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CITY OF NEW YORK

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Of the

SUBCOMMITTEE ON CAPITAL BUDGET

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B E F O R E: VANESSA L. GIBSON  
Chairperson

COUNCIL MEMBERS: Mark Gjonaj  
Barry S. Grodenchik  
Steven Matteo  
Helen K. Rosenthal

## A P P E A R A N C E S (CONTINUED)

Andrew Haollweck, Deputy Commissioner for Deputy  
Commissioner for Communications and policy NYC  
Department of Design & Construction, DDC

Eric Boorstyn, Associate Commissioner of  
Architecture and Engineering and Technical  
Services, NYC Department of Design &  
Construction, DDC

[sound check] [pause] [gavel]

CHAIRPERSON GIBSON: Good morning

everyone. Welcome to the City Council. It's glad-I'm glad to have you all here on this beautiful Thursday morning. I am Council Member Vanessa Gibson of District 16 in the Bronx, and I'm proud to serve as the Chair of the Subcommittee on the Capital Budget here in the New York City Council, and I'm thankful to be here this morning to discuss the Department of Design and Construction's Front-End Planning Unit. As many of you know, DDC plays an essential role in our city's capital construction process. As the city's primary capital construction project manager, DDC is responsible for the overall design, the construction and the overall coordination of capital projects citywide, and is currently managing over 3,883 agency projects to be exact. DDC provides communities with new or renovated structures such as firehouses, our libraries, police precincts, courthouses, senior centers, children's museums to be exact, while working collaboratively with other city agencies and many external partners. The Front-End Planning Unit was first established by DDC in 2016 to perform an early review of project proposals with

sponsoring agencies and to ensure that goals and budgets and scopes and schedules were all aligned. The idea was that the Front-End Planning Unit would help agencies understand exactly what they were asking for, and how much it would cost the before-before pursuing projects with the end goal of being able to complete projects on time and within budget. This was a key change to the city's capital projects process. In January of this year, DDC released its Strategic Blueprint for Construction Excellence that everyone has in which outlines its plan to transform how city agencies manage capital construction projects from start to finish in order to deliver public buildings and infrastructure on time and on budget. The Strategic Blueprint outlines several significant changes one of which included the expansion of the Front-End Planning Unit. As many of our city's buildings and infrastructure reach their maturity, it seems increasingly more important to incorporate front-end planning to more of our city's projects. At this morning's hearing we look forward to learning more about the work of the Front-End Planning Unit, what's working, what can be improved, whether it's having the desired effects and goals and

whether there is sufficient head count and budget.

We hope to hear more from DDC about the work to further expand the Front-End Planning Unit, and how such improvements will streamline the construction pipeline and the review process to effectively scope and budget city capital projects. Before I conclude my opening, I want to thank the staff who helped prepare for this hearing this morning, and I'd like to thank the Finance Division and our subcommittee staff, our Deputy Director Nathan Toth, our Unit Head Chima Obichere, our Financial Analyst, Monica Buja (sp?), our Senior Counsel Rebecca Chasen as well as our Assistant Counsel Stephanie Ruiz. Thank you to this team for putting today's hearing together. I'd also like to acknowledge the members of the committee who are here, and we will be joined by other members throughout the morning. We have with us our Minority Leader Council Member Steve Matteo is here, and we will hear this morning from Andrew Hollweck, DDC's Deputy Commissioner for External Affairs, as well as Eric Boorstyn, our Associate Commissioner for Architecture and Engineering and Technical Services, and I do want to express my gratitude over the past year and a half that I've chaired this subcommittee.

We've worked very, very closely with our Commissioner Ms. Grillo and her team as the strategic blueprint was released, and one of the projects that obviously is in my back yard that I speak so lovingly about is the Bronx Children's Museum, and I am just so excited that in 2020 the County of the Bronx will finally have a children's museum, and DDC is going to make that happen. We've had a lot of hurdles, a lot of challenges, but we are going to see that project to fruition and I'm very, very proud that DDC is leading it and I want to thank you on behalf of the Bronx because it's important to all of us for our children to have their own children's museum. Right now we have a mobile bus that travels around the Bronx, and would you believe the bus is breaking down. So we are replacing the bus, but we're not delaying the opening of the Children's Museum. So, I want to thank DDC as well as our Commission Lorraine Grillo and thank you for being here, and now I will have our Counsel swear you in and then you can begin your testimony. Thank you for joining us today.

LEGAL COUNSEL: Do you affirm that your testimony will be truthful to the best of your knowledge, information and belief?

DEPUTY COMMISSIONER HOLLWECK: I do.

LEGAL COUNSEL: Thank you.

CHAIRPERSON GIBSON: You may begin.

DEPUTY COMMISSIONER HOLLWECK: Thank you and good morning Chair Gibson and Council Member Matteo and members of the Subcommittee on Capital Budget. My name is Andrew Hollweck, Deputy Commissioner for Communications and Policy at the New York City Department of Design of Construction. As you—as you’ve mentioned, I’ve joined at the table this morning by Associate Commissioner of Architecture and Engineering, Eric Boorstyn, and we have several of our DDC colleagues in the audience who will be here to helping us with any detailed questions you may have. I’m pleased to discuss in detail our Front-End Planning Unit in perhaps excruciating detail, but we want to—we want to be transparent and make this a dialogue with the Council and more broadly the great progress DDC has made in the recent past to streamline the capital construction process under the leadership of Commission Lorraine Grillo. Completing capital projects in a dense aging, urban environment that is both highly regulated and closely scrutinized is

challenging. A recently released blueprint for construction excellence details the risks related to a constrained design, bid, build, procurement model a multi-tiered oversight structure dozens, literally dozens of interagency relationships and successfully managing hundreds of consultants and contractors while working to complete work on a \$2 billion portfolio. This, by the way, is not an excuse, but rather the backdrop to guide our solutions. In 2016 based on the advocacy of elected officials in this room and others on the council, front-end planning was created to develop a comprehensive understanding of the needs of each capital project no matter how large or how small to facilitate successful delivery in a safe, expeditious and cost-effective way. Our FEP Units work closely with sponsor agencies on every single project submission to clearly understand project scopes and ensure enough funding is in place upfront. This is limited last minute changes and advance project initiation more quickly. This also decreases future delays in design and construction the sponsor agencies must approve and sign off on FEP's findings before project initiation. Our FEP process put projects on a better path for long-term



success. One of the key longstanding challenges has been improving the initial level of details of projects submitted to DDC for construction for some time to sponsor agencies for whom DDC builds were required simply to submit a project initiation form with limited detail with a budget to DDC and the project immediately became DDC's and the clock on the project started to tick. Today, once we come to an agreement with our sponsor agency on a project's scope and there is enough funding provided, then and only then will DDC officially accept it to the uniform electronic capital project initiation process another innovation that came after the release of our blueprint in January. Since we have established this thorough proposed review process, we've been able to work closely with the Office of Management and Budget to use FEP's final report as the official request for the certificate to proceed provided to OMB. This is reduced the time between FEP's work with the sponsor agency and DDC's approval of the project from 15 months to 9, a substantial reduction in the initial procurement process and allowing us to jump into--into design more quickly adding a level of certainty I think that really I

think can reassure project owners and people who invested in those projects. The intensive pre-approval engagement has significantly enhanced communication between DC and sponsor agencies prior to project acceptance and has led to a number of PIs being returned for further review. In Fiscal 2019, DDC public buildings FEP reviewed 97 projects, 51 or 53% of which were returned for further consultation. Generally PIs were returned for further review due to constructability issues that might impact the true scope and true cost of the project, the need for additional funding to complete the proposed project, and/or a need to further differentiate between capital and expense items in the scope, an real buga bearer of many capital projects, and one we're able to differentiate at the front again with this process. Returning the PI to the sponsor does not mean rejection to be clear. It simply ensures that scope and budget must be in alignment before both DDC and the sponsor undertake costly public work. The FEP staff work tirelessly with sponsor agencies and collaboratively to ensure projects come to fruition via a host of resources at DDC's disposal including in-house cost estimating services, site visits and

follow-up meetings. To reiterate every projects goes through FEP before it is officially accepted. The time between FPI form submission and the start of design can take approximately seven to nine months through a series of phased involved in-involving multiple units within DDC in addition to FEP because we'll get a little detailed. Phase A can send this-- this is a--you can sort of follow this on--on the chart. Phase A consists of an initial assessment, scope, scope development and feedback to the sponsor agency. Phase B details project schedule utilizes our in-house cost estimation services, identifies all required regulatory approvals of which we know there are many, and professional services that will be needed and require and requires an additional agency review of FEP's findings. Together, Phases A and B are known as the planning phase and encompass the bulk of FEP's process. These phases typically take several weeks. The final deliverable of the project planning process is the FEP Report, which details the proposed scope of work as it--it's a really elaborate document, which I hope we can share with you, if not at this juncture, we have--we can--it's--it's a robust document, which details the proposed scope of work,

