

# STATE OF NEW YORK

6427

2017-2018 Regular Sessions

## IN SENATE

May 18, 2017

Introduced by Sens. LANZA, GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Cities

AN ACT to authorize, for certain public works undertaken pursuant to project labor agreements, use of the alternative delivery method known as design-build contracts; and providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "New York city public works investment act".

3 § 2. For the purposes of this act:

4 (a) "Authorized entity" shall mean the New York city department of  
5 design and construction, the New York city department of transportation  
6 and the New York city health and hospitals corporation.

7 (b) "Best value" shall mean the basis for awarding contracts for  
8 services to a proposer that optimizes quality, cost and efficiency,  
9 price and performance criteria, which may include, but is not limited  
10 to:

11 (1) The quality of the proposer's performance on previous projects;

12 (2) The timeliness of the proposer's performance on previous projects;

13 (3) The level of customer satisfaction with the proposer's performance  
14 on previous projects;

15 (4) The proposer's record of performing previous projects on budget  
16 and ability to minimize cost overruns;

17 (5) The proposer's ability to limit change orders;

18 (6) The proposer's ability to prepare appropriate project plans;

19 (7) The proposer's technical capacities;

20 (8) The individual qualifications of the proposer's key personnel;

21 (9) The proposer's ability to assess and manage risk and minimize risk  
22 impact;

23 (10) The proposer's financial capability;

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

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1 (11) The proposer's ability to comply with applicable requirements,  
2 including the provisions of articles 145, 147 and 148 of the education  
3 law;

4 (12) The proposer's past record of compliance with federal, state and  
5 local laws, rules, licensing requirements, where applicable, and execu-  
6 tive orders, including but not limited to compliance with the labor law  
7 and other applicable labor and prevailing wage laws, article 15-A of the  
8 executive law, and any other applicable laws concerning minority- and  
9 women-owned business enterprise participation;

10 (13) The proposer's record of complying with existing labor standards,  
11 maintaining harmonious labor relations, and protecting the health and  
12 safety of workers and payment of wages above any locally-defined living  
13 wage; and

14 (14) A quantitative factor to be used in evaluation of bids or offers  
15 for awarding of contracts for bidders or offerers that are certified as  
16 minority- or women-owned business enterprises as defined in subdivisions  
17 1, 7, 15 and 20 of section 310 of the executive law, or certified pursu-  
18 ant to local law as minority- or women-owned business enterprises.

19 Such basis shall reflect, wherever possible, objective and quantifi-  
20 able analysis.

21 (c) "Cost plus" shall mean compensating a contractor for the cost to  
22 complete a contract by reimbursing actual costs for labor, equipment and  
23 materials plus an additional amount for overhead and profit.

24 (d) "Design-build contract" shall mean a contract for the design and  
25 construction of a public work with a single entity, which may be a team  
26 comprised of separate entities.

27 (e) "Project labor agreement" shall have the meaning set forth in  
28 subdivision 1 of section 222 of the labor law. A project labor agreement  
29 shall require participation in apprentice training programs in accord-  
30 ance with paragraph (e) of subdivision 2 of such section.

31 (f) "Public work" shall mean a public work in the city of New York  
32 related to one of the following, and shall refer to any of the following  
33 public works:

34 (1) the Brooklyn Queens Expressway - Atlantic avenue to Sands street;

35 (2) the Rodman's Neck firearms and tactical training facility;

36 (3) the Crossroads youth facility in the Brownsville section of Kings  
37 county;

38 (4) the Horizons adolescent facility in the Mott Haven section of  
39 Bronx county;

40 (5) a new police department precinct in Southeast Queens;

41 (6) the Staten Island ferry terminal and related facilities resiliency  
42 efforts;

43 (7) the Pelham parkway bridge over the Hutchinson river parkway in  
44 Bronx county; or

45 (8) the Elmhurst Hospital emergency room renovation in Queens county.

46 § 3. Any contract for a public work undertaken pursuant to a project  
47 labor agreement in accordance with section 222 of the labor law may be a  
48 design-build contract in accordance with this act.

49 § 4. Notwithstanding any general, special or local law, rule or regu-  
50 lation to the contrary, including but not limited to article 5-A of the  
51 general municipal law and section 8 of the New York city health and  
52 hospitals corporation act, and in conformity with the requirements of  
53 this act, for any public work that has an estimated total cost of not  
54 less than ten million dollars and is undertaken pursuant to a project  
55 labor agreement in accordance with section 222 of the labor law, an  
56 authorized entity charged with awarding a contract for public work may

1 use the alternative delivery method referred to as design-build  
2 contracts.

