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## Transmittal

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From: Bart M. Schwartz NYCHA Federal Monitor

Date: March 1, 2021

Subject: Transmittal of Approved *NYCHA Revised GDA Action Plan*

Transmitted herewith, after consultation with each of your offices, attached you will find in final version, the *NYCHA Revised GDA Action Plan*, pursuant to ¶ 2 of the Amended Funding Agreement (GDA) and subject to ¶¶ 36 through 43 of the HUD Agreement, which I, as Monitor, have approved.

Please contact Joseph Jaffe should you have any questions.

Thanks to all of you for your efforts and help in completing this.



Bart M. Schwartz



## **AMENDED GDA ACTION PLAN**

Date: February 25, 2021

### **Table of Contents**

I.	Background.....	2
II.	Capital Strategy.....	3
III.	Sources of Funds.....	4
IV.	Phase I Heat Projects .....	5
	a. Scope of Work, Budget and Schedules.....	5
	b. Contract Management and Design-Build .....	7
V.	Phase II Heat Projects .....	9
	a. Scope of Work and Budget.....	9
	b. Contracting Process .....	10
VI.	Elevator Projects .....	11
	a. Scope of Work and Budget.....	11
	b. Contracting Process .....	12
VII.	Ongoing NYCHA Commitments to the Monitor.....	12
VIII.	Exhibit A – Quarterly Reporting.....	15
IX.	Exhibit B – Heat Plant Prioritization .....	17
X.	Exhibit C – Elevator Prioritization.....	18

## I. Background

The New York City Housing Authority (“NYCHA”) entered into an Agreement, dated as of January 31, 2019, by and among the U.S. Department of Housing and Urban Development (“HUD”), NYCHA and the City of New York (the “Agreement”). Under the Agreement, a federal monitor was appointed in February 2019 (the “Monitor”). The Dormitory Authority of the State of New York (“DASNY”) and NYCHA signed a Funding Agreement dated as of September 5, 2019, which was subsequently amended as of March 1, 2021 (the “GDA”) allocating \$450 million in previously appropriated state capital funds for capital improvement projects, including replacement (and in some cases relocation) of identified boilers at twenty-three (23) developments and replacement of elevators at ten (10) identified NYCHA developments (the “GDA Funds”).<sup>1</sup>

Since September 2019, NYCHA has made significant progress on the projects outlined in the GDA. NYCHA has worked diligently through the procurement and design phases of the projects and NYCHA has combined the State funds with additional funds from HUD and the City in order to invest in more comprehensive, environmentally sustainable upgrades to these building systems, as outlined in further detail below. In total, NYCHA is now dedicating more than \$1.048 billion to these projects over the period December 2019 to December 2025. Due to this progress, NYCHA will complete the procurement and design processes during calendar 2021 for each project identified in the GDA and anticipates that construction will soon begin on the boilers and elevators funded under the GDA.

The GDA requires that NYCHA pay for identified capital improvements prior to seeking reimbursement approval for those costs from the State. The GDA Funds, and work to be performed using the GDA Funds, will also contribute to NYCHA’s completion of capital improvements mandated by Exhibit B, Paragraphs 14(c) and 34(b) of the Agreement, a portion of the assets that NYCHA is obligated to replace under the separate NYCHA Heat and Elevator Action Plans under the Agreement.

Paragraph 2 of the GDA provides that GDA Funds are contingent upon the approval of an “Action Plan” (as defined in the Agreement) by the Monitor. On November 6, 2019, the Monitor approved and transmitted to the State Division of Budget (“DOB”) and DASNY an Action Plan for the GDA Funds (the “GDA Action Plan”). The GDA Action Plan was subsequently amended on December 31, 2019 and detailed accomplished tasks through the last quarter of 2019. This version of the GDA Action Plan serves to amend prior GDA Action Plans and includes revised budgets for the identified projects. Unlike previously approved GDA Action Plans, this version requires NYCHA to report on its progress executing the projects described in this GDA Action Plan on a quarterly basis, using a template that reflects the milestones and metrics appended here as **Exhibit A**.

Further revision, modification or replacement of this GDA Action Plan may be directed by the Monitor pursuant to Paragraph 42 of the Agreement at his discretion, as the projects progress. Should that occur, NYCHA will notify DASNY and DOB of the proposed replacement or

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<sup>1</sup> The State and NYCHA originally contemplated replacements in-kind of boilers and elevators, with some boilers also being relocated above ground. NYCHA has now been able to combine the State funds with additional City and federal funds to achieve more comprehensive upgrades to the heat systems, as discussed in this Amended GDA Action Plan.

amendment to the Action Plan within five (5) business days after the request has been communicated to NYCHA by the Monitor.

## **II. Capital Strategy**

Combined with other sources of funds, as described below and in NYCHA’s City Capital Action Plan pursuant to Paragraph 70 of the Agreement (to be separately submitted to the Monitor and then provided to DASNY upon completion), the GDA Funds allocated to NYCHA by New York State will be utilized for –

- Heat: NYCHA will replace boilers and make other investments in the heat systems at 25 developments, outlined below, inclusive of the design and construction projects managed by the New York Power Authority (“NYPA”)<sup>2</sup> at three (3) developments. The heating replacement pipeline is divided into two phases, each of which is outlined in detail below.
- Elevators: NYCHA will replace 148 elevator cars at 10 developments.<sup>3</sup>

These improvements should positively impact the quality of life of more than 79,234 residents and should decrease maintenance now required, expanding the limited resources available to support NYCHA’s efforts to preserve its aging building stock. In addition, Agreement Exhibit B, Paragraph 14(c) requires NYCHA to replace 297 boilers by December 31, 2026; in parallel to evaluate the condition of each development’s entire heating-related capital needs; and, to take appropriate action. The heat-related projects funded under the GDA represent a portion of the boiler replacements required under the Agreement. NYCHA is also combining other available funds described below, to satisfy the Agreement, provisions of which require that NYCHA take additional action to invest in the overall heat system. Agreement Exhibit B, Paragraph 34(b) requires NYCHA to replace 275 elevators by December 31, 2024. The elevator projects funded under the GDA represent a portion of the elevator replacements required under the Agreement.