project background and zoning information, applicable zoning laws, photos after the site visit, the project's schedule and the project budget. The sponsor agency receives the FEP report, which includes DDC's findings and recommendations. If DDC has recommended the project for initiation, the sponsor may approve the FEP report and conclusions via a signed PI form. Alternatively the sponsor may express concerns or comments with either of these documents and further discussion ensues. Once approved a managing agency switch occurs and the project is initiated by DDC, the clock has started. If DDC has not recommended the project for initiation, DDC provides the sponsor with the decision accompanied by the FEP report and the offers the sponsor a meeting to discuss our recommendations and to collaborate further. The sponsor may then take the recommended changes to resubmit the PI form for review, and this is also a successful process in many cases including in, you know, Queens Library projects and—and I think you have a much better track record thanks to this process. The expansion of FEP is one of a larger set of structural changes happening at DDC under Commissioner Grillo to improve

capital project delivery. In January we released our Strategic Blueprint for Construction Excellence an agency wide review of business practices and external challenges to build infrastructure and public works more efficiently and cost effectively. While many of the recommendations are technical, the ultimate objectives are no less important ensuring the collective quality of life for all New Yorkers. The blueprint contains detailed solutions to bureaucratic inefficiencies identified by practitioners and supported by stakeholders who—who work with and depend on DDC, and demonstrates how we can, in fact, untangle complicated bureau—the government processes and change them for the better. We're essentially reverse engineering this process and looking very carefully at how all these processes can be untangled. Although not the subject of today's hearing let me briefly highlight the blueprint's objectives. First, at the front we want to improve the pipeline. In addition to our Front-End Planning Units, DDC is also expanding several services to further assist agencies with their scope development including cost estimating services and DDC led CPSD studies as well as a new and this is critical and I

hope we can discuss this further, Advanced Capital Planning Unit that will assist agencies in their planning assessments well in advance of the proposed capital work. DDC is committed to managing projects more effectively to remain a best in class provider of construction services. Two new initiatives underway since January are the implementation of a multi-day project manager training, a certification for all of our frontline project managers giving them the sense of ownership over their projects, which is a critical function in both the public and private sector really ensuring that this is—that they own these projects. We have also established an Office of Cost Control, which is another new initiative under the blueprint whose sole job is to collect data on DDC projects in order to create firm, reliable standard unit costs and design and construction schedules, which I hope we can report on in the future. We are getting more out of designers, contractors and construction managers by making it easier for all parties to be included in projects be increased MWBE participation, a top priority of Commissioner Grillo and Mayor de Blasio. We are retooling vendor performance evaluations so that we

can improve performance without limiting the vendor pool, another interesting exercise. Finally, DDC is modernizing our internal systems and technologies so that we can track key data efficiently so that flags are raised quickly on problematic steps in the process, and there's a further level of accountability both internally and externally as we know whose desk a particular review or action is on. DDC provided a six-month update on our strategic blueprint in July, which you also have on your desks, and will soon begin working on a one-year update so everyone stays on their toes on this process. The realization of a full scale front-end planning expansion has provided absolutely essential oversight and process control in the development of viable capital projects. The week spent at the outside of a project saved the city vast amounts of time and money over the life of a project. We are proud of these achievements, and the implementation of the strategic blueprint. While much work remains, we look forward to continuing to enhance the speed of project delivery, decrease costs and safety risks and bring valuable projects and services to New Yorkers more quickly. Thank you again for the opportunity to

testify. My colleagues and I are happy to answer to any questions. Thank you.

CHAIRPERSON GIBSON: Thank you very much. We appreciate not only your presence here today, but giving us a greater understanding of what the FEP looks like in terms of its internal mechanisms and some of the dynamics of the unit, why it was created in 2016 to begin with coupled with the progress update. I'm not normally receiving progress updates after just six months. So, I think that's very aggressive. So we do appreciate that.

DEPUTY COMMISSIONER HOLLWECK: Chair Gibson, I just want to say that that was truly was the—at the initiation of Commissioner Grillo. This as her idea, and I just want to say because, you know, these things come from the top down, and we are as an agency very much committed to—to following her lead, and making sure this—this gets done.

CHAIRPERSON GIBSON: Absolutely. I'd like to also acknowledge the presence of one of our members of the committee Council Member Barry Grodenchik. Thank you very much on behalf of Queens. Just a couple of questions, and then I'll see if my colleague has anything to add, but you gave us this



really nice chronicle of the timeframe, and so step by step from Phase A to Phase B, typically what is the average timeframe in terms of the entire review process in the Front-End Planning Unit from beginning to end?

DEPUTY COMMISSIONER HOLLWECK: Eric can you?

ASSOCIATE COMMISSIONER BOORSTYN: Yeah, I'd be happy to answer that one. Um, the process has grown as we've grown our staff and we've grown the-

CHAIRPERSON GIBSON: Okay.

ASSOCIATE COMMISSIONER BOORSTYN: --depth of the service we provide. When we first began the process it was a little bit more abbreviated than the document you see in front of you. In Fiscal 17 the average wait was about 30 days to go through everything. Now, however, it's grown to something like 77 days. That's the average that we're reporting, which includes all the steps that you see here. These are representative of our current process. Again the enhanced FEP process. This is derived from the blueprint, which are much more thorough dive into scope, budget and schedules supported by members--many members of our staff.

CHAIRPERSON GIBSON: Okay, it does look very detailed and thorough, and I imagine the idea and the goal is to get number one as much information as possible and that's why we have the preliminary document that agencies have to fill out, which asks for a significant amount of documents. We were briefed on it this week. Once you produce the draft FEP Report, it goes to the final stage and it's given to the agency. I guess my—one of the concerns I have is in that report I think one of the things where you may have an area of difference it probably the cost, cost of what it takes to actually fund many of these projects. So, once that final FEP is delivered to—sorry, once the final report is delivered from the FEP Unit to the agency, once there is any concern or any response, how does the FEP Unit work with that particular agency if it's cost, if it's scope? I mean it seems like it could take longer than normal depending on what the report releases in its findings, correct?

DEPUTY COMMISSIONER HOLLWECK: Correct. I mean I'll sort of give like a highlight level answer and let Eric sort of get to the specific. I think it's really important to understand that as you

pointed out in your opening statement, our job is to serve as the city's really construction manager from—the design construction manager from beginning to end. That responsibility includes helping our sponsor agencies understand what they need and what they can build and what they can afford, and for years we've sort of accepted their submissions and sort of dealt with it after the fact. What we're doing here at this—at this juncture is a much more robust deep diver with then helping them understand that they actually have a scope and budget to do. So, we help them define that, and that is—that's a really important function that we're acknowledging with the creation of funding planning. That's a good thing. So, yes there are—there are discrepancies in what they submit many times and what—and what we tell them they actually need, and what the scope that they can afford, but that's a good thing, right? We've now thought thoroughly about these projects in a way we haven't in the past, and that's our role.

CHAIRPERSON GIBSON: Okay.

ASSOCIATE COMMISSIONER BOORSTYN: If I could—if I could add to that then.

CHAIRPERSON GIBSON: Sure.

ASSOCIATE COMMISSIONER BOORSTYN: We very often when we submit [coughs] when we submit the reports back to the sponsor agencies we are telling them they don't have enough funding in place for the scope of work or have a scope of work what is initially under-represented and guided required work that needs to be done. Perhaps the scope is just fine, but their assumption of what the cost would be is under-represented so we're going back to them and saying you need to put more money into this project. It's never good news for an agency to hear that. They have to remove money perhaps from other projects to help fund the one that we're talking about. Perhaps they choose not to pursue the project at all because we're telling them it's going to cost so much more. They're not prepared to spend the money, but the good news is we're telling them that now before anybody has committed to anything or spent any money as Andrew has suggested in the old days, we would have taken the project, initiated it, started our clock, hired a consultant, start a design, start to spend that money, and made all kinds of public commitments, and then someone would say we don't think we have enough money. We have to stop work.

We have to ask for more funds. After we have already spent money, after we've already made commitments that's a very difficult message to deliver and it's a very difficult message to receive. We think the value of front-end planning is doing all this work upfront, and then helping the sponsor agencies make more informed decisions. If in the end they choose not to pursue a project because we've told them they need to commit more funds, they'll spend that money more wisely on other things. We also go back to them and say if this is all the money you need to spend, this is your highest priority. Perhaps there are three, four, ten items they initially asked for. We'll say you can only afford three, and these are the ones that are most critical given the existing conditions of your building. So, we think it's good advice at the right time. Again, in the old days we never did that. We never had to privy to do that. We would jump in, start trying to meet expectations. We'd have commitments made and then discover these problems. Very often those jobs are the ones that would stop dead in the water sometimes for years as people try to decide what to do after we've already

spend some of their design funds. So, it's a little late to hear that message. We like this much better.

