



NYC Parks



Local Law No. 16 of 2023

# Reducing Capital Project Durations

December 2023



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**Reducing Capital Project Durations**

Sue Donoghue  
Commissioner, NYC Parks

Thérèse Braddick  
Deputy Commissioner for Capital Projects

Lindsay Quartini  
Chief of Strategic Initiatives







Callahan-Kelly Park, Brooklyn

## Foreword from the Commissioner

One of the strongest indicators of a vibrant and restorative park system are the new playgrounds, bathrooms, fields, and other amenities we continually deliver across the five boroughs. NYC Parks' Capital Projects Division is responsible for managing over 500 projects that creatively respond to community goals and ensure long lasting, equitable, accessible, and sustainable spaces. I'm incredibly proud of the work we do, especially when it comes to our award winning designs, interagency collaboration, engagement with the M/WBE community, and the number of projects we complete every year.

While 88% of our construction projects are completed on-time or early, and 91% are completed within budget, the reality is that construction in New York City is a challenge. Like other City agencies, Parks is required to comply with numerous regulations and external reviews. These rules, along with our own internal processes, have contributed to protracted project durations.

We recognize the objective of Local Law 16, to reduce the duration of our capital projects, and we are pleased to present this report highlighting a number of strategies to achieve time savings. Many of the initiatives you'll see in this report were derived from the Capital Process Reform Task Force, convened by Mayor Eric Adams in 2022, while others focus on internal processes where we identified opportunities to improve project timelines.

Now more than ever, we realize that our parks are a necessity, not a luxury. Our dedicated effort to deliver projects to the public as quickly as possible demonstrates our commitment.

