearly \$15.6 billion for procurement expenditures across all agencies.

***Table 3**

DDC Fiscal 2019 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	Fiscal 2018 Adopted	Number of Contracts	Fiscal 2019 Preliminary	Number of Contracts
Contractual Services - General	\$183,181	19	\$922	8
Prof. Services - Computer Services	400	61	400	61
Prof. Services - Other	16,910	22	6,881	21
All Other Contracts	1,505	38	856	37
TOTAL	\$201,996	140	\$9,059	127

For the DDC, the contract budget for Fiscal 2019 is approximately \$9.1 million, a substantial decrease from Fiscal 2018 Adopted Budget of \$201.9 million. The decrease is attributed to the expiration of several large contracts valued at over \$180 million for 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.

For these contracts, using expense dollars, are part of DDC’s efforts to assist Housing Recovery Office (HRO) 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. In regards to the Contractual Service – General – there is a decrease in Fiscal 2019 – which is normal for this time of the year. The Department has not pre-registered all of the Fiscal 2019 contracts at this time, but will proceed when pre-processing begins. These new contracts are normally recognized in the November Plan.

Budget Issues: Design Build

The New York City Council and the Council Speaker Corey Johnson have been outspoken proponents for State approval of the Design Build procurement process for capital construction projects in the City of New York. Currently the State allows Design-Bid procurement on select projects state-wide with the notable exception of New York City. To date no official reason has been given as to why this approval has been denied to the City, but the potential benefits cannot be denied.

What type of procurement method is the City currently using? The current system goes back more than a Century. New York City currently uses the Design-Bid-Build method of procurement. What this means is that separate firms design and then build the capital projects. As is evidenced by the City’s slow pace of project completions along with time and money consuming change orders. For these reasons the process needs to be revisited.

The Design-Build procurement method allows projects to be designed and built by the same firm. Not only does this save time and costs involved with putting out multiple bids for the same project, but it allows the City to hold the designer/constructor responsible for the timeframe and cost estimates given in the design phase. Costs are then saved by drastically reducing the need for change orders.

Who uses Design-Build now? The answer is all 50 states including the State of New York and the federal government. Every large municipality with the exception of New York City makes use of Design-Build as well. The chart below indicates how much funding the City believes it can save by adding Design-Build as a tool in its arsenal.

***Figure 3**

Potential Cost Savings from Design-Build		
Project	Budgeted Cost	Estimated Savings of 6 percent
BQE - Atlantic to Sands	\$1.89 billion	\$113.4 million
Rodman's Neck Training Facility	\$275 million	\$16.5 million
Crossroads Youth Facility	\$129 million	\$7.7 million
Horizons Adolescent Facility	\$170 million	\$10.2 million
New NYPD Precinct - SE Queens	\$70 million	\$4.2 million
Staten island Ferry Resiliency	\$25 million	\$1.5 million
Pelham Parkway Bridge	\$54.5 million	\$3.3 million
Elmhurst Hospital ER Renovation	\$20 million	\$1.2 million

From conversations with City agencies, the time saved by the use of Design-Build is usually two years but could be more. The reduction in change orders and claims is a huge catalyst for allowing projects to be finished sooner and is a savings to the projects budget. We have been told that the cost savings the City could expect would at minimum be 6 percent, but could be higher.

New York State has authorized for itself Design Build and has used this tool right here in the City. For example, the Kosciusko Bridge on the Brooklyn/Queens border this past year, as well as the current

renovation of the Javits' Center in Manhattan, both utilized Design Build and the results were very positive.

The City's infrastructure requires more tools and options to deliver more projects faster and on budget. Design Build is one critical tool and New York City needs the State to authorize its use now. Whether it is for the BQE project managed by DOT or some of the other critical projects DDC manages, Design Build must come to the City in 2019 so the City can save time and save money like the State and the rest of the country.