NYCHA also is combining the GDA Funds with other sources of capital funds from the City of New York (the “City”) and HUD<sup>4</sup>, in order to achieve two goals –

1. Investing in heat systems that will lead to sustained improvements: Rather than a one-for-one replacement of boilers, NYCHA plans to invest in upgrades to improve the performance of its heat and hot water systems in the long-term. NYCHA will make upgrades to systems to the extent feasible, based on the defined budgets and the designs developed pursuant to the scopes of work developed for each project. This Action Plan

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<sup>2</sup> Prioritization of these sites in Phase I & Phase II was based on the 2017 Physical Needs Assessment and NYCHA operational data from 2018 that captured the number of outages, work order tickets and availabilities of parts. The table appended here as **Exhibit B** details the selection process for each site.

<sup>3</sup> Prioritization of these sites was based on the 2017 Physical Needs Assessment and NYCHA operational data. The table appended here as **Exhibit C** details the selection process for each site.

<sup>4</sup> The amount and source of funds are set forth below. In addition, the funds and sources are set forth in the executed Funding Certification appended to the amended Funding Agreement and the use of the City funds for these purposes are described in NYCHA’s City Capital Action Plan to be submitted pursuant to Agreement Paragraph 70 to the Monitor and which will be provided upon completion to DASNY.

describes the scopes contemplated for the projects in more detail below under Section IV(a) and V(a).

2. Maintaining the original number of projects: NYCHA is financing and completing heat and elevator projects at all the previously identified developments identified in the GDA. NYCHA will be able to maintain the number of projects despite modification of the scopes of work to achieve the goal set forth in #1 above because NYCHA has been able to combine and allocate additional funding, including those funds provided by the City pursuant to the HUD Agreement. NYCHA is also able to maintain the number of projects despite escalation costs since the GDA money was appropriated in 2017 and 2018.

### III. Sources of Funds<sup>5</sup>

The table below identifies and describes the State, City and HUD funds to be utilized, including the total amounts from each source that will supplement the GDA Project funding.

**Table 1: Sources of Funds**

Level of Government	Source of Funds	Description	Amounts
State of New York - State Appropriation	GDA	<ul style="list-style-type: none"> <li>The GDA Funds were appropriated in 2017 and 2018 and are governed by the GDA, as described above.</li> </ul>	<ul style="list-style-type: none"> <li>\$450 million for the GDA projects.</li> </ul>
City of New York	Agreement and NYCHA City Capital Action Plan	<ul style="list-style-type: none"> <li>The City's capital funds for the GDA Projects were obligated pursuant to Article VII of the Agreement between HUD, NYCHA and the City.</li> </ul>	<ul style="list-style-type: none"> <li><u>Phase I Heat:</u> \$121.2 million in funding for Phase I heat systems at Marlboro and Marble Hill.</li> <li><u>Elevators:</u> \$34.9 million to fund costs for the elevator pipeline.</li> </ul>
HUD	FY 2020-2024 Capital Fund Program  FY2019 Capital Fund Program  CDBG	<ul style="list-style-type: none"> <li>HUD's capital funds are obligated pursuant to NYCHA's submission of its five-year federal capital plan. NYCHA submits this plan for the federal Capital Fund Program to HUD each year.</li> <li>NYCHA is freeing up \$122 million in federal funding previously allocated pursuant to the FY 2019 federal plan.</li> </ul>	<ul style="list-style-type: none"> <li><u>FY2020-2024:</u> \$49.5 million in funds for the Phase I heat systems at 830 Amsterdam, Berry, Eastchester, and Ocean Hill Apartments.</li> <li><u>FY2020-2024:</u> \$263.52 million in funds for Phase II heat systems.</li> <li><u>FY2019/FY2020:</u> \$122.2 million to fund Phase I heat systems at</li> </ul>

<sup>5</sup> The total budget figure excludes the costs associated with NYCHA staff time and the costs associated with paying the applicable Program Manager. All other hard and soft costs are included in these figures. NYCHA has provided the Monitor with its budget for the costs associated with the Program Manager firms for each project.

		<ul style="list-style-type: none"> <li>• NYCHA is also using funds provided pursuant to Community Development Block Grants for one project.</li> </ul>	<p>Jackson, Pink and Tilden.</p> <ul style="list-style-type: none"> <li>• <u>CDBG</u>: \$7.4 million to fund Phase II heat system at Bay View</li> </ul>
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**IV. Phase I Heat Projects**

Phase I includes nine (9) developments and thirty-seven (37) boilers.<sup>6</sup>

*a. Scope of Work, Budget and Schedules*

As part of its shift away from a replacement-in-kind of steam heating boilers to more sustainable, lower cost heat systems, NYCHA has expanded the scope of work for the Phase I heating systems, which has led to an increase in budgets for the projects. The exact type of heating system, and the scale of this shift, will vary for each development at the end of the procurement. In addition, escalation costs since the money was appropriated have led to a need for additional funds. As outlined above, NYCHA has secured funds from HUD (7 developments) and the City (4 developments) to pay for this additional scope and to cover escalation costs.