CHAIRPERSON GIBSON: I understand and then you would have very angry elected officials.

ASSOCIATE COMMISSIONER BOORSTYN: Which we don't like you to--

CHAIRPERSON GIBSON: We don't like you to--[laughs]

ASSOCIATE COMMISSIONER BOORSTYN: Well, again right.

CHAIRPERSON GIBSON: Okay.

ASSOCIATE COMMISSIONER BOORSTYN: That doesn't--

CHAIRPERSON GIBSON: So, I think many of my colleagues have experience as some of the challenges that you talked about before the Front-End Planning Unit was created, and I understand the goal now is to really shift the dynamics and change that process, and that's a good one. It does make sense. I wonder for many projects where you do submit the final report to our client agency and particularly if the scope needs to be amended. I've had situations where consultants were changed during that process, which caused the price to go up. There were parts of

their design and their mechanism that were also changed during that process, and then more importantly on our end as the perspective of elected officials the cost. So, how much time is invested in the Front-End Planning Unit to allow these client agencies to figure out the best course of action for them and then for many of us if we're talking about money where additional funds are necessary, that doesn't always happen in one fiscal year.

ASSOCIATE COMMISSIONER BOORSTYN: Sure.

CHAIRPERSON GIBSON: And then you could also be talking about a combination of both private and public dollars, and so the timeframe is quite different. So in instances like that and that probably speaks to the percentage from Fiscal Year 19 where 53% of the projects were returned. I can imagine some of that was incorporated, but how long do you wait for these client agencies to figure out their best course of action particularly when it's some of those issues like scope as well as costs where they need to go to outside external sources to acquire additional funds.

ASSOCIATE COMMISSIONER BOORSTYN: So, we don't have a lot of insight into that process in the

agencies themselves. We'd like to be more helpful if we could, and hence we refer to our Proposed ACP Advanced Capital Planning Project or program, but the truth is we'll support the sponsor agencies as long as it takes them to make those decisions. Sometimes we find the scope is clear, the budget is pretty good and there's a shortfall but de minimis one, and we would expect and we can experience that those projects are resubmitted to us relatively quickly if we're off by 10%, 15% maybe. As we described in our testimony the Front-End Planning Report goes to OMB as its basis for the CP request. So, OMB checks to make sure. If we say there's a certain amount of money required for the project, they're not going to give us the CP if that money isn't there. If it's a small amount we expect that the agencies can quickly relocate the funds. Again, from our outside position we're not internal to that decision making process. We could do it relatively quickly and we can issue with those projects if we're close. If we're far apart and sometimes we are, very often, many times those projects don't come back to us at all. We don't know exactly why, but we would assume the shortfall is so great they have decided to spend the



money on a different project. So, you don't have a formal closure process. There's no-maybe there should be, after we've returned the Front-End Planning Report to them, they can respond by saying thank you. We've chosen not to continue with this project. We keep metrics on how long it's been since we've heard last, and if we didn't remember like 300, 400, 500 days, but they only access the need, but they reprioritized the needs or spending that money on something else. We don't know and so we can't turn off that particular clock, but very often times again we have some data on this, but we would rather give you a more detailed report when we have better collection of data, and can be more conclusive with that. The range and response times can vary from a couple of weeks, a couple of months to then, you know, never. So then, it implies that the allocated funding towards something else.

DEPUTY COMMISSIONER HOLLWECK: But let me-let me intervene a little bit. Most of the projects that get through front-end planning proceed quickly into design, many of which-which started in 2017. A number of them have actually completed construction. So, what we're seeing is that the-the

Front-End Planning Unit has a demonstrated value. In other words, the projects—the projects that have gone through and which the sponsor agencies have chosen to initiate are proceeding at a—at a more rapid rate, which is a good thing. I think what you're talking about is important, but may—may align better with some of these other initiatives that we're talking about like using CPSD studies, these early Capital Planning Studies, which we're initiating with come of the sponsor agencies. We're doing a lot of reviews with the Brooklyn Public Library. We're going to initiate it, but when we look at their assets before they recommend the project, give them an analysis of what their assets look like, and then they make a decision about what they can afford and what—what is an priority. So, this notion that you come to us with something, you know, and then we—it's almost too late at that point. We should—we—as a city we should be thinking about very early asset analysis, and looking at those things closely, and that's what DDC is—is beginning to do in addition to its Funding Planning Unit--

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: --which does create that sort of catchment so we don't get too far down the road.

CHAIRPERSON GIBSON: Uh-hm. Do you have data that would look at some of the trends in terms of some of the sponsor agencies that, you know, you seem to have a good track record of accepting their particular capital projects. So, I think I've been here six years, and if I look at that total spectrum of capital projects that DDC has managed, one of the projects that, you know, we do really well are step streets. The step streets are completed in less than two years, more like a year and a half. It almost seems like they're expedited, but we manage them really well.

DEPUTY COMMISSIONER HOLLWECK: Uh-hm.

CHAIRPERSON GIBSON: But then I also look at, you know, just hearing from other colleagues we've struggled over the years even before the Front-End Planning Unit was created with our cultural institutions as well as our libraries. So, we've had about—I'll get to Parks. Where we've had, you know, projects that are year and years and years and you wonder what is the delay? And so I guess I asked

that question to look at data that you already have where you're seeing agencies that just seem to do this really well, and then the other agencies that, you know, need a little bit more assistance. Are you looking at trends based on the data you have?

DEPUTY COMMISSIONER HOLLWECK: We are looking and we'll be happy to provide that to you.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: I don't think we can do that at this hearing--

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: --but I would make a, you know, raising an important point at front-end planning is not the only tool in the toolbox that we need, and I think you're talking about the devote--why do projects take so long? Why are they complicated? Well, I think a really important, you know, particularly for public buildings is sophisticated, complicated buildings. The way the system is designed now the city has to procure a designer. The designer designs the project with staff, and then they procure a contractor to look at the completed design, which they had no input on and then they offer their lowest responsible bid,

which we're required by law to accept, and we take the lowest bidder, and they're instructed to build that building which had an estimated cost that they had no input in. The city right now has, which is not efficient and has led to enumerable problems particularly for sophisticated unique projects like cultural institutions, right, which are really supposed to be gems for a community, and which by definition are unique and special and what we're proposing is legislation in Albany that's awaiting the Governor's signature called Design-Build Authorization, which I know you're familiar with, which is one of a suite, which is just one of a new approach to design and construction that virtually the rest of the world uses to great effect including the state of New York to allow us to-to permit the designer and the constructor to talk to one another before they've designed this project so we know what the cost is going to be. They're allowed to collaborate. They do-they do troubleshooting, and what's more, this process allows us to request a guaranteed maximum price. So, all these things are submitted in a package, which we're able to evaluate. So, when we-we proceed, we're much more certain of

price, timeline, and constructability and all we're waiting on is the governor's signature for this, but this is just one of a suite. There are other—in our legislative agenda last year we asked for, you know, not to get too, you know, into the weeds, but there's a construction manager at risk, construction manager on build, which are just variations on this concept that these two critical components of the design and construction process, the designer and the constructor—constructor talk to one another, and offer a price so we know what the heck is going on--

CHAIRPERSON GIBSON: Uh-hm.

DEPUTY COMMISSIONER HOLLWECK: --and we urge the Council to continue its strong support of these initiatives so that we can get these tools this year and next year as we go back to Albany.

CHAIRPERSON GIBSON: I agree. I hope the Governor signs the bill. We're waiting. I wanted to ask the question about the—the revised project initiation form, which makes, you know, things obviously more comprehensive to get all of the additional information. Have you received any feedback yet from any of the sponsor agencies on how the form could be improved. Since you launched it,

has there been any, you know, dialogue on the contents of the form?

DEPUTY COMMISSIONER HOLLWECK: I haven't heard anything specifically about recommendations from the sponsors in terms of the form.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: You know, the form takes what used to be sort of hand filled out series of sheets of paper where they would handwrite in information. We tried an excel spreadsheet and we got the IQ support as you build a portal. We've launched the portal live. The FEP L-i-t-e Lite Portal, and we'd like to roll out the full version once training is complete. We bring all the sponsor agencies into our offices to give them training on how the portal works so they can then enter their information electronically. The full blown module wants that's live would give everybody greater insight to the full working process so that anybody involved be it the FEP staff, be it the sponsor agency or anyone else can actually get insight into where we are in the process, and so launching software like that, which we developed in-house with the IT Department. There have been some

setbacks, and things that we've been hearing, which, you know, are not substantive have trouble using the tool, trouble making the incoming (sic) data in a way that then you get to expect the results so we're debugging that, but that's—that's just growing pains I believe. I think the information is clear. We tried to be as specific as we can so that the front-end planning staff has the information. We don't always get all the information that's required, and that holds us up. So, sometimes a PI form will come in, and in our initial review it says: Initial assessment in the first box on this flowchart.