PMMR Performance Measures

***Table 4**

Department of Design & Construction Performance Indicators	Actual			Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY17	FY18
Design projects completed	179	181	138	97	97	52	29
Total design projects completed early/on time (%)	84%	87%	90%	88%	88%	NA	NA
– Completed early/on time: Infrastructure (%)	84%	87%	100%	88%	88%	NA	NA
– Completed early/on time: Public buildings (%)	84%	87%	82%	88%	88%	NA	NA
Construction projects completed	125	135	147	103	103	41	32
Total construction projects completed early/on time (%)	84%	87%	87%	82%	82%	NA	NA
– Completed early/on time: Infrastructure (%)	88%	87%	90%	82%	82%	NA	NA
– Completed early/on time: Public buildings (%)	83%	85%	86%	82%	82%	NA	NA
Construction projects completed within budget (%)	NA	NA	83%	UP	UP	92%	87%
Lane miles reconstructed	20.4	16.7	52	20	20	12.1	12
– Construction completed on schedule (%)	93%	89%	88%	82%	82%	100%	75%
Sewers constructed (miles)	9.8	11.4	10.6	4	4	5.1	6.3
– Construction completed on schedule (%)	85%	84%	94%	82%	82%	80%	67%
Sewers reconstructed (miles)	6.1	4.6	12	8	8	4.7	2.6
– Construction completed on schedule (%)	84%	89%	99%	82%	82%	76%	100%
Water mains (new and replaced) (miles)	34.6	34.3	62.5	30	30	32.5	16.8
– Construction completed on schedule (%)	92%	91%	85%	82%	82%	86%	67%
Active design projects: Early/on time (%)	88%	84%	83%	88%	88%	83%	86%
Active construction projects: Early/on time (%)	84%	90%	88%	82%	82%	88%	85%
Projects audited (%)	100%	100%	100%	95%	95%	46%	57%
Construction-related accidents on DDC-managed construction sites	NA	NA	NA	*	*	NA	7
Construction-related injuries on DDC-managed construction sites	NA	NA	NA	DOWN	DOWN	NA	7
Construction-related fatalities on DDC-managed construction sites*	NA	NA	NA	DOWN	DOWN	NA	0
Eligible projects with completed post-construction surveys (%)	28%	56%	53%	*	*	50%	32%
Post-construction satisfaction - Surveys returned	27	54	41	*	*	15	18
Respondents rating a completed project as adequate or better (%)	85%	91%	91%	90%	90%	90%	89%
E-mails responded to in 14 days (%)	95%	86%	90%	90%	90%	85%	99%
Letters responded to in 14 days (%)	94%	88%	86%	90%	90%	79%	98%

The Department completed 29 design and 32 construction projects during the first four months of Fiscal 2018 and is on track to meet the annual targets of 97 and 103, respectively. Completed construction projects include lighting upgrade at the New York Public Library for the Performing Arts, while ensuring non-interruption of events regularly held at Lincoln Center. DDC also completed work to upgrade the City's sewer and water main infrastructure and to alleviate chronic flooding, adding a total of over 8.9 miles of new and rebuilt sewers and 16.8 miles of new and replacement water mains, as well as reconstructed 12 lane miles of roadway. This work includes reconstruction of Main Street's busy sidewalks in downtown Flushing, which serves as the busiest transportation hub in Queens; reconstruction of streets and implementation of pedestrian spaces in Times Square; and the reconstruction of Grand Concourse service roads between East 166 Street and East 171 Street, a key priority of the Vision Zero initiative.

On-time performance for active design projects was 86 percent, three percentage points higher than during the comparable Fiscal 2017 period, but remained below the target. At 85 percent, on-time performance for active construction projects was three percentage points above target. For infrastructure work, the percent of sewer reconstruction completed on schedule increased but decreased for roadway, water main and sewer reconstruction largely due to land acquisition difficulties on one project. The Department closely monitors active projects to ensure on-time targets for completed projects are met—88 percent for design and 82 percent for construction.

To improve reporting of safety at its construction sites and to align with established industry safety metrics, DDC has begun reporting on the number of accidents, injuries and fatalities that occur on or involve DDC-managed construction sites. From July 1st through October 31st, 2017, there were seven accidents, with seven individuals injured and no fatalities. Contractors are required to immediately report all safety incidents to DDC, where established protocols dictate follow up and reporting requirements. A completed construction accident report must be submitted to the agency's Quality Assurance and Construction Safety Unit by project staff within 24 hours of the time of an accident/incident.