The expanded scope and budget increases also, in part, are a result of New York City’s Local Law 97 of 2019 (“LL97”), which committed NYCHA to reduce greenhouse gas emissions by 40% by 2030 and 80% by 2050 from a 2005 baseline. Based on a review of the NYCHA portfolio’s carbon footprint performed by an energy consulting firm, NYCHA is targeting its capital strategy towards these goals.<sup>7</sup> As part of this process, NYCHA is shifting away from a replacement-in-kind of steam heating system boilers, and instead aspires to invest in more sustainable, reliable and lower operational cost heating systems. NYCHA intends to move from steam heating systems to hydronic (hot water) heating systems and high-efficiency electric heat pumps.

As discussed below, developments will be bundled and NYCHA has also defined a base scope that must be accomplished within the fixed budgets. For example, NYCHA added domestic hot water decoupling to the scope of work. By decoupling hot water heating systems from space heating systems, NYCHA will increase the efficiency of its system and enhance operational capacity. Moreover, NYCHA will be able to conduct more comprehensive preventive maintenance in the off-season. Currently, when conducting preventive maintenance on a space heating system, NYCHA also may impact hot water service and must balance the need to conduct maintenance against the need to avoid long disruptions to hot water service. In addition, decoupling systems will ensure NYCHA provides more reliable hot water service for residents at these developments, in part by ensuring a system-wide space heating outage does not also impact residents’ hot water service. As outlined below, decoupling hot water systems from heating systems is now a standard requirement for all NYCHA projects, including the Phase 1 GDA Heat Projects and the Phase 2 GDA Heat Projects described in Section V.

<sup>6</sup> Heat projects at two (2) other developments (Brownsville and Saratoga) are also included in the Design-Build program but are not funded with GDA Funds.

<sup>7</sup> The energy consulting firm’s report outlined the fact that NYCHA’s inefficient, legacy heating systems are a large contributing factor to the portfolio’s greenhouse gas emissions. This report has also been provided to the Monitor for reference.

For the Phase 1 Heat Projects, contracts will be awarded to proposers based on their response to the criteria outlined in the Design-Build RFP which covers the nine GDA Phase 1 Heat Projects. Proposers have been asked to demonstrate in their responsive bids, best value within the fixed maximum budgets outlined in Table 2 below. Proposers must deliver new heating and domestic hot water systems that meet a set of “minimum qualifications / mission-critical proposal items.” These minimum qualification items include committing to the fixed budgets, deadlines for substantial completion and some less-intensive commitments to reduce greenhouse gas emissions. The Proposers at the very minimum are required to demonstrate for each included project that they will provide a functioning heat system that provides heat services to residents across an entire development. Proposers will also be competitively evaluated using a set of (1) “highly desirable proposal items,” and (2) “if possible” items, which include several increasingly intensive greenhouse gas emissions targets and quality of life factors such as co-benefits (e.g. air conditioning or individual temperature controls), shortened construction duration, and, as well, minimizing apartment access, relocation, and planned heat and domestic hot water outages.

Because NYCHA is using a design-build contracting method for these projects, the funding for each project (or bundle) is combined and used to optimize design and meet the criteria described above for each bundle based on the fixed budget. All developments within a project (or bundle) are to receive heating plant upgrades and better functioning and decoupled hot water heating systems but the exact type of heating system for each development will vary at the end of the project. The chart below illustrates the allocation of funds and the amounts from each source of funds for each project,<sup>8</sup> –

**Table 2: Phase 1 Heat Projects’ Budgets**

<b>Development</b>	<b>Total Budget</b>	<b>State Funds</b>	<b>City Funds</b>	<b>Federal Funds</b>
830 Amsterdam	\$ 28,431,189	\$4,452,000	\$21,591,009	\$2,388,180
Berry	\$ 31,404,532	\$6,678,000	\$9,636,412	\$15,090,120
Eastchester	\$ 37,774,706	\$8,904,000	\$0	\$28,870,706
Jackson	\$ 37,670,443	\$6,466,000	\$0	\$31,204,443
Marlboro (LLC I)	\$ 75,930,300	\$13,356,000	\$62,574,300	\$0
Pink	\$ 66,005,128	\$12,190,000	\$0	\$53,815,128
Tilden	\$ 43,562,420	\$6,380,256	\$0	\$37,182,164
Ocean Hill Apartments	\$ 10,571,352	\$7,380,063	\$0	\$3,191,289
Marble Hill (LLC I)	\$ 41,132,039	\$13,737,600	\$27,394,439	\$0
<b>Total, Heat Phase I:</b>	<b>\$372,482,109</b>	<b>\$79,543,919</b>	<b>\$121,196,160</b>	<b>\$171,742,030</b>

<sup>8</sup> The total budget excludes the costs associated with NYCHA staff time and the costs associated with paying the Program Manager. All other hard and soft costs are included in these figures. In addition, although the budgets in these documents are separated by development, the projects are bundled in the contract documents to provide maximum flexibility to the design build firms.

NYCHA has substantially completed the initial planning and procurement and much of the design phase for the projects. By the end of April 2021, NYCHA will have selected Design-Build Proposers for each project and will enter into contracts with the Proposers soon after. NYCHA anticipates it will begin construction in July 2021 at each development in the Phase 1 Heat Projects. Progress made to date, and the current status of the projects, is outlined further in Section IV(b) below.

