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**Testimony of Jonathan Rosenberg, New York City Independent Budget Office
To the New York City Council Committee on Parks and Recreation, Committee
on Contracts, and the Subcommittee on Capital Budget
Regarding Improving the Efficiency of Parks Department Capital Projects**

November 12, 2019

Good Morning Chairs Koo, Kallos, Gibson, and committee members. I am Jonathan Rosenberg, the director of budget review at the New York City Independent Budget Office. Thank you for the providing me the opportunity to testify today regarding methods to improve the efficiency of Parks Department capital projects.

IBO provides nonpartisan information on the city's budget to members of the Council, other elected officials, and the public. In that role, we often receive questions regarding the parks department's capital budget. These questions range from the status of a local project to broader questions about the city's capital budgeting process. While we are able to provide information on changes in the overall budget and shifts in funding for specific projects, we often find it difficult to track and identify the *cause* of project delays and cost overruns—the questions IBO most frequently receives.

Identifying the cause of a delay or a cost overrun for a specific project is challenging given the nature of the data provided in the Capital Commitment Plan, the city's capital planning document. The Capital Commitment Plan provides few details on the planned timeframe of a capital project. The commitment plan contains a "milestone" field that *in theory* indicates the project's current status along with projected start and end dates for each phase of the capital process. Unfortunately, these fields are often left blank. In addition, even when the information is included, it is rarely up to date.

Recognizing a cost overrun in city budget documents is similarly difficult. The Capital Commitment Plan is divided by budget line and further subdivided by project. A project in the commitment plan may represent discrete work (for example, "Orchard Beach Pavilion & Ancillary Reconstruction") or it may be for a bundle of similar projects (for example, "Parks Security Measures Citywide"). While the commitment plan provides the total funding planned for a project, there is little detail on funding for the project's individual components. Moreover, it is often unclear if the funding levels represent the total estimated cost of the project. If funding is increased in subsequent plans, it can be difficult to discern whether the new funding level represents an increase in cost (an overrun), a change of scope, or if the additional funds were part of the initial cost estimate, but are just newly reflected in the city's budget documents.

Earlier this year, IBO testified before the Committee on Parks and Recreation on Intro 161, a proposed bill to require additional data disclosures related to parks capital delays and cost overruns to be included in the Parks Department Capital Project Tracker. We are generally in favor of the city providing more and better information to further oversight by the Council, IBO, and others that would help to improve the capital budgeting process. As we testified previously, without access to capital project details it is difficult for IBO and others to determine the source of inefficiencies in an agency's capital program.

It is important to note that difficulty in identifying delays and cost overruns is not limited to the parks department; it is something we encounter with capital projects citywide. Parks department capital projects by their nature are very visible and often garner considerable public scrutiny, more so than projects for most agencies. The parks department is certainly not the only agency encountering capital project management issues.

There is no need for the parks department to reinvent the wheel when it comes to best practices in capital project management, particularly when there are a number of promising concepts already underway at other city agencies. In January the city's primary construction management agency, the Department of Design and Construction (DDC), issued a strategic blueprint aimed at improving its capital project delivery process. DDC's plan focuses on ways that the agency could streamline the contracting procurement process, including expanding the use of innovative project delivery methods such as design-build, prioritizing comprehensive front-end planning in an effort to minimize the number of time-consuming changes, and improving the agency's community outreach efforts. These ideas and others used in different construction agencies could be of value in making the parks department's capital process more efficient.

The parks department has itself previously been an innovator in developing methods for expediting the capital construction process. In 1995 the department was one of the first city agencies to implement the requirements contracts process. Parks department requirements contracts expedite the capital process where contract work entails the replacement of standard park features and the improvement of the overall condition of a park without needing to undertake a complete reconstruction of the site. The contract enables work to be completed at many sites utilizing a single contractor that has already been selected through a bid process, significantly reducing the amount of time it takes for capital improvements to be completed.

In summary, without better data, a thorough analysis of the parks department's capital program is difficult, if not impossible. More granular and updated information would allow the Council, IBO, and other oversight agencies to identify bottlenecks and to make recommendations on how to improve efficiency in the capital process.

Thank you and I am happy to answer any questions.