CHAIRPERSON GIBSON: Uh-hm.

DEPUTY COMMISSIONER HOLLWECK: These are our budget office. We'll look at it and simply say there's missing information. We can't accept this yet.

CHAIRPERSON GIBSON: Got it.

ASSOCIATE COMMISSIONER BOORSTYN: As an administrative task I think that's annoying for everybody including the sponsors, and so we're looking for a little bit more familiarity I think the technique before it becomes second nature.



CHAIRPERSON GIBSON: Okay, and I understand it takes time to transition to a process that--

ASSOCIATE COMMISSIONER BOORSTYN: Sure.

CHAIRPERSON GIBSON: --agencies are not necessarily used to, and you indicated that you do provide the training and sufficient materials--

ASSOCIATE COMMISSIONER BOORSTYN: Yes.

CHAIRPERSON GIBSON: --to allow them a chance to navigate the form.

ASSOCIATE COMMISSIONER BOORSTYN: We do have people available to assist the sponsor agency. As they do this, they can just give us a call. We can have them come in. We can go to them. Our IT people are very much available to help with that.

CHAIRPERSON GIBSON: Okay, great and in addition to the Project Initiation form, you also introduced the Scope Verification Report.

ASSOCIATE COMMISSIONER BOORSTYN: Uh-hm.

CHAIRPERSON GIBSON: So, I wanted to ask have you seen any impacts or any results from the institution of this practice so far?

ASSOCIATE COMMISSIONER BOORSTYN: Well we have. The Scope Verification Report is the first time

we go back to the sponsor and say, you know, we've looked at what you've told us. We've met on-site and spoken with you. We've read the report or the scope that you've recommended, and this is our version of what we believe is required and you send that back to them recommending certain things that they may have omitted just from lack of knowledge need to be included because it will have a cost impact.

Sometimes the response from the sponsors is: No, it's not all we want. And we go around another revision to that. More often than not, it's like they understand that this is not a more complete version of this scope and they can then sign off on that. The Scope Verification Report is the first step. One we're in agreement on scope, we're aligned with the sponsor on scope that would lead to whatever it is that what recommend needs to be done. We then can get out our budget and schedules and consulting fees and that type of work in the so-called Phase-B on your flowchart, and then that goes to again a second opportunity I guess that field the red box on your sheet where the sponsors again get to sign off on our recommendations before we proceed.

CHAIRPERSON GIBSON: And in terms of when the unit presents design options to the client agency itself informing them of the costs associated with each proposed design, are you finding that there is a lot of pushback sometimes on the actual cost estimates that you're providing where a sponsor agency will say well, no, we believe that this is the actual cost, and here is our data. So, was there that back and forth at times with some of the agencies?

ASSOCIATE COMMISSIONER BOORSTYN: Yeah.

CHAIRPERSON GIBSON: Oh, okay, yes.

ASSOCIATE COMMISSIONER BOORSTYN: Okay, definitely. [laughter]

CHAIRPERSON GIBSON: I can only imagine. [laughs]

ASSOCIATE COMMISSIONER BOORSTYN: But-but I want to add, you know, we alluded to our construction procurement process, a competitive sealed bid process where prices are proposed by contractors on the open market very much subject to market conditions to complication. How busy is the general construction industry at large. When we go back to our sponsor agencies and advise them that

maybe the project is underfunding, it's in that context that we're advising them. We're not arguing the past should be lower. We're not arguing that. We don't want to bring the jobs in for the prices that they have. They get their information, you know, from a lot other sources as well. We're reflecting more on our experience in the marketplace and compared to the bid environment, and we base our costs on recent bid results. So, if we have comparable projects that are similar in scope or similar in size, we can say well, we've just bid three of these, and the prices are higher than any of us like, but it is what it is. Until we have a different procurement methodology in the old kit, this is what we can expect the field project. I'm not saying it's great news, but with we're saying it's reality. I'd use this reality as far as we can predict it this early in the process.

CHAIRPERSON GIBSON:

DEPUTY COMMISSIONER HOLLWECK: Just—just to—it's a great question. So there's things that we're also trying to do to, you know, help solve that problem. Also, as a result of the creation of the blueprint would establish an Office of Cost Control.

It's a new office that did not—I mean there were other, you know, stopgaps in the—throughout the agency that did cost control, but we have now a dedicated unit whose sole function is really to analyze DDC's historical costs and schedule data to make sure that we fully understand what unit costs are for a certain type of building at standard duration so that we really, really have a much more solid grasp of, you know, very standard range of costs and schedules. What's more, [laughs] the standard schedules are not flying any more. We are going to establish shorter construction durations, shorter design durations because these things are unacceptable as they are now. It is—it is a labor. I'm not saying tomorrow we're going to roll our shorter times and—and budgets, but the answer to your question is yes they should be less, and we're working on a—on a separate initiative, which is included in the blueprint to—to-to accomplish just that.

CHAIRPERSON GIBSON: The Office of Cost Control that you described is a brand new office created, but it's not within front-end planning. It's

within another part of DDC, but it works closely with  
FEP?

DEPUTY COMMISSIONER HOLLWECK: Right.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: We're--  
we're not a gigantic. I mean we're a big agency, but  
yes. I mean the office is housed on the same floor  
near where Eric sits, and they work together.

CHAIRPERSON GIBSON: Okay, so I can  
imagine this unit has to work very closely with the  
FEP as it relates to just the cost control and  
overall cost management and real estimates that are  
as accurate as can be. How does that unit control  
some of the variable costs that are not necessarily  
fixed that are more so market determined? Does that  
make sense?

DEPUTY COMMISSIONER HOLLWECK: Yes.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: Well--

CHAIRPERSON GIBSON: Things you can't  
really control even though--

DEPUTY COMMISSIONER HOLLWECK:  
[interposing] I would--I--

CHAIRPERSON GIBSON: --even though it's climate control? [laughs]

DEPUTY COMMISSIONER HOLLWECK: --I thinks for starters I mean with, you know, making this sound really terrific, but they--the office has only recently been established. I mean there's a full unit, there's--there's staff, there's a director. It's functioning, but I don't think we're at this point where they're sort of making inputs into all of FEP's decisions. I mean but some of the data that they use is also the data that--that FEP uses, but I think, you know, the outcomes that we're looking for should be, you know, available, some of the outcomes should be available by the time we report back in January.

CHAIRPERSON GIBSON: Oh, okay, okay, great in the Year Report we'll see it?

DEPUTY COMMISSIONER HOLLWECK: In the Year Report. Yes.

CHAIRPERSON GIBSON: Okay, in the--the six-month blueprint progress update that we have, it was announced that we issued a sponsor initiated change request policy that would really improve the project initiation, and limit scope change. Can you

describe a little bit of the details of what this means and--and what you entail as the goal of--of this?

DEPUTY COMMISSIONER HOLLWECK: Sort of to back up. I mean the idea is that when a sponsor signs off on the FEP Report, that's a--that's the project. I think in the past, you know, historically again I think Eric described fairly that, you know, there would be a budget and a scope. We would accept it, and then sort of to design our way to a project and budget our way to a project after the things was--was submitted. Now, with FEP, there's some--through this very thorough analysis they're going to build a box with X components to the box, and it's going to cost X amount. On the rare occasion that there's--that there's some wait or scope change, I think that what we're trying to do is establish some certainty that we understand that this is a change initiated by the sponsor.

CHAIRPERSON GIBSON: Ultimately, how do we establish the performance measurements of the Front-End Planning Unit? So, how do we define success? Is that by the number of projects that we are accepting from the initial stage, or is it how many other projects were kept within scope or design,



budget and timeline, and I ask that question because many projects go through front-end planning, and we want to understand obviously some of the best practices, some of the things that are working, but also identifying gaps in services with a number of the new efforts that you have embarked on--

Uh-hm. DEPUTY COMMISSIONER HOLLWECK:

CHAIRPERSON GIBSON: --but ultimately with front-end planning since 2016 as we look to receive, which you know you will--

DEPUTY COMMISSIONER HOLLWECK: Uh-hm.

CHAIRPERSON GIBSON: --more capital projects. Many of us have a few years left to go.

DEPUTY COMMISSIONER HOLLWECK: right.

CHAIRPERSON GIBSON: So, we're just pushing out capital projects--

DEPUTY COMMISSIONER HOLLWECK: Amen.