Sue Donoghue  
Commissioner, NYC Parks

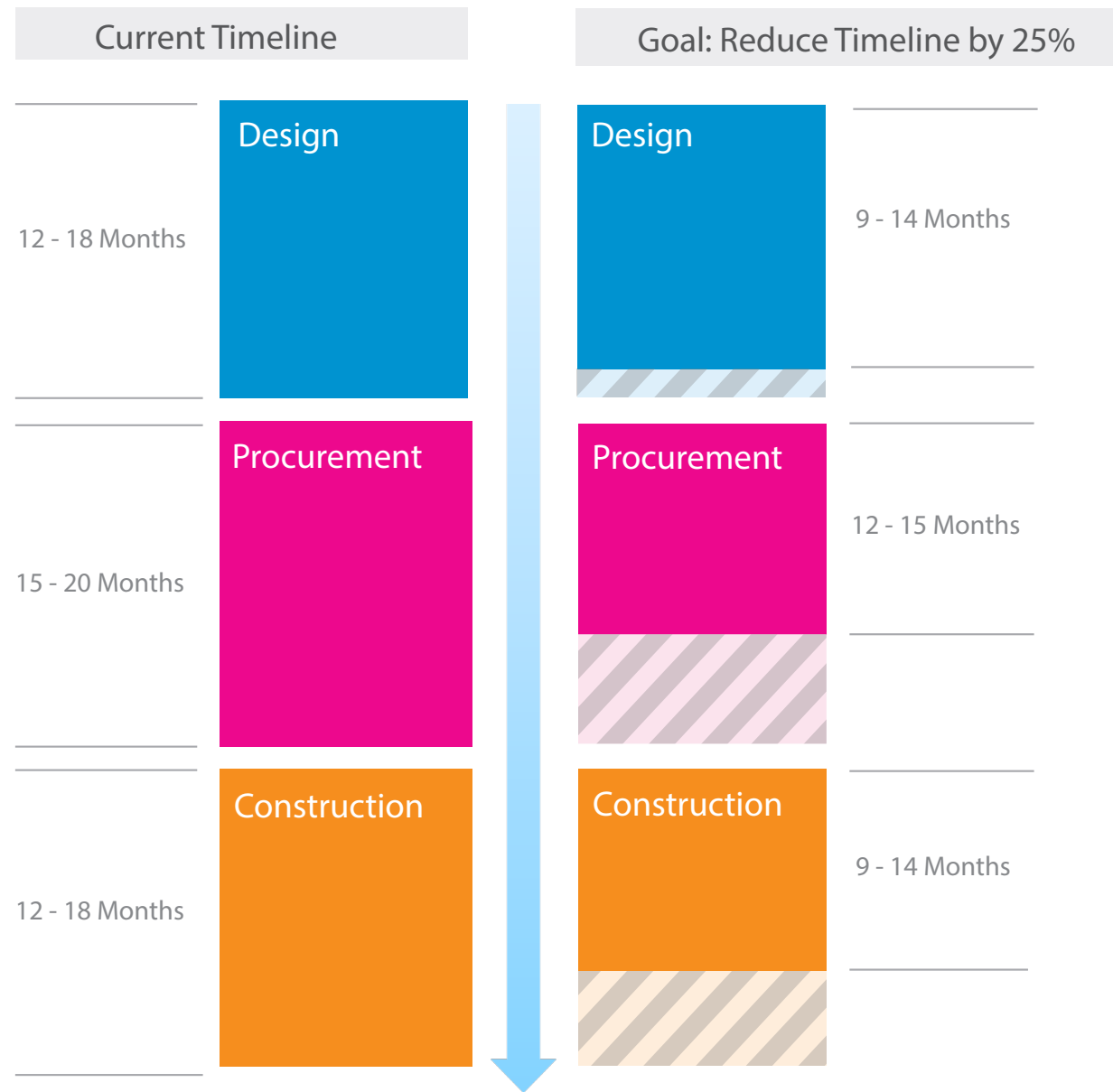




# The Capital Process

The Capital Projects Division is the design, procurement, and construction arm of NYC Parks, and it's where we create some of the best parks in the world.

The City of New York has prioritized capital process reform efforts to deliver projects better and faster to New Yorkers. This report focuses on Parks-managed projects, with a capital process that consists of three phases: **Design**, **Procurement**, and **Construction**. The following pages are organized by each of those phases to demonstrate which points in the process will benefit from each time-saving measure. While not every strategy can be applied to every project, they collectively represent many opportunities and mark a turning point in the way Parks capital projects are managed.



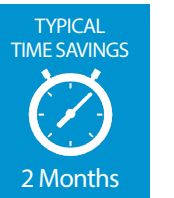


# 1 Design

Parks' capital design program includes architecture, engineering and landscape architecture projects. The design phase begins with community input, where the community, elected officials, and Parks staff meet to identify priorities for the project. Parks then uses environmental data, forestry assessments, and other site surveys, along with community feedback to develop conceptual and schematic designs for review by the community and regulatory agencies. Designs are ultimately developed into detailed construction drawings, which contractors use as instructions for building the project.

## Standardizing Architecture and Engineering Specifications

Parks' Architecture and Engineering unit currently uses project management staff to prepare estimates and develop design specifications and guidelines on a project-by-project basis. Considering many of our architecture and engineering projects, like public restroom building reconstructions and lighting upgrades, require similar scopes of work, we are developing standard specifications and guidelines that can be used repeatedly and save time when new projects get started. By using standard pre-approved design guidelines, we will also see time savings later in the project during required reviews and permitting. We have also already expanded this standardization approach to include guidelines for capital projects at recreation centers.



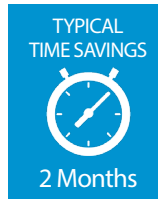
2023 Standard Public Restroom Building



# Partnering with the Department of Environmental Protection

## Access Corridors

Density defines New York City, and that extends underground. Critical utility infrastructure, like sewer mains and water lines, which fall under the jurisdiction of the New York City Department of Environmental Protection (DEP), are often located beneath park sites. To ensure that DEP can reach these areas in case of an emergency, park designs must undergo a review to confirm sufficient space is provided. Parks is working very closely with a dedicated team at DEP to reduce the number of reviews and reach interagency concurrence sooner in the design process to keep the project moving without additional delay.