The schedule for the Phase I heating systems, showing the Program Manager’s projections, are outlined in Table 3 below –

**Table 3: Phase 1 Heat Projects’ Schedules**

Project Name (Development)	Design Build Procurement Start	Design Start (NYPA NTP)	Anticipated Construction Start	Anticipated Substantial Completion Date	Anticipated Final Completion Date (Close-out)
830 Amsterdam (NYPA)	5/20/2020	12/4/2020	7/1/2021	3/1/23	6/1/2023
Berry (NYPA)	5/20/2020	12/4/2020	7/1/2021	3/1/23	6/1/2023
Marble Hill (LLC I) (NYPA)	5/20/2020	12/4/2020	7/1/2021	3/1/23	8/28/2023
Ocean Hill Apartments	5/20/2020	1/3/2021	7/1/2021	7/25/24	10/23/2024
Eastchester	5/20/2020	1/3/2021	7/1/2021	10/29/23	1/27/2024
Jackson	5/20/2020	1/3/2021	7/1/2021	10/29/23	1/27/2024
Pink	5/20/2020	1/3/2021	7/1/2021	6/12/24	9/9/2024
Tilden	5/20/2020	1/3/2021	7/1/2021	6/12/24	9/10/2024
Marlboro (LLC I)	5/20/2020	1/3/2021	7/1/2021	7/25/24	10/23/2024

Note that, as part of the Design-Build RFP, firms are competing to provide the most efficient schedules based on innovative delivery of the project. Detailed schedules with delivery milestones will be provided as part of the executed contracts.

***b. Contract Management and Design-Build***

The Phase I heat projects are proceeding on two distinct tracks –

**1. New York Power Authority (“NYPA”)**

NYCHA is leveraging an existing energy services agreement with NYPA from 2005 to provide turnkey design-build services to implement heating plant replacement projects at three (3) developments with eleven (11) boilers. These include the heating plants at 830 Amsterdam, Berry and Marble Hill. NYPA will manage these projects from inception to closeout as an extension of NYCHA staff. NYCHA is also utilizing a full-service project management firm to help oversee the work.



NYPA issued an RFP on February 5, 2020. On February 25 and 26, 2020, NYPA conducted meetings with three pre-qualified bidders, and issued an addendum to the RFP on May 11, 2020. NYPA received technical proposals from the bidders on July 17, 2020, and NYPA conducted proposal presentations and interviews with the bidders in August. An evaluation team made up of NYPA and NYCHA members evaluated the proposals. A recommendation to award was drafted in September. In October, NYPA issued a draft of the Customer Installation Commitment (CIC) to NYCHA for execution to finalize the award. NYCHA submitted documents to NYC OMB for the Certificate to Proceed (CP) in November. NYCHA signed the CIC in January of 2021. NYPA is proceeding with issuing the contract to the selected design-builder and is preparing for project kickoff (NTP) in March of 2021 when the NYC OMB CP and Comptroller registration is expected to be completed.

## 2. NYCHA Program Management

Design and construction for the remaining six (6) developments and twenty-six (26) boilers is being managed by NYCHA’s Program Manager (the “PM”). NYCHA hired a PM because it lacked the expertise internally to deliver projects using a design build contracting methodology. Indeed, Governor Andrew Cuomo signed the NYC Design Build Act, which authorized NYCHA to begin using the design-build process for public works projects for the first time, on December 31, 2019.

NYCHA released its prior PM, and issued a task order for a new, well-known PM for this pipeline in June 2020. NYCHA has also retained an outside law firm (the “Law Firm”) and a separate Design Build consultant (the “DB Consultant”) to help draft the Design Build Agreement and other documents throughout the process. NYCHA also retained an expert from the Design Build Institute of America (the “DBIA”) to review the underlying documents and an energy consultant (the “Energy Consultant”) to advise on project scope. The table below provides additional detail on the process leading up to NYCHA’s entering into contracts with selected Design-Builders–

**Table 4: Phase 1 Heat Projects (NYCHA) Details on Contracting**

<b>Task Description</b>	<b>Start Date</b>	<b>End Date</b>
Request for Qualifications (RFQ)	Completed (12/10/2019)	Completed (1/30/2020)
Date of Receipt of 14 responses to RFQ	Completed (2/1/2020)	Completed (2/1/2020)
Drafting and then Distribution of final draft Request for Proposals (RFP) to a shortlist of RFQ respondents	Completed (2/2/2020)	Completed (5/20/2020)
Reviewing, Editing and Final issuance of RFP <sup>9</sup>	Completed (5/21/2020)	Completed (6/30/2020)

<sup>9</sup> During this period, the Law Firm, PM, DBIA and the Design Build Consultant continued to revise the RFP based in part on comments from proposers, after conducting site visits and after reviewing substantive comments from each entity in several working meetings.

Proposers draft responses to RFP <sup>10</sup>	Completed (7/2020)	Completed (2/2021)
Evaluation of RFP responses and selection of proposers	Completed (2/2021)	4/20/2021
NYCHA and selected proposers negotiate and enter into Design-Build contracts	4/21/2021	7/12/2021

**V. Phase II Heat Projects**

Phase II includes sixteen (16) developments and seventy-one (71) boilers.