CHAIRPERSON GIBSON: --as much as we can just overall with what the city is doing with resiliency projects. I mean this is so much going on across the city to provide more sustainability in a growing city that has to recognize climate change.

DEPUTY COMMISSIONER HOLLWECK: Yes.

CHAIRPERSON GIBSON: So, what would you say are some of the measurements of success for the Front-End Planning Unit.

DEPUTY COMMISSIONER HOLLWECK: Again, that's—that's a great project, and we were—as we were preparing for this hearing we looked at some of the data from the initial—initial couple of years of front-end planning, and most of the projects that have proceeded from design, from FEP into DDC's pipeline are either proceeding through design, some of them into construction. So, just sort of based on that high level review, we believe that the—that the process is functioning. Do we—do we have an apples to apples side-by-side with what we've done in the past? No, but we—we will have metrics, but the—the program is a little young to be able to really—this is the life of a project. Even if you had started a project through FEP in Fiscal Year 2016, even for a standard construction project, that very first tranche of projects would only now sort of becoming to fruition. So, we will be measuring it. We don't have like that hard data yet.

CHAIRPERSON GIBSON: And I think I know the answers to this but--

DEPUTY COMMISSIONER HOLLWECK: Yes.

CHAIRPERSON GIBSON: --within the process within FEP if there is a change to the price, I'm assuming that the sponsor agency has the sole responsibility of identifying those external or internal cost additions. So, at any point does DDC say, well, the project is a half a million dollars, you know, under budget. So, we'll do half and half. You guys do 250, we'll do 250. Does that ever happen or does the agency assume all of the costs?

DEPUTY COMMISSIONER HOLLWECK: We have no funding.

CHAIRPERSON GIBSON: Okay. Just wanted to make sure. I knew the answer.

DEPUTY COMMISSIONER HOLLWECK: Yes.

CHAIRPERSON GIBSON: That's the commercial (sic) Oh, but also, I would add Council Member knows, this is where the elected officials come in.

DEPUTY COMMISSIONER HOLLWECK: Right.

CHAIRPERSON GIBSON: Where we get called by some of the sponsor agencies in terms of some of the cost changes. I've been through that a few times so I-I certainly understand how that process happens.

DEPUTY COMMISSIONER HOLLWECK: Right.

CHAIRPERSON GIBSON: So, I wanted to ask a question, and this is probably important for the elected to understand as well with DDC. The community and the external input, right? So, many of the projects you're managing are infrastructure, they're step streets, they're building facades. So the New Yorkers that live in these communities have to live through the construction, right? So, over the course of—of my tenure here we've talked a lot about the interagency coordination particularly with utility companies as they get necessary building and other permits, but I wanted to understand what that looks like on the ground. Many of the projects go through an extensive community input process like as an example the Parks Department. When we—even before we get to design we have extensive meetings on the ground to talk about what a design looks like, and recognizing that as much input we want from the local residents, we can't get everything we want, and so Parks as an example has now started to use a standardized design process to give them a little bit of a layer so that residents can understand well this is where we can start without putting everything into

and actual design. So between that going through the extensive community input process and where the final product should adhere closely as possible to the community's wishes. So, as I mentioned, Parks Department, another example for us are the participatory budgeting, capital projects that we have. So, do you know how the Front-End Planning Unit approaches these specific types of projects particularly where there was less flexibility in the design options. Is it often that you align the scope with the actual budget?

DEPUTY COMMISSIONER HOLLWECK: I'm--

CHAIRPERSON GIBSON: And that's just Parks for an example. I just presented that.

DEPUTY COMMISSIONER HOLLWECK: I'm going to--this may be an unsatisfactory answer, but I'm going to answer in a different way.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: As it happens, you know, particularly for our--our public plaza project that we build on behalf of DEP and DOT, we're trying to establish a very rigorous collaboration, which is underway. In fact, we're meeting with SBS and DOT later this afternoon to

discuss this in more detail. How we ensure that the BID who will ultimately or the-or the community entity that will manage the plaza is a participant alongside the community board with the design of that project and particularly for infrastructure projects DDC has long had very sort of comprehensive communication with the community board with generally via mail, but presentations of designs so there's a- there's a really lengthy consultation after a project leaves. So, you have a generic scope and a generic budget that you've established through some basic unit costs understanding some basic, you know, sort of larger sort of big picture assessments of the project, but when you-when you get down to the nitty gritty, the actual design, I think DDC is, you know, is kind of proud of its consultative process, which we've done, which I just want to acknowledge Jeff Margolis in the office who really, you know, you go out, you talk to the community about what you want. You bring the design and you bring a Power Point. Months and years before that project is underway. So, I think that's something we do pretty effectively, but that-that does come after the FEP process.

CHAIRPERSON GIBSON: Okay and is it DDC's responsibility to do the external communications with the stakeholders or do you leave that to the sponsor agency?

DEPUTY COMMISSIONER HOLLWECK: That's another excellent question--

CHAIRPERSON GIBSON: [laughs]

DEPUTY COMMISSIONER HOLLWECK: --and something, you know, we're, you know, since I've arrived at DDC and the Commissioner has arrived at DDC we're definitely trying to calibrate. We are the designer and the constructor of projects on behalf of sponsors who really define through the mission of their agency. So, we're trying to become a much more collaborative partner with our sponsors to make sure that the community understands that, you know, a sewer project is part of a larger drainage plant. A street improvement project is part of a larger vision for the city's transportation network, and what we are supposed to come out and do is really help them think about for the nuts and bolts of the design, the nuts and bolts of the process, and make sure that any problems that arise during construction are taken care of immediately.

CHAIRPERSON GIBSON: Okay, so I can give you one example of a project that turned out really well. There were some hitches and delays. They were brought up to Mentay (sp?) Plaza in the Bronx--

DEPUTY COMMISSIONER HOLLWECK: Yes.

CHAIRPERSON GIBSON: --by the HUB.

DEPUTY COMMISSIONER HOLLWECK: Yep.

CHAIRPERSON GIBSON: It's gorgeous.

DEPUTY COMMISSIONER HOLLWECK: Yep.

CHAIRPERSON GIBSON: It's absolutely beautiful.

DEPUTY COMMISSIONER HOLLWECK: Thank you.

CHAIRPERSON GIBSON: It took us a while to get there.

DEPUTY COMMISSIONER HOLLWECK: Yes,

CHAIRPERSON GIBSON: But-and I don't know if the sponsor agency-I'm assuming it's DOT.

DEPUTY COMMISSIONER HOLLWECK: Yes.

CHAIRPERSON GIBSON: Okay. Yeah, that was a really good process. I mean it-it-as I mentioned there were some hitches, but--

DEPUTY COMMISSIONER HOLLWECK: That is sort of the poster child for the type of process we're trying to sort of reconstruct.



CHAIRPERSON GIBSON: Okay, I understand.

DEPUTY COMMISSIONER HOLLWECK: That, again, that happened before there was an FEP process.

CHAIRPERSON GIBSON: Uh-hm.

DEPUTY COMMISSIONER HOLLWECK: It happened before we had this, we're having this really intensive and--and to my mind under-reported collaboration with BID organizations, DOT, SBS and DDC to really make sure that--that we avoid that, and I, you could go in chapter and verse, you know, who didn't do what, who did what. The outcome is magnificent--

CHAIRPERSON GIBSON: Uh-hm.

DEPUTY COMMISSIONER HOLLWECK: --and it's a great public amenity that just kind of hurt getting there. We--we know that we can avoid that, but we just have to communicate it with our sponsor agencies, and I assure you that we're doing that, and I'm happy to walk you through that process as well not here, but yes.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: It's important. It needs to change and we're working on it.

CHAIRPERSON GIBSON: Okay, and in keeping in line with just the community and external inputs, I mentioned utility companies. I think every member of the Council generally I'm sure you as well, get frustrated with Con Edison and just the air agency coordination of utility companies because a lot of time on the ground those are the individuals you see, and we don't, you know, we don't want to yell at the workers. It's not their fault. However, when projects are started is it the Front-End Planning Unit that coordinates that with the utility companies, or do you leave that to the sponsor agency and then during the duration of conception.

DEPUTY COMMISSIONER HOLLWECK: Right, right.

CHAIRPERSON GIBSON: Right? How does that work in terms of communication and then the final part of this is as we end, we need to make sure that these utility companies fix the work that they have done and clean up after themselves so we know that they were not even there. Beyond frustrating and it's not, you know, utility companies generally I mean I'm not calling out names, but there's been a growing concern.

DEPUTY COMMISSIONER HOLLWECK: That's tremendous for us. (sic)

CHAIRPERSON GIBSON: [laughs] Oh that's soon. That's the name of the fallout, but it's frustrating just on the ground to see that and experience it and live it. So, what does the Front-End Planning Unit do as it relates to that external coordination with utility companies?