## Unified Stormwater Rule

We are working closely with DEP to define standards that meet stormwater goals and regulations, while ensuring that adding green infrastructure and other stormwater retention measures to designs does not delay projects. To aid in this process, we recently hired an engineer to focus solely on consistency in the materials we submit for DEP approval, which will minimize revisions by design staff.



Louis Simeone Park, Queens

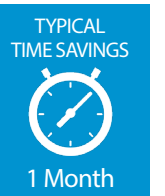


Wakefield Playground, Bronx

# Partnering with the Department of Buildings

## Permit Requirements and Approvals

Many of our projects require permits from the New York City Department of Buildings (DOB), for example: public restroom buildings, flag poles, retaining walls, and other park elements that have a structural component. These park features are typically very similar, and the work involved in constructing or repairing them is routine. Parks and DOB are working together to identify certain standard project elements that can be exempted from the permitting process so projects can be completed more quickly. For more complex projects that will still follow the traditional permit review process, Parks will hire a Project Advocate to act as a liaison with DOB and guide our applications. Both of these improvements will save time during reviews with DOB and allow design staff to spend more time focusing on advancing their projects.



Fresh Kills North Park, Staten Island



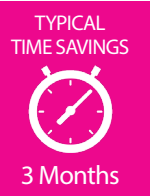
# 2 Procurement and Budget

A completed design signals the start of legal and permitting review, followed by an advertisement that the project is ready for bid. Once bids are received, we work with other City agencies to conduct due diligence and award the contract. We work with the contractor on a start date while we await contract registration by the Office of the New York City Comptroller.

## Leveling Up Our Bidding Strategy

### 1 / Pre-Qualified Lists

Parks typically depends on one of two methods to bid a capital contract: competitive sealed bid, which is publicly advertised and any person or entity can submit a bid, or bid to a pre-qualified list of vendors (PQL), which is only solicited to a select list of firms that have been screened for relevant experience, capability, and risk.

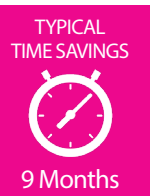


In either bidding scenario, contracts are awarded to the lowest responsive and responsible bidder. While competitive sealed bidding casts a wide net, it also invites bids from firms that may not be familiar with the City's unique regulatory requirements or are unprepared to undertake the scale or complexity of a project. While firms that do not meet a project's requirements are ultimately not awarded the contract, it typically takes 2-4 months to officially dispense with the low bid and move onto the next lowest bidder, which restarts the vendor review process and takes another two months.

We recognized this as an opportunity to expand our use of the PQL method. The vendors on any given PQL have already been vetted for experience, financial capacity, and safety history, and the lowest bidder can typically be awarded the project in 2 months. We will have three PQLs in place and available for use by the end of 2023, including an M/WBE favored PQL for non-complex site work, a PQL for building reconstructions, and another for new building construction. We anticipate including additional PQLs to capture other contract types in 2024.

### 2 / Noncompetitive Small Purchases for M/WBE

Contracts under \$1 million can be awarded directly to any Minority or Woman-Owned Business Enterprise (M/WBE) without a formal competitive process, which shortens our typical procurement by 6-12 months. We will be able to use this method for even more projects when the New York State Legislature approval to increase the threshold to \$1.5 million is finalized.



## Parks is a Leader in M/WBE Contracting

Top 3

Mayoral agencies for M/WBE spending

142

Noncompetitive small purchase contracts awarded since 2020

4

MBEs graduated from sub to prime contractors

22

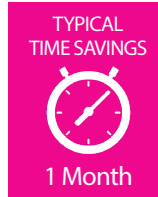
Street tree planting contracts awarded to M/WBEs since 2021



# Streamlining Internal Processes Using Technology

## 1 / Generating Standardized Work Orders

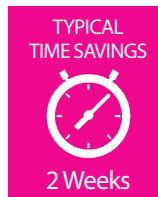
A work order package, also known as a Request for Proposal (RFP), is prepared every time Parks needs to procure consultant services to support a capital project, such as a design or engineering consultant, construction management services, or special inspections and testing. To solicit these consultant services, design staff and project managers prepare RFPs on a project-by-project basis to secure the specific services needed. In 2023, Parks identified a need for RFPs to be prepared with more clarity and consistency, and developed a program that allows project managers to fill out a digital form with the details of their consultant needs. That form compiles the information and generates each project-specific RFP in the format needed for procurement.



