S T A T E O F N E W Y O R K

5383

2009-2010 Regular Sessions

I N A S S E M B L Y

February 13, 2009

Introduced by M. of A. KOON, BRENNAN -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the state finance law and the public authorities law, in relation to the use of value engineering in capital projects

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The state finance law is amended by adding a new section 127-b to read as follows:

S 127-B. VALUE ENGINEERING IN CONSTRUCTION AND REPAIR OF BUILDINGS OF INSTITUTIONS. 1. BEGINNING JULY FIRST, TWO THOUSAND NINE AND ENDING MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, THE COMMISSIONER OF GENERAL SERVICES SHALL ESTABLISH A DEMONSTRATION VALUE ENGINEERING PROGRAM. "VALUE ENGINEERING" SHALL MEAN A SPECIALIZED COST CONTROL TECHNIQUE WHICH USES A SYSTEMATIC APPROACH TO IDENTIFY AND EVALUATE ALTERNATIVES TO ACHIEVE THE ESSENTIAL FUNCTIONS OF A CAPITAL PROJECT AT THE LOWEST LIFE CYCLE COST CONSISTENT WITH REQUIRED PERFORMANCE, RELIABILITY, QUALITY AND SAFETY. LIFE CYCLE COSTS MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, COSTS OR SAVINGS ASSOCIATED WITH CONSTRUCTION, ENERGY USE, MAINTENANCE, OPERATION, AND SALVAGE OR DISPOSAL. ALL CAPITAL PROJECTS WHOSE ESTIMATED COST IS OVER TWENTY-FIVE MILLION DOLLARS WILL BE CONSIDERED FOR VALUE ENGINEERING STUDIES. THE COMMISSIONER OF GENERAL SERVICES SHALL ESTABLISH CRITERIA FOR SELECTING APPROPRIATE PROJECTS WHERE VALUE ENGINEERING DESIGN REVIEW WOULD BE LIKELY TO RESULT IN SIGNIFICANT SAVINGS OR IMPROVED QUALITY.

2. ON OR BEFORE AUGUST FIRST, TWO THOUSAND TWELVE, THE COMMISSIONER OF GENERAL SERVICES SHALL SUBMIT TO THE DIRECTOR OF THE DIVISION OF THE BUDGET A PRELIMINARY EVALUATION OF THE DEMONSTRATION VALUE ENGINEERING PROGRAM INCLUDING, BUT NOT LIMITED TO, VALUE ENGINEERING STUDY COSTS, PROJECTED AND ACTUAL SAVINGS ACHIEVED BY IMPLEMENTATION OF VALUE ENGINEERING RECOMMENDATIONS, AND RECOMMENDATIONS FOR ESTABLISHING A PERMANENT VALUE ENGINEERING PROGRAM. ON OR BEFORE DECEMBER FIRST, TWO THOU-

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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SAND TWELVE, THE DIRECTOR OF THE DIVISION OF THE BUDGET SHALL SUBMIT A FINAL REPORT TO THE CHAIRS OF THE LEGISLATIVE FISCAL COMMITTEES WITH RECOMMENDATIONS FOR ESTABLISHING A PERMANENT STATEWIDE VALUE ENGINEERING PROGRAM AS PART OF THE CAPITAL PLANNING PROCESS.

S 2. The public authorities law is amended by adding a new section 1678-a to read as follows:

S 1678-A. VALUE ENGINEERING DEMONSTRATION PROGRAM. 1. BEGINNING JULY FIRST, TWO THOUSAND NINE AND ENDING MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, THE AUTHORITY SHALL ESTABLISH A DEMONSTRATION VALUE ENGINEERING PROGRAM. "VALUE ENGINEERING" SHALL MEAN A SPECIALIZED COST CONTROL TECHNIQUE WHICH USES A SYSTEMATIC APPROACH TO IDENTIFY AND EVALUATE ALTERNATIVES TO ACHIEVE THE ESSENTIAL FUNCTIONS OF A CAPITAL PROJECT AT THE LOWEST LIFE CYCLE COST CONSISTENT WITH REQUIRED PERFORMANCE, RELIABILITY, QUALITY AND SAFETY. LIFE CYCLE COSTS MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, COSTS OR SAVINGS ASSOCIATED WITH CONSTRUCTION, ENERGY USE, MAINTENANCE, OPERATION, AND SALVAGE OR DISPOSAL. ALL CAPITAL PROJECTS WHOSE ESTIMATED COST IS OVER TWENTY-FIVE MILLION DOLLARS FOR WHICH THE DORMITORY AUTHORITY IS AUTHORIZED TO PREPARE OR CAUSE TO BE PREPARED PLANS, SPECIFICATIONS, DESIGNS AND ESTIMATES OF COSTS FOR DESIGN, CONSTRUCTION, RECONSTRUCTION, REHABILITATION OR IMPROVEMENT WILL BE CONSIDERED FOR VALUE ENGINEERING STUDIES. THE AUTHORITY SHALL ESTABLISH CRITERIA FOR SELECTING APPROPRIATE PROJECTS WHERE VALUE ENGINEERING DESIGN REVIEW WOULD BE LIKELY TO RESULT IN SIGNIFICANT SAVINGS OR IMPROVED QUALITY.

2. ON OR BEFORE AUGUST FIRST, TWO THOUSAND TWELVE, THE EXECUTIVE DIRECTOR OF THE AUTHORITY SHALL SUBMIT TO THE DIRECTOR OF THE DIVISION OF THE BUDGET A PRELIMINARY EVALUATION OF THE DEMONSTRATION VALUE ENGINEERING PROGRAM INCLUDING, BUT NOT LIMITED TO, VALUE ENGINEERING STUDY COSTS, PROJECTED AND ACTUAL SAVINGS ACHIEVED BY IMPLEMENTATION OF VALUE ENGINEERING RECOMMENDATIONS, AND RECOMMENDATIONS FOR ESTABLISHING A PERMANENT VALUE ENGINEERING PROGRAM. ON OR BEFORE DECEMBER FIRST, TWO THOUSAND TWELVE, THE DIRECTOR OF THE DIVISION OF THE BUDGET SHALL SUBMIT A FINAL REPORT TO THE CHAIRS OF THE LEGISLATIVE FISCAL COMMITTEES WITH RECOMMENDATIONS FOR ESTABLISHING A PERMANENT STATEWIDE VALUE ENGINEERING PROGRAM AS PART OF THE CAPITAL PLANNING PROCESS.

S 3. This act shall take effect immediately.