DEPUTY COMMISSIONER HOLLWECK: Again, not just Geoplan (sic) and Planning Sonder. They—they have a very—fortunately for us they have a defined task, right.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: It's to say yes or no to a project so a sponsor knows where they have a scope and budget.

CHAIRPERSON GIBSON: Uh-hm.

DEPUTY COMMISSIONER HOLLWECK: Once that happens, it goes to a design team.

CHAIRPERSON GIBSON: Uh-hm.

DEPUTY COMMISSIONER HOLLWECK: For infrastructure projects generally that happens in-houses and there is a long-standing acknowledgement that a relationship with the utilities needs to

change. The communication needs to improve. This timing and sequencing of when they get in and move their utilities so that we can proceed with our work, happens seamlessly. It's easier said than done, but I want you—I want to just make it clear that this a top priority not just with DDC, Commissioner Grillo, but the Mayor's Office is leading a task force about utility coordination.

CHAIRPERSON GIBSON: Great.

DEPUTY COMMISSIONER HOLLWECK: Listen, the proof is in the pudding, right, but everyone is on notice, and we are thinking about the—the—I don't want to say the most radical ways to deal with this, but it needs to change. We recognize that. I think we have, you know, I think our utilities are trying to be honest brokers about this. We're trying to get there. You know, one—one effort we're undertaking is sort of a more thorough going joint bidding process so that the utility relocation and our construction can sort of happen under the same umbrella instead of again the sequence thing where the utility comes in and moves, and then we move in. The joint bidding sort or blends that because, you know, it's either

the same contractor. It's under the same sort of umbrella.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: That's one effort, but really the most important thing is understanding our schedule and--and the utilities responding to our schedules--

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: --more efficiently.

CHAIRPERSON GIBSON: Okay at what point or what part of the process if it's not front-end planning, what unit handles the field offices that are usually on the ground? Does every capital project that DDC manages have an actual field office or is it based on--

DEPUTY COMMISSIONER HOLLWECK: Oh, yes.

CHAIRPERSON GIBSON: Oh, that is the case?

DEPUTY COMMISSIONER HOLLWECK: Yeah, of course.

CHAIRPERSON GIBSON: okay.

DEPUTY COMMISSIONER HOLLWECK: There's a--  
there's a--there's--every--every single DDC project has  
a resident engineer--

CHAIRPERSON GIBSON: An engineer. Okay.

DEPUTY COMMISSIONER HOLLWECK: --who is  
onsite managing that specific project.

CHAIRPERSON GIBSON: Okay, okay.

DEPUTY COMMISSIONER HOLLWECK: And it's--  
it's fully staffed. There should be a community  
construction liaison to interact with your offices.  
There should be an engineer who's coordinating with  
DDC and the utility to do that.

CHAIRPERSON GIBSON: Okay, great. So, I--I  
was saying to one of your staff those are the emails  
I get weekly.

DEPUTY COMMISSIONER HOLLWECK: Yes. Well  
thank goodness you're getting that.

CHAIRPERSON GIBSON: And I told her I get  
DDC projects. Yes, I do get them.

DEPUTY COMMISSIONER HOLLWECK: Okay.

CHAIRPERSON GIBSON: I wanted to ask the  
question about budget. I certainly have to mention  
the budget just because we are in the business of  
trying to obviously save money, operate more

effectively and efficiently on time and we obviously can't talk about that without talking about the budget and in every year since the inception of the Front-End Planning Unit, DDC has not spent its entire budget both PS as well as OTPS. So, I wanted to understand if there was some idea or reasoning behind that why DDC hasn't been able to spend all of the budgeted funds for the unit, and do you anticipate having the same issue in Fiscal 2020?

DEPUTY COMMISSIONER HOLLWECK: Specific to FEP?

CHAIRPERSON GIBSON: Yes.

DEPUTY COMMISSIONER HOLLWECK: I'll let Eric answer that one.

ASSOCIATE COMMISSIONER BOORSTYN: Well, we're trying to catch up on the payroll on the PS Budget. We've noted that they see we have a certain number of lines accrued by OMB. Most of those lines are being actively pursued. We have interviews going on this very week. We have a few candidates identified to onboard them through the hiring process. So, we're always looking to grow those--those heads. It's an ongoing process. We've had a number of separations, which set us back at the same time. So

the net number is sometimes a bit lower than it might be in in terms of the number of people who have come on board. You know, I'm reminded of the people who have left you had introduced this week preparing for this hearing and interviewing potential re-staff members, and I know you've been doing it, too. So, we're very much trying to do--

CHAIRPERSON GIBSON: Okay.

ASSOCIATE COMMISSIONER BOORSTYN: --to do that. The OTPS Budget for FEP includes things like a budget for probes. So, if we need to go out there and develop our scope and our budget projections to advise our sponsor agencies what the probable costs would be, if there are concealed conditions that could be instrumental in impacting both budget and--and schedule we have a small budget that we've been trying to utilize to have a contractor out in the field open up some masonry walls, take a test kit or whatever it might be to expose what would otherwise be an unknown and hidden field condition. Then so that was the first year we ever had that, and again, we're struggling to find the most efficient way to utilize that funding like getting contractors onboard, but those are useful tools for us. So,



we're looking to make better use of them as we get more and more up to speed.

CHAIRPERSON GIBSON: Okay. So the budgeted headcount increased by 12 positions this year.

ASSOCIATE COMMISSIONER BOORSTYN: Yes.

CHAIRPERSON GIBSON: So, those are the positions that you're looking to staff up and get to full-full staff?

DEPUTY COMMISSIONER HOLLWECK: Well, the answer is yes, but sort of just to refine that a little bit to be clear, the Front-End Planning Unit's headcount is I believe at 10 and we're seeking to get to 15 headcount.

CHAIRPERSON GIBSON: Okay.

DEPUTY COMMISSIONER HOLLWECK: There's additional headcount for the infrastructure FEP Unit, whose reviewed durations are already considerably shorter just due to the nature of the sponsor agencies that they work with again and again and again. So that really makes the process a little shorter, and third, some of that head count we believe will ultimately be dedicated to an Advanced Capital Planning Unit, which is critical.

CHAIRPERSON GIBSON: Oh, okay, that's good.

DEPUTY COMMISSIONER HOLLWECK: And that's again it's , you know, this isn't about the AC. The ACP Unit, which doesn't exist right now, but this is a lot of fun, right. We get it. We really get to think about sort of our capital program before we, you know, decided to do something. We have advanced planning, which is so critical.

CHAIRPERSON GIBSON: Okay, great. I want to acknowledge we've also been joined by another member of our committee from the Bronx, Council Member Mark Gjonaj, and I just have to step out for about ten minutes. So, I'm going to—I'm going ask my colleague from Queen to continue with the hearing. I know there are a number of questions. He's getting ready. So, I turn this over to Council Member Barry Grodenchik. Thank you.

DEPUTY COMMISSIONER HOLLWECK: Thank you.

COUNCIL MEMBER GRODENCHIK: Thank you, Chair Gibson and good morning.

DEPUTY COMMISSIONER HOLLWECK: Good morning.

COUNCIL MEMBER GRODENCHIK: Do you have a question, Councilman?

COUNCIL MEMBER GJONAJ: Thank you, colleague for the—

COUNCIL MEMBER GRODENCHIK: Don't take more than nine minutes because, I, you know, I want to start asking my questions before the Chair gets back.

COUNCIL MEMBER GJONAJ: It's a simple point that I want to make and then—

COUNCIL MEMBER GRODENCHIK: Okay.

COUNCIL MEMBER GJONAJ: --one that all of us have experienced at one point or another in our careers. When we put in for our funding and something as small as a park, and we're given a dollar amount for the capital project and the limited dollar amount—dollars that we have are appropriated to that project. It's something of high demand and much need and long anticipated and awaited by the community, to only find out that the dollar amount that we were given that we fully funded is not adequate enough that would require additional funding. Then begins the cycle and the cycle is we have to wait until the next budget to allocate that

money based on the information that we're given as the Revised Capital Needs. So. when we allocate that funding we find out that the price is going up again and by the time the bids have come in, that we have to allocate additional funding, and it's ground hog day all over again, and projects go on for years as we allocate our very limited funding available to capital projects to find out that it takes--some of our members have put in for capital projects when they first walked into office and by the time they got out eight years later the project, there's never been a shovel in the ground. It's a disservice to the community. It's a disservice to the elected, and the whole process, and if we can come up with a way to address this issue, and I think the--the most famous of them all is the library project.

COUNCIL MEMBER GRODENCHIK: Which one of them? There's numerous ones to save money.