In addition, a series of trainings and consultant scope standards are being developed to ensure consistency and a level playing field for consultants, which will streamline the proposal and selection process.

## 2 / Digitizing the Consultant Payment Process

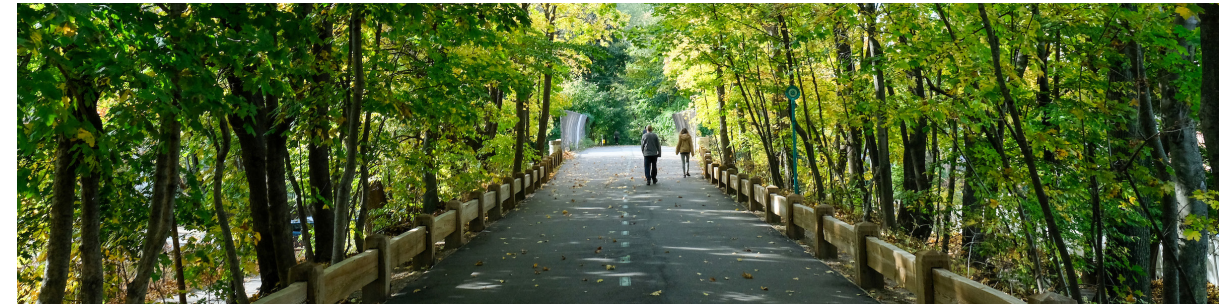
At the end of 2021 Parks developed a new process in its project management software to digitize and manage consultant payment review. Prior to this, all consultant payments for design, construction management, special inspections, and environmental services were processed via email, being forwarded from the project management team to the Accounting unit, then Engineering Audit Office, and back to Accounting for final payment authorization. Parks did not have any systems in place to track how long consultant payments took, or how many were being processed.



Since releasing the new process, Parks has seen a decrease in the timeline for approving capital consultant payments. Processing payments via Parks' project management software also means that staff and consultants have a clear point of reference for what work was approved under those payments, especially if corrections or changes were made through the approval process.



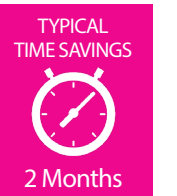
Astoria Park's Charybdis Playground, Queens



Vanderbilt Motor Parkway, Queens

## 3 / Integration Between PASSPort and Parks Capital Contracts

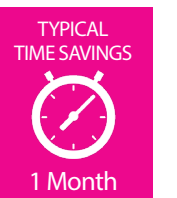
The Contract Book Generator (CBG) is an in-house program that automates the creation of NYC Parks' contract books. Over the past year, the CBG has been enhanced to generate contract book output files that meet the requirements of PASSPort, the City's online procurement portal managed by the New York City Mayor's Office of Contract Services.



Prior to the enhancement, Contracts staff had to manually manipulate the generated digital file, breaking it down into components suitable for upload into PASSPort. This manual process was tedious and time consuming for staff and created a backlog which increased the procurement timeline. The enhancement has allowed the CBG to generate PASSPort-ready documents, eliminating an additional administrative step and allowing staff to focus on the procurement of capital contracts.

## 4 / Centralized Submissions to OMB

In order to spend capital money, City agencies must obtain a Certificate to Proceed (CP) from the New York City Mayor's Office of Management and Budget (OMB); the CP is the official approval to spend a specific amount of money on a specific scope or project. Our CP requests to OMB are accompanied by backup documentation from multiple divisions within Parks, which confirm there are no conflicts of use, such as with a concessionaire or other agency. It also estimates how long the City investment is expected to remain at the site and any expense funding needs for ongoing maintenance and operations once the work is completed.