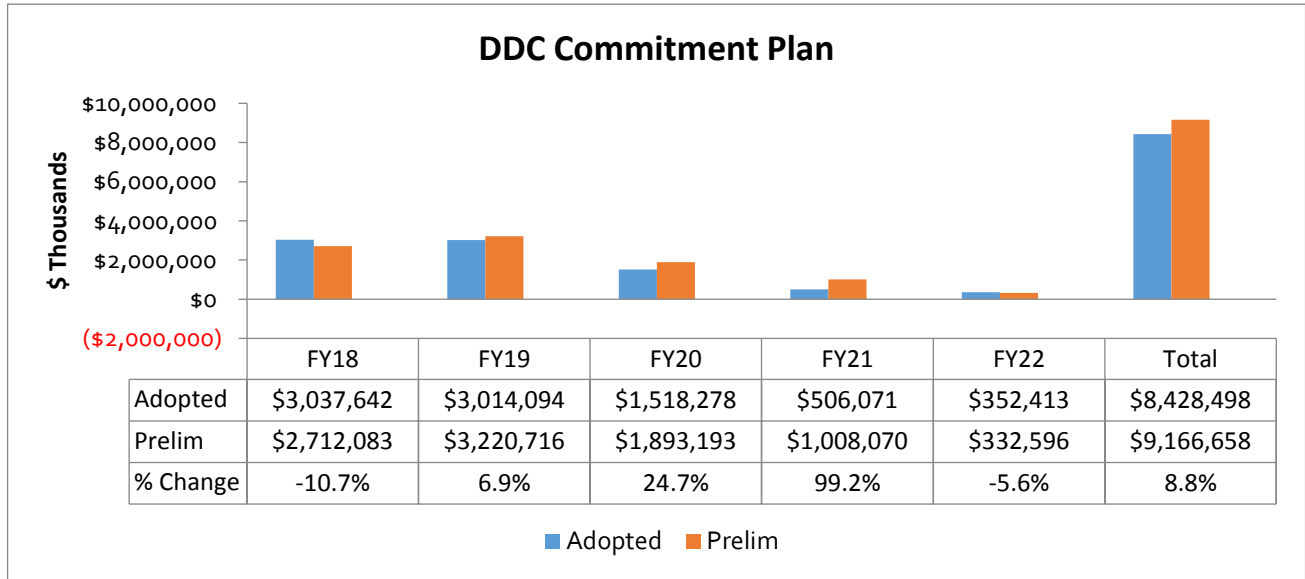
DDC increased the number of post-construction satisfaction surveys sent by more than 100 percent but, despite this effort, the percent of eligible projects for which the Department received completed surveys decreased to 32 percent of the 19 eligible projects from 50 percent of 30 eligible projects a year ago. The percent of respondents that gave an overall rating of satisfied or more than satisfied both with the outcome of the projects and the way they were managed was relatively unchanged at 89 percent.

Capital Program

The Capital Budget provides the requested appropriations for Fiscal 2019 and planned appropriations for the subsequent three-year capital program. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption. The Commitment Plan, which is a five-year spending plan, is the plan to spend those appropriations.

The Department of Design and Construction is a unique agency as it was created by the Council solely to manage capital projects for other City agencies. As a result, DDC does not have any budget lines of its own and is therefore not directly represented in the Capital Budget.

***Figure 4**



The Fiscal 2019 Preliminary Capital Commitment Plan includes \$9.1 billion in Fiscal 2018-2022 for the Department of Design and Construction (including City and Non-City funds). This represents approximately 19.8 percent of the City’s total \$79.6 billion Preliminary Plan for Fiscal 2018-2022. The agency’s Preliminary Commitment Plan for Fiscal 2018-2022 is nine percent more than the \$8.4 billion scheduled in the Adopted Capital Commitment Plan, an increase of \$738 million.

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 2017, 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 2018 Capital Plan will be rolled into Fiscal 2019, thus increasing the size of the Fiscal 2019-2022 Capital Plan. As previously stated, DDC does not have its own capital budget. The Department does not get to choose the projects that they manage for other agencies. Currently, DDC manages all or a portion of the capital budgets of 28 client agencies.