COUNCIL MEMBER GJONAJ: Like the one in Queens that our colleague has started over 10 years ago.

COUNCIL MEMBER GRODENCHIK: The street leagues (sic) have taken. It's was the one that opened this week. Rego Park was--

COUNCIL MEMBER GJONAJ: It's like 10 years correct?

COUNCIL MEMBER GRODENCHIK: We're waiting on Rego Park in Far Rockaway also.

COUNCIL MEMBER GJONAJ: So, I just seen a picture. When we go out there and we do these incredible announcements that are received with applause and sometimes even tears, we look like we've deceived the public.

DEPUTY COMMISSIONER HOLLWECK: I have a question.

COUNCIL MEMBER GJONAJ: So, what are we going to do--.

DEPUTY COMMISSIONER HOLLWECK: What do we do?

COUNCIL MEMBER GJONAJ: --to change this.

DEPUTY COMMISSIONER HOLLWECK: Council Member, yeah, before you arrived, I, you know, I spent a lot of time, you know, talking about how we're trying to improve the process, but the other piece of this I think you articulated perfectly is that on the other side of this there's people who have invested their time, emotions, their money, the political capital. All the things that make the city

function, and they hand off this project with the expectations that this thing is going to get done, and it takes too long and it's—it—it doesn't do the city any good because it—people lose faith in government. They don't think that we have the capacity to do these things. Our answer in part is that we have created a unit so that that does not happen. The Front-End Planning Unit is working with the Queens Public Library and telling them this is what you can do, this is the box you can build. It can be a beautiful box. It can continue to be a beautiful box. This is the money you have to do it with or the money that you will need so that within 70 days or 80 days they know, and this is a new unit. We have some anecdote with—with libraries that did not go through that process with QPL, which have subsequently gone through it, and they subsequently gone into design thanks to the creation of the Front-End Planning Unit. Now, have we solved every problem with front-end planning? No. What we still have is this design bid/build process, which drags this process out much longer than it should be. I alluded before you arrived to the legislation in Albany seeking authority to use Design-Build

construction methods so that the designer and the contractor are procured at the exact same time eliminating a year of procurement like that. So this thing gets done. We're waiting for the Governor's signature.

COUNCIL MEMBER GJONAJ: You got a partner here. I'm all in with you--

DEPUTY COMMISSIONER HOLLWECK: That's good.

COUNCIL MEMBER GJONAJ: --and let's get this thing done--

DEPUTY COMMISSIONER HOLLWECK: Good.

COUNCIL MEMBER GJONAJ: --and I rely on my colleagues in the city to help put the pressure on Albany to finally deliver this. We need a Design-Build.

DEPUTY COMMISSIONER HOLLWECK: We thank you for your support.

COUNCIL MEMBER GJONAJ: That makes sense, and it saves taxpayer dollars--

DEPUTY COMMISSIONER HOLLWECK: Right.

COUNCIL MEMBER GJONAJ: --and time.  
Thank you.

DEPUTY COMMISSIONER HOLLWECK: Thank you.

COUNCIL MEMBER GRODENCHIK: We're also for Design-Build. I've—we've seen it work on the Kosciuszko Bridge--

DEPUTY COMMISSIONER HOLLWECK: Yes.

COUNCIL MEMBER GRODENCHIK: --although I will remind people that it took decades to get to the point where we funded, you know, that. Things take time because there are priorities so--

DEPUTY COMMISSIONER HOLLWECK: Yes, but I think you see under strong leadership when someone says get something done.

COUNCIL MEMBER GRODENCHIK: Yes, yes.

DEPUTY COMMISSIONER HOLLWECK: And that's we are with this.

COUNCIL MEMBER GRODENCHIK: And we have seen differences in-in projects in my neighborhood and other neighborhoods around the city. Tomorrow is my 32n Anniversary of my start in government, and I will say that over that time things have certainly improved with-in terms of our relationships, which the construction managers out in the field and my office at least, I know we've had good relationships, and we are able to get answers much more quickly than there were no-it was-it was difficult back 30 years



ago. Today it's a lot easier. If I have to I can even go out to the project and find somebody there. Although I don't think it's ever come to that. You mentioned Design-Build Commissioner and you—it gets us like a year. It's like pole vaults. It's a year ahead just—just like that.

DEPUTY COMMISSIONER HOLLWECK: Just in the procurement side, but also on the delivery side because you're delivering a project that you have much more certainty about its schedule and its constructability. Something that you don't have with your project is design stop and then the construction is procured and then the constructor has to examine the design documents to see what is feasible and what isn't feasible.

COUNCIL MEMBER GRODENCHIK: Do we use the Design-Build in negotiating now? Is that--?

DEPUTY COMMISSIONER HOLLWECK: No, I mean--

COUNCIL MEMBER GRODENCHIK: Is that a yes or a no?

DEPUTY COMMISSIONER HOLLWECK: Soon I will be sharing a document about the—the dozens of

things that the School Construction Authority is able to do that the--

COUNCIL MEMBER GRODENCHIK: [interposing]  
Yeah, I know. I was there.

DEPUTY COMMISSIONER HOLLWECK: --  
Department of Design and Construction cannot.

COUNCIL MEMBER GRODENCHIK: We understand that.

DEPUTY COMMISSIONER HOLLWECK: Right.

COUNCIL MEMBER GRODENCHIK: And we--

DEPUTY COMMISSIONER HOLLWECK: And--and  
the--and--

COUNCIL MEMBER GRODENCHIK: --are  
wondering.

DEPUTY COMMISSIONER HOLLWECK: Yeah.

COUNCIL MEMBER GRODENCHIK: --about that.

DEPUTY COMMISSIONER HOLLWECK: Yep.

COUNCIL MEMBER GRODENCHIK: Okay, so they  
don't have it yet and--

DEPUTY COMMISSIONER HOLLWECK: They've  
got lots of other tools.

COUNCIL MEMBER GRODENCHIK: They have a  
lot other tools--

DEPUTY COMMISSIONER HOLLWECK: Yes.

COUNCIL MEMBER GRODENCHIK: --and we work very closely with Commissioner Grillo.

DEPUTY COMMISSIONER HOLLWECK: Yes.

COUNCIL MEMBER GRODENCHIK: On that end we—we have great affection and respect for her. You have in your—I was just reading through this. You have in your brochure the 116<sup>th</sup> Precinct, but it's not in my district, but well, that's true. I am very interested in the project. I've been a big supporter. It would be in Councilman Richard's district in Rosedale, and I see the mock-up. I see the American flag with the wind blowing east, which is unusual. It's usually blowing the other direction in that neighborhood but that's okay. [laughter]

DEPUTY COMMISSIONER HOLLWECK: Yes, you guessed that. (sic)

COUNCIL MEMBER GRODENCHIK: The—the question I have for you with this, I know that the 116 has moved along rather quickly.

DEPUTY COMMISSIONER HOLLWECK: Yes.

COUNCIL MEMBER GRODENCHIK: Not as quickly as I'd like. I—I guess the Mayor announced funding for that soon after I got to the Council like 3-1/2 years ago so it's--

DEPUTY COMMISSIONER HOLLWECK: Right.

COUNCIL MEMBER GRODENCHIK: So that will give you some idea. There is a timeline and that's a project that has moved quickly.

DEPUTY COMMISSIONER HOLLWECK: Right.

COUNCIL MEMBER GRODENCHIK: First we had to find a location. So there are a lot of steps that go well beyond what even the DDC is able to accomplish.

DEPUTY COMMISSIONER HOLLWECK: Right, but we're-we're designing and constructing that under existing rules, pre-frontend planning. We are procuring construction for that project as we speak. So there should be a shovel in the ground.

COUNCIL MEMBER GRODENCHIK: Yeah, I'm looking for it. I've heard that through the grapevine--

DEPUTY COMMISSIONER HOLLWECK: Yes.

COUNCIL MEMBER GRODENCHIK: --and Councilman Richards is just feeling really good about that.

DEPUTY COMMISSIONER HOLLWECK: Yeah, when-when the Mayor tells you to do something, you know, you make sure you do it.

COUNCIL MEMBER GRODENCHIK: Yes, I usually follow what he wants.

DEPUTY COMMISSIONER HOLLWECK: Yes.

COUNCIL MEMBER GRODENCHIK: Not always, but usually.

DEPUTY COMMISSIONER HOLLWECK: Yeah.

COUNCIL MEMBER GRODENCHIK: My question for you is to follow up on something that Councilman Gjonaj just talked about. I can make a deal with a handshake with the School Construction Authority because we have, you know, projects that fall short of funding there as well. It's not just DDC who design projects, but I promised them that I'm going to fund it in the next cycle and they go ahead and start the process, which is not the case with anything that the city does outside of SCA, and it can be extremely frustrating. We do not and I'm looking at Mr. Toth. We do not do capital budget mods during the year with you. The Mayor's Office can do that. We don't. Am I correct with that, Mr. Toth that the Mayor's Office can do?