Compiling this backup information was previously done via email, which caused an unnecessary administrative burden for the approximately 150-250 CP packages that Parks submits to OMB every year, and led to unpredictable response times and difficulty prioritizing requests. In August 2023, we reconfigured our project management software to enable a project manager to request the backup from all units simultaneously and to manage response durations through a time-tracked workflow.

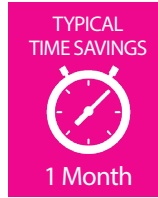
Additionally, with an OMB policy change in September 2022, stipulating that these backups no longer expire (the previous policy was to require timestamped emails from within the past 6 months), Parks is able to request these backups earlier in the process so that CPs are less frequently in the critical path for contract or change order registration. This enables staff responsible for providing this backup material to better balance fulfilling these requests with their other job responsibilities.



# Getting Projects Out to Bid Sooner

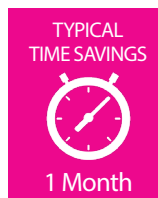
## 1 / Optimizing Legal Reviews

Before agencies can bid construction projects, a contract book must undergo legal review. Currently, contracts are reviewed by our in-house legal team and then sent to the New York City Law Department for an additional level of review. These legal reviews of contract books are often duplicative, and only a small number of the contracts we approve internally receive additional comments from the secondary Law Department review. After studying the contract types that do not routinely receive edits during Law Department review, we are pursuing approval of a pilot program that will allow certain categories of contract books to undergo a single in-house legal review instead.



## 2 / Undertaking a Global Project Labor Agreement Study

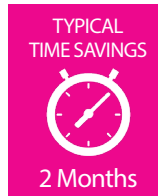
When NYC agencies solicit new building construction projects over \$3 million, they are required to undergo a feasibility study to confirm if bidding the project subject to a Project Labor Agreement (PLA) will result in cost savings for the City. PLAs typically make larger building projects more efficient and cost-effective by creating consistent and uniform rules for various trade unions' work hours, jurisdiction, and dispute resolution. These PLA studies, which are prepared by a consultant for each new building project, can take up to 3 months and are subject to oversight agency review and approvals.



To avoid preparing individual PLA studies for each new building, especially those of similar scopes like our public restroom buildings, we are pursuing a global PLA study that encompasses a broad range of our building projects. The results of that global study can be applied to all applicable new building projects for as long as the current PLAs remain effective, and we avoid the need to individually study each project.

## 3 / Streamlining Contract Reviews

The procurement process begins with a Pre-Solicitation Review (PSR), during which Contracts staff review the project for bid readiness. The best way to ensure a contract can be bid as soon as possible after design is complete is to confirm it has (a) already undergone legal review (b) has M/WBE goals set, (c) grant requirements are included, if applicable, and (d) permits have been approved or are nearly finalized.



While we previously sought legal review and permit approvals after the PSR, this did not support a timely process, as changes made as a result of permitting requirements or legal revisions effectively set the overall procurement back in time. By adjusting the internal workflow between design completion and procurement start, we can ensure that every contract submitted for a PSR is finalized and ready for bid.



Sandpiper Playground, Queens

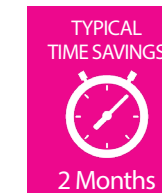




Jerome Playground South Skate Park, Bronx

## Eliminating Redundant Pre-Award Reviews

Once bids are opened, vendors must go through multiple vetting procedures. Thanks to recent advances in NYC procurement technology and Mayoral policy, we've eliminated several steps from the critical path of procurement.



### Prevailing Wage Rates

The City's Standard Construction Contract is clear about what is expected of contractors when it comes to paying prevailing wage rates. Since 2007, agencies have complied with Executive Order 102, which requires an additional internal review of a vendor's wage rates to ensure the low bidder can pay the appropriate rates if their bid amount was substantially lower than competing bidders. Based on recommendations from the Capital Process Reform Task Force, this outdated Executive Order has been repealed, which will save two months on average when the difference between the first and second low bidders is more than \$300,000 or 10%, whichever is greater.