***a. Scope of Work and Budget***

Changes in all the projects’ scopes and escalation costs have led to increases in the budget since the money was appropriated. The additional costs and changes to the original GDA budget as well as the total budget and source of the funds for each project are set forth in Table 5 below. The scope of work for each entails: comprehensive design, regulatory approval, and construction services for replacement of the central steam heating plants with separation of the domestic hot water system from the development’s central plant. The addition of domestic hot water decoupling to the scope of work is a change from the originally contemplated project scopes. The new domestic hot water systems will be located in, and serve, each residential building separately.

At four of the developments in the Phase II Heat Projects program (the plants at Bay View, Gowanus, Marcy and Smith Houses), the existing central plant, located below grade, will be replaced with a new above grade facility. The new above grade heating plant will be designed and constructed to prevent collapse or water damage in the event of a severe storm or flooding event.

The total budget, and the amounts from each source of funds for each project, are outlined in the table below—

**Table 5: Phase 2 Heat Projects’ Budgets<sup>11</sup>**

<b>Development</b>	<b>Total Budget</b>	<b>State Funds</b>	<b>Federal Funds</b>
Amsterdam	\$32,527,284	\$9,158,400	\$23,368,884
Bay View	\$62,216,914	\$54,816,664	\$7,400,250 (CDBG)
Brevoort	\$34,229,784	\$9,158,400	\$25,071,384
Cooper Park	\$29,122,284	\$9,158,400	\$19,963,884
Gowanus	\$47,068,450	\$38,669,017	\$8,399,433
Johnson	\$30,018,480	\$11,448,000	\$18,570,480

<sup>10</sup> During this period, proposers and NYCHA’s team continued to conduct additional site visits, responded to requests for information and a third-party vendor provided hazardous material sampling reports for each site, among other items.

<sup>11</sup> The total budget excludes the costs associated with NYCHA staff time and the costs associated with paying the Program Manager. All other hard and soft costs are included in these figures.

<b>Development</b>	<b>Total Budget</b>	<b>State Funds</b>	<b>Federal Funds</b>
Lincoln	\$36,828,480	\$11,448,000	\$25,380,480
Marcy	\$62,487,425	\$55,055,000	\$7,432,425
Mott Haven	\$25,717,284	\$9,158,400	\$16,558,884
Ravenswood	\$70,968,372	\$16,027,200	\$54,941,172
Roosevelt I & II	\$24,014,784	\$9,158,400	\$14,856,384
Smith	\$35,707,100	\$31,460,000	\$4,247,100
UPACA (Site 5)	\$ 6,899,892	\$4,579,200	\$2,320,692
Van Dyke I & II	\$53,853,480	\$11,448,000	\$42,405,480
<b>Total, Heat Phase II:</b>	<b>\$551,660,013</b>	<b>\$280,743,081</b>	<b>\$270,916,932</b>

NYCHA has almost substantially completed the design phase for each of these projects. By the end of April, NYCHA anticipates having completed design and will subsequently bid out each project. NYCHA anticipates construction will commence in fall 2021 at each development in the Phase 2 Heat Projects. Progress made to date, and the current status of the projects, is outlined further below. The schedule for the Phase II Heat Projects is set forth in Table 6 –

**Table 6: Phase 2 Heat Projects’ Schedules**

<b>Project Name (Development)</b>	<b>A/E Task Order Release</b>	<b>Design Start</b>	<b>Anticipated Design Completion</b>	<b>Anticipated Date of Bid</b>	<b>Anticipated Date of Start of Construction</b>	<b>Anticipated Substantial Completion Date</b>	<b>Anticipated Final Completion Date (Close-out)</b>
Amsterdam	7/2020	7/22/2020	4/19/2021	5/2021	8/16/2021	5/15/2023	11/10/2023
Bay View*	7/2020	7/21/2020	4/19/2021	8/2021	11/15/2021	7/5/2025	1/1/2026
Brevoort	7/2020	7/22/2020	4/10/2021	5/2021	8/16/2021	5/15/2023	11/10/2023
Cooper Park	7/2020	7/22/2020	4/18/2021	5/2021	8/16/2021	4/15/2023	10/12/2023
Gowanus*	7/2020	7/22/2020	4/18/2021	8/2021	11/15/2021	2/23/2024	8/21/2024
Johnson	7/2020	7/22/2020	4/18/2021	5/2021	8/16/2021	5/14/2023	11/10/2023
Lincoln	7/2020	7/22/2020	4/18/2021	5/2021	8/16/2021	8/14/2023	2/10/2024
Marcy*	7/2020	7/22/2020	4/18/2021	8/2021	11/15/2021	7/4/2025	12/31/2025
Mott Haven	7/2020	7/22/2020	4/19/2021	5/2021	8/16/2021	3/15/2023	9/10/2023
Ravenswood	7/2020	7/22/2020	4/19/2021	5/2021	8/16/2021	5/15/2025	11/10/2025
Roosevelt I & II	7/2020	7/22/2020	4/19/2021	5/2021	8/16/2021	9/15/2023	3/12/2024
Smith*	7/2020	7/22/2020	4/18/2021	8/2021	11/15/2021	9/23/2023	3/21/2024
UPACA (Site 5)	7/2020	7/22/2020	4/19/2021	5/2021	8/16/2021	1/14/2023	7/12/2023
Van Dyke I & II	7/2020	7/22/2020	4/19/2021	5/2021	8/16/2021	7/15/2024	1/11/2025

\* Projects that will be relocated above grade.