The chart below summarizes DDC’s Fiscal 2019 Preliminary Capital Commitment Plan by client agency. DDC manages a portfolio of more than \$9.1 billion in active projects in the City’s capital program. This represents a \$738 million increase when compared to the previous plan. The increase in funding is primarily due to the addition of \$581 million in funding for infrastructure projects, with the majority of the projects in sewers, water mains and highways.

***Table 5**

Client Agency	Preliminary Fiscal Year 18-22	Adopted Fiscal Years 18-22	Variance Fiscal Years 18-22
ADMIN FOR CHILDREN'S SERVICES	\$161,228	\$161,150	\$78
BROOKLYN PUBLIC LIBRARY	95,366	95,143	223
CORRECTION	1,815	7,181	-5,366
COURTS	242,713	236,696	6,017
CULTURAL INSTITUTIONS	238,863	236,866	1,997
DEP EQUIPMENT	33,648	20,403	13,245
DEPARTMENT FOR THE AGING	27,161	27,161	0
DOITT DP EQUIPMENT	633	633	0
ECONOMIC DEVELOPMENT	15,067	13,988	1,079
EDP EQUIP & FINANC COSTS	37,794	36,796	998
FIRE	6,426	6,279	147
HEALTH	127,406	127,761	-355
HIGHER EDUCATION	2,000	0	2,000
HIGHWAY BRIDGES	54,221	52,670	1,551
HIGHWAYS	1,518,759	1,311,347	207,412
HOMELESS SERVICES	261,026	231,479	29,547
HOUSING & DEVELOPMENT	794	532	262
HOUSING AUTHORITY	9,641	9,641	0
HUMAN RESOURCES	12,099	11,577	522
NEW YORK PUBLIC LIBRARY	272,957	271,316	1,641
NEW YORK RESEARCH LIBRARY	14,053	14,053	0
PARKS	235,214	234,130	1,084
POLICE	477,631	470,575	7,056
PUBLIC BUILDINGS	468,622	467,659	963
QUEENS BOROUGH PUB. LIB.	121,145	120,512	633
REAL PROPERTY	8,721	0	8,721
SANITATION	318,486	303,815	14,671
SEWERS	2,489,137	2,190,521	298,616
TRAFFIC	17,206	11,892	5,314
WATER MAINS	1,116,567	1,040,927	75,640
WATER POLLUTION CONTROL	242,381	262,934	-20,553
WATER SUPPLY	206	206	0
Grand Total	\$9,166,658	\$8,428,498	\$738,160

Fiscal 2019 Preliminary Capital Budget Highlights

While DDC manages various large projects, 68 percent of the Public Buildings projects it manages are under \$5 million and 64 percent of Infrastructure projects are under \$20 million. Below is a list of the current capital projects of note with significant increases in DDC's Capital Commitment Plan. The infrastructure projects provide all five boroughs with clean water, working sewage distribution systems, and working roadways and sidewalks for all manners of use and transportation.

Below are some of the projects that the Finance Committee has asked about in the past that DDC is handling the design and construction on behalf of one or more client agencies.

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-Willet's 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, and construction is currently estimated to begin in Fiscal 2019.

DDC and DPR have been coordinating with the Port Authority on their plan to build an Air Train station at this location that links the seven Train to LaGuardia Airport. DDC's design is currently on hold.

Reconstruction of Queens Blvd

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 224th St

This project involves the placement of a storm sewer on 224th 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, and the two design alternatives currently being discussed with DEP will both increase the cost of the project.

Fuel Tank Replacement

This project will address compliance issues involving petroleum product storage tanks and related appurtenances, including required sump replacements.

The cost variance of \$17 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. 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 cost of \$97 million and the \$115 million currently estimated in the 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.

4th Ave Safety Improvements

This Vision Zero Great Streets' project will bring safety improvements along 4th Avenue from 18th Street to 33rd Street and 52nd Street to 60th Street in the Sunset Park section of Brooklyn. DOT combined different phases of the project into one, accounting for the variance. The project is currently in design.

Replacement of Combined Sewer and Water Main Work on 70th Street

This work will mitigate flooding conditions in the area by replacing and repairing combined sewers on 70th Street between 54th Avenue and Calamus Avenue. The project is currently in design.