### Division of Labor Services Reform

Current policies established by the New York City Department of Small Business Services (SBS) Division of Labor Services require that vendors undergo a 30-day waiting period for projects over \$1 million during which they complete employment reports and undergo an Equal Employment Opportunity orientation. Considering that many vendors hold multiple contracts with the City, sometimes across agencies, the repeated vetting period adds a delay to every project. Based on recommendations from the Capital Process Reform Task Force, SBS is revising its rules to facilitate contractor compliance, which will save two weeks when reviewing applicable bids.

### Reviewing Project Bids

By using the PASSPort portal, Parks no longer needs to tabulate and quality control the entire bid schedules of up to 30 bidders, and instead can simply check the lowest bidders' pricing for errors. This new process saves one week in reviewing bid results.



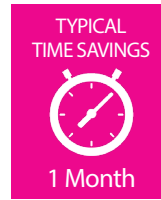
Mary O'Connor Playground, Manhattan



# Securing Budget Approvals Efficiently

## Increasing the Capital Approval Standard Threshold with OMB

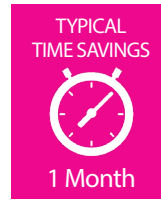
A Capital Approval Standard (CAS) is an expedited approval for common park projects up to a certain dollar amount. This includes playgrounds, pathways, ballfields, and public restroom building projects that do not include grant funding. Typically, CAS approval is approximately 2-4 weeks faster than the traditional CP approval from OMB.



We've been able to rely on the CAS since 2019, but the dollar value was limited, and taking into account inflation and an increased emphasis on bundling smaller projects into one construction contract, earlier thresholds no longer covered the majority of our work. Working closely with our colleagues at OMB, and with the Capital Process Reform Task Force, Parks now has increased CAS thresholds that will apply to a larger percentage of our projects. As of June 2023, the updated CAS covers design consultants up to \$2 million (up from \$1.5 million) and construction or reconstruction of parks, playgrounds, and public restroom buildings up to \$10 million (up from \$5 million).

## Expediting Approvals when Project Costs Increase

When the need for a change order arises during construction, agencies must seek approval to use contingency funding from OMB, in a process called a Budget Code Modification (BCM). OMB's oversight through the BCM process ensures that the work is capably eligible. Our earlier practice was to negotiate the change order price with the contractor, await approval from our independent Engineering Audit Office (EAO), and then prepare a change order package for submission to OMB.



In early 2023, we reexamined our change order negotiation process and made a policy decision that, as soon as the contractor and Parks construction leaders negotiate a fair price, the OMB and EAO reviews can happen in parallel. This review process has shown time savings of 2-4 weeks and supports a faster change order review and approval process that keeps contractors working more efficiently.



Travers Park, Queens

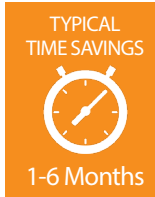
# 3 Construction

Construction begins with an Order to Work date, after which the contractor builds the project according to the contract documents developed during the design phase of the process. Construction management staff oversee the daily operations of the project to ensure it's built to Parks' standards and resolve any issues that arise. A site is opened to the public after NYC Parks accepts the completed project.



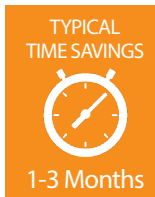
## Incorporating an Expanded Work Allowance

One of the most significant reforms to result from the Capital Process Reform Task Force will be the use of an Expanded Work Allowance (EWA) for projects in construction. EWA is a provision for change orders that is budgeted and registered with the Comptroller at the project start. EWA will have the single greatest impact on reducing the duration of Parks-managed projects because it allows approved changes in construction to be undertaken immediately by the contractor, who can get paid for their work while approvals are ongoing. Considering the change order approval process can take 6-12 months, including the EWA in our construction contracts will have an incredible impact on reducing the duration of projects in construction that would have otherwise seen lengthy delays. We will begin incorporating this into our contracts in 2024.