***b. Contracting Process***

The Phase II Heating Projects program is using a design-bid-build approach. The consultant’s proposals for the heating plant replacements, for both the plants that will not be relocated above

grade and the projects that will be relocated above grade were received in May 2020. NYCHA’s evaluation committee met in June 2020 and selected consultants. NYCHA’s contracting process was completed for the selected consultants by the end of July 2020 and the design period commenced.

Following the completion of the design phase, anticipated in April 2021, the projects will be subsequently bid out and publicly procured. The project will be awarded to the lowest responsive and responsible bidder and NYCHA will then seek authorization from its Board. Following Board approval, the contract package will be submitted to the Comptroller for registration. After registration is completed a Notice to Proceed will be provided to the contractor and the construction phase for each will begin.

## **VI. Elevator Projects**

The Elevator pipeline includes replacement of 148 elevators across ten (10) developments.

### ***a. Scope of Work and Budget***

For the most part, NYCHA has not changed the scope of work for these projects unless a change in scope was determined to be necessary to address impacts arising from various causes, including deferred maintenance, that have led to, e.g., the need to include structural or other work in a project’s scope. Escalation costs and revisions to prior estimates have also led to an increase in the budget for some projects since the money was appropriated. As illustrated below in Table 7, for some developments costs have not increased or have only increased slightly due to general escalation. For other developments, costs may have increased much more drastically. In some cases, the conditions created by deferred maintenance, e.g., leaks in an elevator shaft, have worsened over time creating additional deterioration and the need to address additional structural issues, thereby causing the scope to change and costs to increase.

The total budget, and the amounts from each source of funds for each project, are outlined in the table below –

**Table 7: Elevator Projects’ Budgets<sup>12</sup>**

<b>Development</b>	<b>Total Budget</b>	<b>State Funds</b>	<b>City Funds</b>
Atlantic Terminal	\$2,400,000	\$1,855,000	\$545,000
Carey Gardens	\$7,200,000	\$3,498,000	\$3,702,000
Coney Island 4&5	\$4,800,000	\$2,226,000	\$2,574,000
Coney Island IB	\$2,400,000	\$1,908,000	\$492,000
High Bridge Gardens	\$12,720,000	\$12,720,000	\$0

<sup>12</sup> The total budget excludes the costs associated with NYCHA staff time and the costs associated with paying the Program Manager. All other hard and soft costs are included in these figures.

<b>Development</b>	<b>Total Budget</b>	<b>State Funds</b>	<b>City Funds</b>
Butler	\$14,400,000	\$14,400,000	\$0
Mitchel	\$16,000,000	\$11,660,000	\$4,340,000
Queensbridge North	\$39,200,000	\$21,730,000	\$17,470,000
Richmond Terrace	\$12,720,000	\$12,720,000	\$0
Unity Plaza	\$12,800,000	\$6,996,000	\$5,804,000
<b>Total, Elevators:</b>	<b>\$124,640,000</b>	<b>\$89,713,000</b>	<b>\$34,927,000</b>

The schedule for the Elevator pipeline is below:

**Table 8: Elevator Projects’ Schedules**

<b>Development</b>	<b>Design Start Date</b>	<b>Design End Date</b>	<b>Anticipated Procurement End Date</b>	<b>Anticipated Construction Start Date</b>	<b>Anticipated Construction End Date</b>	<b>Anticipated Final Completion Date (Close-Out)</b>
Atlantic Terminal	03/06/2017	3/25/2021	11/2/2021	11/9/2021	12/7/2023	6/5/2024
Carey Gardens	11/23/2019	12/30/2020	8/9/2021	8/16/2021	6/20/2023	12/17/2023
Coney Island 4&5	11/23/2019	12/30/2020	8/9/2021	8/16/2021	6/27/2023	12/24/2023
Coney Island IB	11/23/2019	12/30/2020	8/9/2021	8/16/2021	11/20/2023	5/19/2024
High Bridge Gardens	11/23/2019	12/30/2020	4/25/2021	5/3/2021	1/8/2023	6/11/2023
Butler	11/23/2019	1/4/2021	4/26/2021	5/3/2021	2/28/2023	8/27/2023
Mitchel	11/23/2019	1/2/2021	8/12/2021	8/19/2021	6/30/2024	12/27/2023
Queensbridge North	11/17/2017	12/17/2020	6/10/2021	6/17/2021	6/9/2024	12/6/2024
Richmond Terrace	11/23/2019	12/30/2020	4/24/2021	4/31/2021	12/9/2022	6/8/2023
Unity Plaza	11/23/2019	1/4/2021	8/25/2021	9/1/2021	3/29/2023	9/25/2023

***b. Contracting Process***

NYCHA is utilizing a contract with a full-service project management firm (the “**PM**”) to deliver the elevator replacement work. The PM is managing and coordinating all aspects of the projects including planning, funding management, grant administration and financial reporting, metric management, design coordination, procurement scheduling, construction scheduling and coordination, and close-out.

NYCHA issued solicitations for design services from NYCHA’s IDIQ pool of firms for eight of the ten developments and task orders were issued to an engineering services firm. Queensbridge North’s elevators are being designed by a consulting and design firm under a previous task order and Atlantic Terminal is being designed in-house by NYCHA staff architects/engineers.