3 (a) A contractor selected by such authorized entity to enter into a  
4 design-build contract shall be selected through a two-step method, as  
5 follows:

6 (1) Step one. Generation of a list of responding entities that have  
7 demonstrated the general capability to perform the design-build  
8 contract. Such list shall consist of a specified number of responding  
9 entities, as determined by an authorized entity, and shall be generated  
10 based upon the authorized entity's review of responses to a publicly  
11 advertised request for qualifications. The authorized entity's request  
12 for qualifications shall include a general description of the public  
13 work, the maximum number of responding entities to be included on the  
14 list, the selection criteria to be used and the relative weight of each  
15 criteria in generating the list. Such selection criteria shall include  
16 the qualifications and experience of the design and construction team,  
17 organization, demonstrated responsibility, ability of the team or of a  
18 member or members of the team to comply with applicable requirements,  
19 including the provisions of articles 145, 147 and 148 of the education  
20 law, past record of compliance with the labor law, and such other quali-  
21 fications the authorized entity deems appropriate, which may include but  
22 are not limited to project understanding, financial capability and  
23 record of past performance. The authorized entity shall evaluate and  
24 rate all responding entities to the request for qualifications. Based  
25 upon such ratings, the authorized entity shall list the responding enti-  
26 ties that shall receive a request for proposals in accordance with para-  
27 graph two of this subdivision. To the extent consistent with applicable  
28 federal law, the authorized entity shall consider, when awarding any  
29 contract pursuant to this section, the participation of (i) responding  
30 entities that are certified as minority- or women-owned business enter-  
31 prises as defined in subdivisions 1, 7, 15 and 20 of section 310 of the  
32 executive law, or certified pursuant to local law as minority- or  
33 women-owned business enterprises; and (ii) small business concerns iden-  
34 tified pursuant to subdivision (b) of section 139-g of the state finance  
35 law; and

36 (2) Step two. Selection of the proposal which is the best value to the  
37 authorized entity. The authorized entity shall issue a request for  
38 proposals to the responding entities listed pursuant to paragraph one of  
39 this subdivision. If such a responding entity consists of a team of  
40 separate entities, the entities that comprise such a team must remain  
41 unchanged from the responding entity as listed pursuant to paragraph one  
42 of this subdivision unless otherwise approved by the authorized entity.  
43 The request for proposals shall set forth the public work's scope of  
44 work, and other requirements, as determined by the authorized entity,  
45 which may include separate goals for work under the contract to be  
46 performed by businesses certified as minority- or women-owned business  
47 enterprises as defined in subdivisions 1, 7, 15 and 20 of section 310 of  
48 the executive law, or certified pursuant to local law as minority- or  
49 women-owned business enterprises. The request for proposals shall also  
50 specify the criteria to be used to evaluate the responses and the rela-  
51 tive weight of each of such criteria. Such criteria shall include the  
52 proposal's cost, the quality of the proposal's solution, the qualifica-  
53 tions and experience of the proposer, and other factors deemed pertinent  
54 by the authorized entity, which may include, but shall not be limited  
55 to, the proposal's manner and schedule of project implementation, the  
56 proposer's ability to complete the work in a timely and satisfactory

1 manner, maintenance costs of the completed public work, maintenance of  
2 traffic approach, and community impact. Any contract awarded pursuant to  
3 this act shall be awarded to a responsive and responsible proposer,  
4 which, in consideration of these and other specified criteria deemed  
5 pertinent, offers the best value, as determined by the authorized enti-  
6 ty. The request for proposals shall include a statement that proposers  
7 shall designate in writing those portions of the proposal that contain  
8 trade secrets or other proprietary information that are to remain confi-  
9 dential; that the material designated as confidential shall be readily  
10 separable from the proposal. Nothing in this subdivision shall be  
11 construed to prohibit the authorized entity from negotiating final  
12 contract terms and conditions including cost. All proposals submitted  
13 shall be scored according to the criteria listed in the request for  
14 proposals and such final scores shall be published on the authorized  
15 entity's website.

