

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 ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. The state finance law is amended by adding a new section
2 127-b to read as follows:
3 S 127-B. VALUE ENGINEERING IN CONSTRUCTION AND REPAIR OF BUILDINGS OF
4 INSTITUTIONS. 1. BEGINNING JULY FIRST, TWO THOUSAND NINE AND ENDING
5 MARCH THIRTY-FIRST, TWO THOUSAND TWELVE, THE COMMISSIONER OF GENERAL
6 SERVICES SHALL ESTABLISH A DEMONSTRATION VALUE ENGINEERING PROGRAM.
7 "VALUE ENGINEERING" SHALL MEAN A SPECIALIZED COST CONTROL TECHNIQUE
8 WHICH USES A SYSTEMATIC APPROACH TO IDENTIFY AND EVALUATE ALTERNATIVES
9 TO ACHIEVE THE ESSENTIAL FUNCTIONS OF A CAPITAL PROJECT AT THE LOWEST
10 LIFE CYCLE COST CONSISTENT WITH REQUIRED PERFORMANCE, RELIABILITY, QUAL-
11 ITY AND SAFETY. LIFE CYCLE COSTS MAY INCLUDE, BUT SHALL NOT BE LIMITED
12 TO, COSTS OR SAVINGS ASSOCIATED WITH CONSTRUCTION, ENERGY USE, MAINTENANCE,
13 OPERATION, AND SALVAGE OR DISPOSAL. ALL CAPITAL PROJECTS WHOSE
14 ESTIMATED COST IS OVER TWENTY-FIVE MILLION DOLLARS WILL BE CONSIDERED
15 FOR VALUE ENGINEERING STUDIES. THE COMMISSIONER OF GENERAL SERVICES
16 SHALL ESTABLISH CRITERIA FOR SELECTING APPROPRIATE PROJECTS WHERE VALUE
17 ENGINEERING DESIGN REVIEW WOULD BE LIKELY TO RESULT IN SIGNIFICANT
18 SAVINGS OR IMPROVED QUALITY.
19 2. ON OR BEFORE AUGUST FIRST, TWO THOUSAND TWELVE, THE COMMISSIONER OF
20 GENERAL SERVICES SHALL SUBMIT TO THE DIRECTOR OF THE DIVISION OF THE
21 BUDGET A PRELIMINARY EVALUATION OF THE DEMONSTRATION VALUE ENGINEERING
22 PROGRAM INCLUDING, BUT NOT LIMITED TO, VALUE ENGINEERING STUDY COSTS,
23 PROJECTED AND ACTUAL SAVINGS ACHIEVED BY IMPLEMENTATION OF VALUE ENGI-
24 NEERING RECOMMENDATIONS, AND RECOMMENDATIONS FOR ESTABLISHING A PERMA-
25 NENT 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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1 SAND TWELVE, THE DIRECTOR OF THE DIVISION OF THE BUDGET SHALL SUBMIT A
2 FINAL REPORT TO THE CHAIRS OF THE LEGISLATIVE FISCAL COMMITTEES WITH
3 RECOMMENDATIONS FOR ESTABLISHING A PERMANENT STATEWIDE VALUE ENGINEERING
4 PROGRAM AS PART OF THE CAPITAL PLANNING PROCESS.

5 S 2. The public authorities law is amended by adding a new section
6 1678-a to read as follows:

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

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

36 S 3. This act shall take effect immediately.