**VII. Ongoing NYCHA Commitments to the Monitor**

NYCHA recognizes its responsibility to work closely with the Monitor. NYCHA will take necessary steps to make all documentation and information in connection with the GDA, and this GDA Action Plan and all projects proceeding thereunder, timely available to the Monitor, including but not limited to solicitations, contracts, design and construction documents, schedules budget estimates, cost reports, requisitions for payment and supporting documentation, records of consultants, construction managers, project managers, prime and subcontractors and personnel of each, as may be required by either DASNY or the Monitor. Further, NYCHA will cooperate fully with the Monitor to facilitate the Monitor's oversight and reimbursement review obligations, including but not limited to ensuring on-site access to project sites to observe construction activity, providing access to any and all project records, facilitating the Monitor's access to all NYCHA, contractor and subcontractor records and employees, as needed in the Monitor's discretion, and ensuring the Monitor's access to and observations of project meetings. NYCHA also will, pursuant to the processes outlined in the GDA Section 6(f) and in the Monitor's contract with the City, provide to the Monitor reimbursement requests and reimbursement review packages, including supporting documentation as well as access to eBuilder and other NYCHA systems and such personnel that the Monitor deems necessary.

NYCHA commits to working collaboratively with the Monitor on this critical pipeline of heat and elevator projects, bearing in mind that:

- a) Agreement Exhibit B Paragraph 14(c) requires that NYCHA replace or address 297 boilers by December 31, 2026 while evaluating "the condition of a development's entire heating-related capital needs."
- b) Agreement Exhibit B Paragraph 34(b) requires that NYCHA replace 275 elevators by December 31, 2024 through its capital plan.
- c) The projects funded by the GDA are a critical component of NYCHA's efforts to meet these obligations and forms a subset of replacements required by the NYCHA Heat Plan and the NYCHA Elevator Action Plan.

Among others, NYCHA will regularly do the following:

1. Provide a consistent flow of information and access outlined above or otherwise requested by the Monitor from: NYCHA staff, consultants, subcontractors, contractors, NYPA and others determined by the Monitor in his discretion, to the Monitor.
2. Pursuant to the processes outlined in the GDA Section 6(f) and in the Monitor's contract with the City, timely provide reimbursement request packages to the Monitor for review and assure the timely availability of any personnel and information required by the Monitor in connection therewith. For the purpose of facilitating the Monitor's reimbursement review and oversight obligations, NYCHA will continue to provide full access to (i) all information in NYCHA's possession (including, among others, via eBuilder, Oracle, Sharepoint and Microsoft Teams), (ii) all personnel related to the GDA, and (iii) all contractors and subcontractors working on the GDA projects, and all information or documentation in the possession of any of them that is connected with the Monitor's duties pursuant to the GDA and to the Monitor's Contract with the City upon the Monitor's

request as provided in the HUD Agreement, the GDA and the Monitor's contract with the City.

3. Pursuant to the GDA and the Monitor's contract with the City, facilitate the Monitor's general oversight related tasks for these projects and assure cooperation by those identified in paragraph 1 with the Monitor.
4. Continue the Capital Projects Division and Finance Department meetings with the Monitor to ensure the Monitor has access to and understands how to use eBuilder, Oracle and other systems and continue to hold weekly meetings with the Monitor to discuss progress, coordinate other meetings and review of relevant documents.

To the extent any substantive disagreement arises regarding how to proceed within the contracting, design, construction or procurement process among the Monitor, the Monitor's consultants, NYCHA and/or NYCHA's technical advisors, operational decision-making resides with NYCHA pursuant to Section IV(B) Paragraph 24 of the Agreement. However, as provided in the GDA, if the costs for any of the projects exceed the budgeted amount, NYCHA shall notify DOB, DASNY, and the Monitor, using the form attached to the GDA as Exhibit F. After NYCHA has proceeded through the process outlined in the GDA, approval of any budgetary changes by the Monitor, DOB and DASNY must be obtained for such an amendment to the GDA (including any changes to the budgets and schedules outlined in Exhibit A to the GDA. This GDA Action Plan in no way limits the rights and obligations of the parties as set forth in the Agreement. Nothing herein shall in any way limit the Monitor's ability to freely communicate all information obtained with DASNY or DOB, HUD, SDNY, NYCHA or others named in the HUD Agreement.

## VIII. Exhibit A – Quarterly Reporting

NYCHA shall submit a Quarterly report to the Monitor commencing with the quarter ending June 30, 2021. Each report will be due upon the following schedule:

Quarter	Start and End Date	Date Report Due
First Quarter	January 1 to March 31	April 30
Second Quarter	April 1 to June 30	July 31
Third Quarter	July 1 to September 30	October 31
Fourth Quarter	October 1 to December 31	January 31 of following year

### *Scheduling Milestones*

Each Quarterly Report shall include the following Schedule Milestones at a development level, (where applicable per contract delivery method):<sup>13</sup>

1. Issuance of RFQ from procurement
2. Issuance of scoping document defining work
3. Issuance of RFP for Design-Build services
4. ‘Recommendation of Award’ for Design-Build services
5. OMB contract certification
6. Board approval
7. Comptroller contract registration
8. P/O Issued for temporary boiler / elevator (if applicable)
9. Basis of design complete for boiler / elevator
  - Predesign with site survey & existing conditions report, per CPD submission requirements.
10. Demolition documents issued for permit
11. Required in-progress reviews per contract
  - Schematic Design Documents (if applicable per contract)
  - Design Development (if applicable per contract)
  - 50% Contract Documents (if applicable per contract)
  - 75% Contract Documents (if applicable per contract)
  - 90% Contract Documents (if applicable per contract)
  - 100% Contract Documents (if applicable per contract)
12. Temporary boiler / elevator/ (if applicable)
13. Hazmat removal (if applicable) and Site Safety Plans
14. Demolition starts
15. Construction documents Issued for permit
16. Demolition complete, and building structure secure to start construction build-back
17. Foundations set for heating/hot water system Installation / Elevator pit and shaft wall complete

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<sup>13</sup> The following set of Milestones are a guide and, where applicable, have been incorporated into the elevator program and the heating plant Phase II. For the heating plant Phase I, the milestones will need to be amended slightly to reflect the Design-Build delivery method. However, these milestones will closely track the milestones developed for the Design-Bid-Build delivery method that are detailed herein and any amendments will be developed in conjunction with the Monitor’s technical team and the design-build firms.