16 (b) An authorized entity awarding a design-build contract to a  
17 contractor offering the best value may but shall not be required to use  
18 the following types of contracts:

19 (1) A cost-plus not to exceed guaranteed maximum price form of  
20 contract in which the authorized entity shall be entitled to monitor and  
21 audit all costs. In establishing the schedule and process for determin-  
22 ing a guaranteed maximum price, the contract between the authorized  
23 entity and the contractor shall:

24 (i) Describe the scope of the work and the cost of performing such  
25 work,

26 (ii) Include a detailed line item cost breakdown,

27 (iii) Include a list of all drawings, specifications and other infor-  
28 mation on which the guaranteed maximum price is based,

29 (iv) Include the dates of substantial and final completion on which  
30 the guaranteed maximum price is based, and

31 (v) Include a schedule of unit prices; or

32 (2) A lump sum contract in which the contractor agrees to accept a set  
33 dollar amount for a contract which comprises a single bid without  
34 providing a cost breakdown for all costs such as for equipment, labor,  
35 materials, as well as such contractor's profit for completing all items  
36 of work comprising the public work.

37 § 5. Any contract entered into pursuant to this act shall include a  
38 clause requiring that any professional services regulated by articles  
39 145, 147 and 148 of the education law shall be performed and stamped and  
40 sealed, where appropriate, by a professional licensed in accordance with  
41 the appropriate article.

42 § 6. Construction with respect to each contract entered into by an  
43 authorized entity pursuant to this act shall be deemed a "public work"  
44 to be performed in accordance with the provisions of article 8 of the  
45 labor law, as well as subject to sections 200, 240, 241 and 242 of such  
46 law and enforcement of prevailing wage requirements pursuant to applica-  
47 ble law or, for projects or public works receiving federal aid, applica-  
48 ble federal requirements for prevailing wage. Any contract entered into  
49 pursuant to this act shall include a clause requiring the selected  
50 design builder to obligate every tier of contractor working on the  
51 public work to comply with the project labor agreement referenced in  
52 section three of this act, and shall include project labor agreement  
53 compliance monitoring and enforcement provisions consistent with the  
54 applicable project labor agreement.

55 § 7. Each contract entered into by an authorized entity pursuant to  
56 this act shall comply with the objectives and goals with regard to

1 minority- and women-owned business enterprises pursuant to, as applica-  
2 ble, section 6-129 of the administrative code of the city of New York  
3 and subdivision 6 of section 8 of the New York city health and hospitals  
4 corporation act, or, for projects or public works receiving federal aid,  
5 applicable federal requirements for disadvantaged business enterprises  
6 or minority- and women-owned business enterprises.

7 § 8. Public works undertaken by an authorized entity pursuant to this  
8 act shall be subject to the requirements of article 8 of the environ-  
9 mental conservation law, and, where applicable, the requirements of the  
10 National Environmental Policy Act.

11 § 9. (a) Notwithstanding any provision of law to the contrary, all  
12 rights or benefits, including terms and conditions of employment, and  
13 protection of civil service and collective bargaining status of all  
14 employees of authorized entities solely in connection with the public  
15 works identified in subdivision (f) of section two of this act, shall be  
16 preserved and protected.

17 (b) Nothing in this act shall result in the: (1) displacement of any  
18 currently employed worker or loss of position (including partial  
19 displacement such as a reduction in the hours of non-overtime work,  
20 wages or employment benefits), or result in the impairment of existing  
21 collective bargaining agreements; and (2) transfer of existing duties  
22 and functions related to maintenance and operations currently performed  
23 by existing employees of authorized entities to a contractor.

24 (c) Employees of authorized entities using design-build contracts  
25 serving in positions in newly created titles shall be assigned to the  
26 appropriate bargaining unit. Nothing contained in this act shall be  
27 construed to affect (1) the existing rights of employees of such enti-  
28 ties pursuant to an existing collective bargaining agreement, (2) the  
29 existing representational relationships among employee organizations  
30 representing employees of such entities, or (3) the bargaining relation-  
31 ships between such entities and such employee organizations.

32 § 10. The submission of a proposal or responses or the execution of a  
33 design-build contract pursuant to this act shall not be construed to be  
34 a violation of section 6512 of the education law.

35 § 11. Nothing contained in this act shall limit the right or obli-  
36 gation of any authorized entity to comply with the provisions of any  
37 existing contract or to award contracts as otherwise provided by law.

38 § 12. This act shall take effect immediately and shall expire and be  
39 deemed repealed 4 years after such date; provided that, public works  
40 with requests for qualifications issued prior to such repeal shall be  
41 permitted to continue under this act notwithstanding such repeal.