Facility Renovations at Crossroads Juvenile Facility in Brooklyn and Horizon Juvenile Facility in the Bronx

In April of 2017, New York State enacted a law commonly referred to as Raise the Age. The law prohibits the Department of Correction (DOC) from housing any juvenile inmate aged 16 and 17 years on Rikers Island after October 2018. As a result, 16 and 17 year-olds must be housed in a facility not on Rikers. Working with ACS and DOC, DDC is redesigning and renovating both facilities to accommodate the new population.

The existing Horizon Juvenile Center was built in the 1990s to house youths under the age of 16 in a secure detention setting. The goal of the renovation is to provide a facility that is safe and secure while meeting residents' physical, medical, mental health and educational needs and connecting them to supportive services in the community. The renovations have been developed to support the need for innovative programming and providing a positive learning experience.

The existing Crossroads facility was built in the 1980s. Similarly to the Horizon facility, it was designed and used for youths 15 years old and younger. Renovations are being conducted to expand and improve spaces needed for education (increase seat capacity), recreation (renovating the gymnasium and outdoor recreation areas) and vocational training (cooking, beauty salon).

Rodman's Neck, Bronx, NY

Currently NYPD conducts firearms and tactical training as well as bomb detonation for recovered ordnance while DOC uses the facility for firearms training. The training facility is a conglomeration of temporary structures, modular units and a scattering of permanent structures. The modular facilities are used for classrooms, simulation training, administrative offices, weapons cleaning, locker rooms, equipment distribution, firearms repair, ammunition storage, food services, and restroom facilities. Thirty storage containers are used for equipment and records storage. Six outdoor firing ranges are used for firearms training. The existing ranges consist of a wood frame shed for shooter locations and stationary targets downrange. The bullets fired within the range are captured by large earthen berms requiring constant hazardous material remediation to clear the berms of spent ammunition. This cyclical remediation requires the ranges to be taken out of service resulting in reduced training capacity.

The prime objective of this project is to design and construct new buildings and structures to replace or augment the existing facilities at the Rodman's Neck Firearms and Tactics Facility for NYPD. The new facility will provide critically needed program spaces that include, but is not limited to, the following components: Recruit and In-Service Instructional spaces, administrative offices, lecture environments, tactical village environments, firearm ranges, food services, ammunition storage, parking areas, exterior site improvements, and site infrastructure.

Homeless Services Funding, Citywide

In the current Capital Commitment Plan for DDC, the City added \$29 million for homeless services. This brings the total to \$261 million. Of the total amount, nearly \$119 million will be used on various upgrades at the Bellevue men's shelter. The project includes roof and façade work, fire safety maintenance, main atrium bathroom reconstruction, as well as rehabilitation of existing elevators. At this current time, no timeline has been set as to when these projects will take place.

Appendix

A. Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2018			FY 2019		
	City	Non-City	Total	City	Non-City	Total
DDC Budget as of the Fiscal 2018 Adopted Budget	\$16,723	\$335,073	\$351,796	\$14,745	\$138,612	\$153,022
New Needs						
Engineering Auditors	\$0	\$1,125	\$1,125	\$0	\$1,500	\$1,500
Staffing for South East Queens Program	0	245	245	0	490	490
Subtotal, New Needs	\$0	\$1,370	\$1,370	\$0	\$1,990	\$1,990
Other Adjustments						
City Funds	\$0	\$0	\$0	\$0	\$0	\$0
Other Categorical	0	0	0	0	0	0
Capital IFA	0	0	0	0	0	0
State	0	0	0	0	0	0
Federal CD	0	139,345	139,345	0	0	0
Federal Other	0	14,457	14,457	0	757	757
Intra-City	0	18,820	18,820	0	150	150
Subtotal, Other Adjustments	\$0	\$172,622	\$172,622	\$0	\$907	\$907
TOTAL, All Changes	\$0	\$173,992	\$173,992	\$0	\$2,897	\$2,897
DDC Budget as of the Fiscal 2019 Preliminary Budget	\$16,723	\$509,490	\$526,213	\$14,745	\$141,174	\$155,919