18. Heating system major components / elevator fabrication complete and delivery date
19. Mechanical/Electrical/Plumbing/Fire Protection rerouting complete and tested
20. Systems commissioned
21. Training start and completion
22. Development ready to accept mechanical system / elevator
23. Outstanding municipal permits closed and project closed

*Narrative*

These milestones should be assembled and included into each quarterly report to accurately track the GDA Project and each of the included projects in a report that includes the following:

- Executive Summary
- Progress in Reporting Period (program wide and project level)
- Activities Anticipated in Next Reporting Period (program wide and project level)
- Project Schedule Narrative (Project wide and individual project level)
  - Original substantial/final completion dates,
  - forecast completion (current substantial/final completion dates)
  - delays
  - Percentage complete
  - Latest schedule update narrative
  - milestones completed
  - milestones upcoming
- Budget Summary (Overall program and project level).
  - original budget
  - current budget
  - contract at award
  - approved current contract
  - spent to date (broken down by hard and soft costs)
  - Remaining budget
  - Reimbursement amounts requested from DASNY to date.
  - Reimbursement amount requested from DASNY during this reporting period.
  - Reimbursement amount received from DASNY to date.
  - estimated cost to completion
  - change orders / potential change orders
- Risk Register / Major issues & resolutions (program wide and project level)
- Action Items Log (program wide and project level)

A template is being further developed.

**IX. Exhibit B – Heat Plant Prioritization**

Development	Equipment Year	Boiler Count	Condition Rating	Condition Rating
	(PNA)		(OP) 2018	(PNA) 2017
<b>Phase 1</b>				
830 Amsterdam	1996	2	3	3
Berry	1950	3	5	5
Eastchester	1987	4	3	5
Jackson	1986	4	5	4
Marlboro	1993	6	5	4
Pink	1990	6	5	3
Tilden	1990	4	5	4
Ocean Hill Apartments	1980	2	5	3
Marble Hill	1986	6	4	3
<b>Phase I Total</b>		<b>37</b>		
<b>Phase 2</b>				
Amsterdam	2003	4	3	3
Bay View	1990	8	4	4
Brevoort	1990	4	5	3
Cooper Park	1987	4	4	4
Gowanus	1981	6	5	4
Johnson	1993	5	3	4
Lincoln	1985	5	3	3
Marcy	1979	7	5	4
Mott Haven	1998	4	2	3
Ravenswood	1986	7	5	3
Roosevelt I & II	1964	4	4	4
Smith	1992	6	3	3
UPACA (Site 5)	1986	2	4	3
Van Dyke I & II	1990	5	5	3
<b>Phase II Total</b>		<b>71</b>		
<b>Phase 1 and 2 Grand Total</b>		<b>108</b>		

**Key:**

1. OP: NYCHA’s Operations Departments’ rating for the asset
2. PNA: NYCHA’s 2017 Physical Needs Assessment to identify the capital expenditures needed to bring NYCHA’s housing developments to a state of good repair

**X. Exhibit C – Elevator Prioritization**<sup>14</sup>

Development	Equipment Year	Elevator Count	Condition Rating (OP) 08/2019	Condition Rating (PNA) 2017	# of Senior (62+) Or Residents With Mobility Or Vision Issue at Dev.	% of Senior (62+) Or Residents With Mobility Or Vision Issue at Dev.	# of Buildings with single-car elevators	Elevator Outages/ Car/ Month (OP)	Roof Rating	Funding for Roof Replacement
Atlantic Terminal	2001	3	4	3	192	33.92%	0	0.92	5	Tranche 6
Carey Gardens	1992	9	5	4	461	28.51%	0	1.22	4.53	In Construction
Coney Island (4&5)	1994	6	5	3	146	29.14%	0	2	4.4	In Construction
Coney Island (1B)	1996	3	5	3	198	19.86%	0	0.58	4.6	In Construction
High Bridge Gardens	2001	12	3	3	390	24.21%	0	1.06	2.43	Completed
Butler	2000	18	3	3	661	15.44%	0	1.09	4.07	Tranche 4
Mitchell	1994	20	5	3	896	22.74%	0	3.06	4.35	In-Construction
Queensbridge North	1994	49	5	3	795	25.76%	13	0.52	1.24	Completed
Richmond Terrace	1995	12	5	3	175	14.00%	0	0.72	2	Completed
Unity Plaza	1992	16	5	3	266	16.60%	8	0.77	3	Completed
<b>TOTAL</b>		<b>148</b>								

<sup>14</sup> CPD considers whether a development has had roofs replaced before replacing an elevator because NYCHA utilizes a logical building sequence of component replacement as part of its planning process. If a development has (or, based on the development being funded using a subsequent “tranche” of funds, will have) received investments in a replacement of the roofs then NYCHA can be confident the development is water tight, which will help protect subsequent investments in expensive building systems, like elevators.