NATHAN TOTH: [off mic] Yes, we request from the Mayor's Office normally and that's fine.  
(sic)

COUNCIL MEMBER GRODENCHIK: Okay, okay, so, but the Mayor has a lot more funds at his or her discretion to do that with. So, one of the ideas and I have mentioned this before to some of the commissioners and some of my colleagues and I have discussed it, without putting you under too much pressure, would it be advisable that there would be a fund to kind of like—it would almost be like the mortar to the bricks where you're \$100,000 short of to half a million dollars short on an major project, and at the discretion of the Commissioner and with the approval of the Council, we would be able to move those projects along without having to wait a full budget cycle. Do you think that would be--? It couldn't hurt right?

DEPUTY COMMISSIONER HOLLWECK: I mean that's sort of an anecdotal question. So, I couldn't give you the—as specific answer to it. I will say that the School Construction Authority the way and I'm sure Council Finance staff can—can give a chapter and verse about it, but they have a lot more flexibility in how funds are, you know, sort of moved and it's again because they're an authority because of the relationship to their oversights, they're able

to do things more efficiently. Yes, it would be a good idea.

COUNCIL MEMBER GRODENCHIK: Okay, yeah, but you know, I mean because a lot of what--

DEPUTY COMMISSIONER HOLLWECK: [interposing] Listen, I can't--and before I, you know, get into hot water--

COUNCIL MEMBER GRODENCHIK: Don't get into the hot water.

DEPUTY COMMISSIONER HOLLWECK: I'm already in hot water, but, you know, this is--this is a conversation that we need to have with the Office of Management and Budget, which is the custodian of a budget of tens and tens of billions of dollars, and--and which they are--

COUNCIL MEMBER GRODENCHIK: [interposing] Well they are--

DEPUTY COMMISSIONER HOLLWECK: --they are the fiduciaries for that.

COUNCIL MEMBER GRODENCHIK: With all due respect, and I know people from the Mayor's Office are here this morning, and their job is to make sure we don't spend money even though we know, of course, we have to spend money. They want us to spend as

little as possible because they're under tremendous pressure. Whereas, we want to spend where, you know, we want to build stuff and we want to—we want to update stuff, which, some of which is incredibly critical to the city's life like sewers and water mains and they about the unsexist projects there are, but without a sewer system the city would stop in [snaps fingers] faster than that, you know.

DEPUTY COMMISSIONER HOLLWECK: I mean you're talking to infrastructure people. This stuff is sexy to us.

COUNCIL MEMBER GRODENCHIK: Okay.  
[laughter]

DEPUTY COMMISSIONER HOLLWECK: And—and I'm—I—I'm not being facetious. This is—this is the—this really important stuff.

COUNCIL MEMBER GRODENCHIK: No, it is and I know it's--

DEPUTY COMMISSIONER HOLLWECK: It's sexy.

COUNCIL MEMBER GRODENCHIK: --you know to me I mean, you know.

DEPUTY COMMISSIONER HOLLWECK: Yeah.

COUNCIL MEMBER GRODENCHIK: DEP if you're listening the water main break on 73<sup>rd</sup> Avenue and



210<sup>th</sup> Street still hasn't been looked at, but it's—  
it's parks, it's libraries that kind of stuff,  
school, playgrounds, whatever you have, and it takes  
some time, but I—I—I just think that fund or, you  
know, the thought of it and I'll be talking more with  
Danny Dromm about that and—and the Speaker, and  
hopefully we can get some movement on that.

DEPUTY COMMISSIONER HOLLWECK: Again,  
without our planning on sort of, you know, budget  
issues, what—what we are proposing in our blueprint  
is increased flexibility and there—there are multiple  
ways to do that.

COUNCIL MEMBER GRODENCHIK: I think it is  
important. I really think it is. I—I look from time  
to time at Parks Department. They now, they've put  
some of their bids online. So, it's fascinating to  
see projects where, you know, they're a little bit  
over. You know sometimes it's \$50 or \$100,000 and  
sometimes— There is one project in the Bronx  
somewhere. It was like 47% over. It was expected to  
be \$10 million. It was closer to \$15 million and—and  
that is really wrong. (sic) I imagine that happens  
also on \$100 million or a billion dollar projects as  
well.

DEPUTY COMMISSIONER HOLLWECK: Correct and--and an initiative we're undertaking, not to--not to, you know, beat dead horse here is that we are trying to have a much better understanding of the true costs and the true schedule with our office--through our Office of Cost Control so that, you know, I think a better example is a project that, you know we estimate at, you know, \$5 million and it come in substantially higher, which is not, you know a marginal issue. You know we have--we have to understand why that is and fix that so that we don't, you know, we can sort of beat you to that question before--before we get to it.

COUNCIL MEMBER GRODENCHIK: Yeah, it's--it's--when I listen, it's frustrating, and I know the economy is booming in New York City and it's, you know everywhere we look there are cranes building and it's sometimes hard. You know, I've had this conversation with Terese Braddock and others at Parks and--

DEPUTY COMMISSIONER HOLLWECK: Uh-hm.

COUNCIL MEMBER GRODENCHIK: --it's hard to find contractors that or responsible contractors and--and that's--we talked about what happens after the

contract is going, and I had a major issue in Bayside Hills, which was resolved quickly where the contractor went belly-up on that water main project, and fortunately within a month we were able to replace them but that's unusual, and so-so all kinds of stuff happens, and I know it keeps you all busy. I don't know if the Chair had other questions for the panel. That's it, yeah. Alright. Let me see. Is there anything else I've scribbled down here that I haven't read yet. This, Front-End Plan, my last question. Does that cover any—I mean your—your projects go from under a million to billions. So it covers everything?

COUNCIL MEMBER GRODENCHIK: Okay, so every single project. That's good.

DEPUTY COMMISSIONER HOLLWECK: All of it.

COUNCIL MEMBER GRODENCHIK: It's good to hear. Alright.

DEPUTY COMMISSIONER HOLLWECK: Again as we were preparing for this hearing, you know, a point we wanted to make is no project is-is missed and I think Council--Council Members who are responsible for funding maybe perhaps what we would call smaller projects maybe smaller budget projects get the same

attention, the same full review that any other does.  
We—we consider every project important.

COUNCIL MEMBER GRODENCHIK: And I'm  
looking forward to working with you on a new  
Education and Business Center at the Queens County  
Farm Museum. I'm sure you're familiar with that. I  
don't know if you still take your children there,  
Commissioner.

DEPUTY COMMISSIONER HOLLWECK: Yeah, I  
do.

COUNCIL MEMBER GRODENCHIK: Finkelpearl  
(sic) is the Commissioner and your OMB Director is  
very familiar with it. So, I'm—I'm excited, but we  
have \$9.5 million. This is not a commercial, by the  
way. I just wanted to make that clear, but we do  
have \$9.5 million in funding, and I think for the  
first phase we need a million or two more now, and  
I'm hopeful that we'll get that very soon, and then  
if we could do both phases at once that would be  
good.

ASSOCIATE COMMISSIONER BOORSTYN: Council  
Member we'd be very happy to work with you as early  
as you like. We can help you develop that budget to  
make sure that you get this project on the way.

COUNCIL MEMBER GRODENCHIK: I will mention that to my Chief of Staff and to Mrs. Jennifer Weprin who runs the farm. It's-it's an amazing place and it gets over 400,000 visitors a year. I think that's-I'm really back up? (sic) It's one of the most visited cultural in the city and 130,000 school children a year. We just had the Queens County Fair there. Over 16,000 visitors this weekend so-and if you haven't gotten to May's Maids you can-there's still time to sponsor that. It's sponsored by a utility that I don't want to mention. [laughter] Alright, I am going to-unless he Counsel tells me otherwise, I'm going to release the panel. It's okay? Well, Alexa Hunte, you smiled over there? Okay. Alright, we're going to thank you and please give our regards to Commissioner Grillo.

DEPUTY COMMISSIONER HOLLWECK: We will.

COUNCIL MEMBER GRODENCHIK: And, I thank you for your work.

DEPUTY COMMISSIONER HOLLWECK: Thank you.

ASSOCIATE COMMISSIONER BOORSTYN: Thank you.

COUNCIL MEMBER GRODENCHIK: There are-currently, nobody else wanting to testify? No?

2 [background comments] Alright, I'm going to close  
3 this hearing on behalf of my colleague and Chair  
4 Vanessa Gibson. I thank you all for being here  
5 today, and this thing was closed let's say 11:30.  
6 Have a wonderful day. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date September 30, 2019