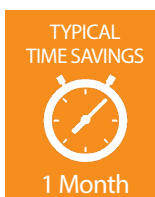
## Incorporating Early Completion Incentives

Construction contracts specifically identify the length of time it will take to build the project, based on realistically achievable schedules and unknowns like weather or other unforeseen conditions. In an effort to reduce the amount of time parks are closed for construction, especially during peak season or in neighborhoods with fewer open spaces, Parks began including early completion incentives in some contracts starting in 2023. The contract will clearly outline the amount of financial incentive and the milestones that must be met in order for the contractor to receive the incentive. The contractor is responsible for determining the means and methods for expediting construction, which could include double shifts, ordering materials early, or working on weekends. It's a win-win situation for the community to get access back to their park sooner, and also for the Parks construction staff who can turn their attention to another new project.



## Establishing Protocols for Utility Coordination

Many Parks projects require coordination with utility companies, especially when installing new services to support public restroom buildings or lighting. Building upon communication protocol established through the Capital Process Reform Task Force, Parks is working directly with the utilities to establish a clear workflow that defines scope early in design to proactively identify coordination issues. These changes will allow us to prioritize upcoming requests and sequence approvals to keep projects moving forward. Better communication with utilities will reduce the time needed to address the most common utility needs in our projects.



Luis R. Lopez Playground, Modular Public Restroom Building, Staten Island



# SUMMARY OF TIME SAVINGS

The strategies in this report will touch all phases of Parks-managed capital projects, and will be a major step towards the goal of a 25% reduction in project durations. We will be monitoring and evaluating the effectiveness of the time-saving measures currently in place while we work towards finalizing those in progress.

Design

Procurement

	TYPICAL TIME SAVINGS
✓ Standardizing Architecture and Engineering Specifications Using consultant services to assist in developing specifications	2 months
✓ Partnering with DEP Standardizing processes to reduce permitting approvals	2 months
✓ Partnering with DOB Establishing a process to streamline approvals	1 month
✓ Pre-Qualified Lists Established lists of vendors to avoid delays related to unqualified bids	3 months
✓ Expanding M/WBE Noncompetitive Small Purchases Will begin awarding contracts under \$1.5 million directly to any M/WBE vendor without a formal competitive process	9 months
✓ Generating Standardized Work Orders Created a program to ensure quality and consistency in work order packages that will allow consultants to be procured more expeditiously	1 month
✓ Digitizing the Consultant Payment Process Enabled project management software to digitize and manage consultant payment review	2 weeks
✓ Integration Between PASSPort and Parks Capital Contracts Automated the process for generating contract books to produce PASSPort-ready documents	2 months
✓ Centralized Submissions to OMB Established new workflows to prepare CP submissions and allow consultants to be procured more expeditiously	1 month

- ✓ In Place
- ✓ In Progress
- Upcoming

	TYPICAL TIME SAVINGS
● Optimizing Legal Reviews Pilot a program to limit reviews for certain project categories	1 month
✓ Undertaking a Global Project Labor Agreement Study Use study results to expedite eligibility determinations	1 month
✓ Streamlining Contract Reviews Obtaining legal and permitting approvals as early as possible to avoid future procurement delays	2 months
✓ Eliminating Redundant Pre-Award Reviews Streamlining lengthy vetting procedures and vendor requirements	2 months
✓ Increasing the Capital Standard Approval Threshold with OMB Allowed more projects to benefit from expedited approval	1 month
✓ Expediting Approvals When Project Costs Increase Streamlined internal approvals	1 month
● Incorporating an Expanded Work Allowance Will allow approved changes in construction to be undertaken immediately	1-6 months
✓ Incorporating Early Completion Incentives Allowed financial incentives to encourage expedited construction completion	1-3 months
✓ Establish Protocols for Utility Coordination Partnering more closely with utility companies	1 month

- ✓ In Place
- ✓ In Progress
- Upcoming

Procurement

Construction



