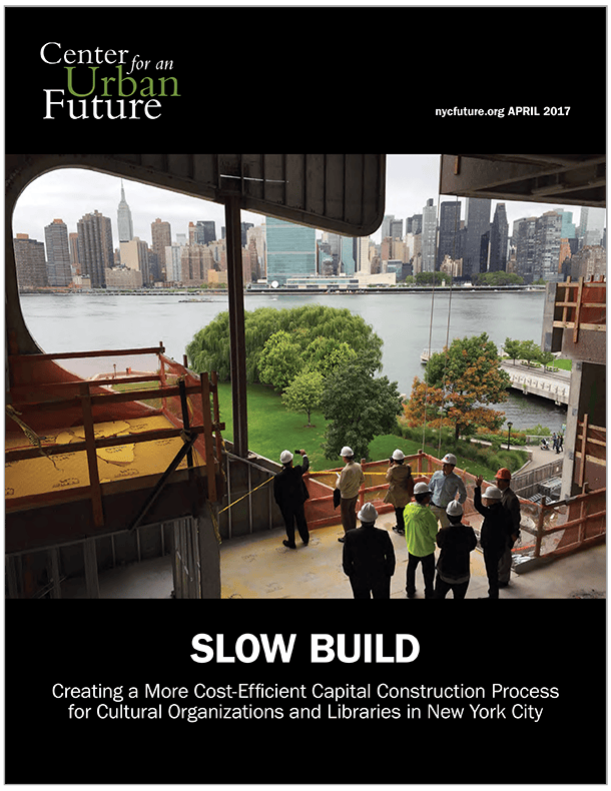


Report - April 2017

Slow Build

This report finds significant problems with NYC's process for managing capital construction projects for libraries and cultural institutions, with the median capital project taking more than four years and costing roughly twice as much as a new office building. The study, a collaboration between CUF and the Citizens Budget Commission, puts forth recommendations for creating a more cost-efficient capital construction process for libraries, cultural groups and other nonprofit organizations.

by Eli Dvorkin, Maria Doulis, and Jonathan Bowles

- The following is the introduction to *Slow Build*
- Read the full report (PDF)
- View the recommendations from the report

After more than a decade of skyrocketing attendance, many of New York City's branch libraries, museums, and performing arts institutions are bursting at the seams. The average library is over 60 years old, and many are either too small to adequately serve the rising number of patrons, poorly designed for the way people are using libraries today, or in need of basic repairs just to keep their doors open. Meanwhile, dozens of the city's cultural institutions—many of which were built more than 50 years ago—could also benefit from a makeover or an expansion to accommodate the hordes of new visitors driven by record population growth and an unprecedented boom in tourism.

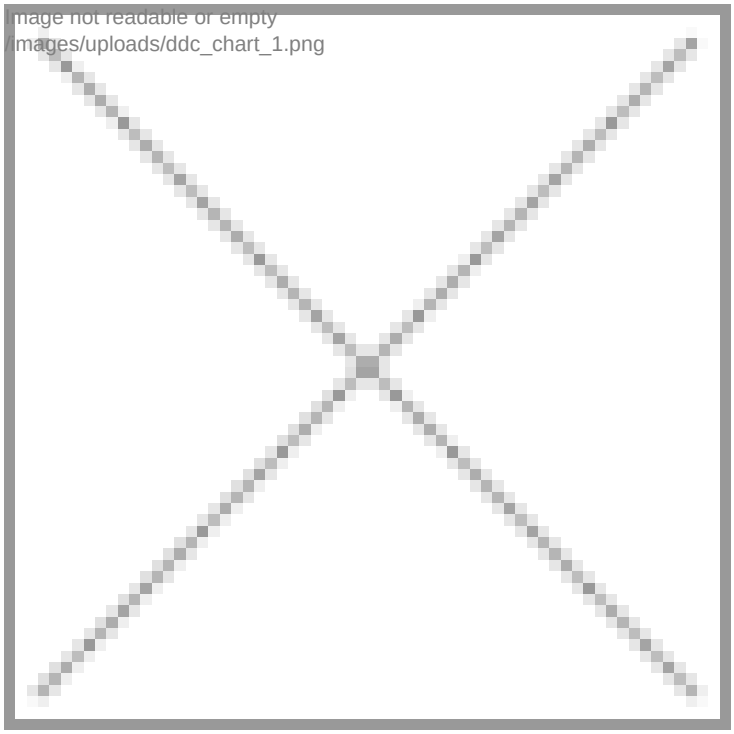
But while tackling the infrastructure needs of New York's museums, performance spaces, and libraries necessitates a new level of financial support from city government in the years ahead, it will also require fundamental changes to the city's maddeningly time-consuming and unnecessarily expensive capital construction process for nonprofit institutions.

As this report details, infrastructure projects for libraries and cultural institutions managed by the Department of Design and Construction (DDC), the city's chief capital construction agency, take much longer to complete and cost significantly more than similar capital projects that are managed by the institutions themselves or overseen by other governmental agencies.

Our report features an analysis conducted by the Citizens Budget Commission (CBC) of 144 DDC-managed capital projects at cultural institutions and libraries from fiscal years 2010 to 2014. The findings are troubling. The median capital project in our analysis took more than four years to complete, and 17 lasted for more than seven years. Meanwhile, the median cost for new buildings in our sample was a staggering $930 per square foot—roughly double the cost of new office space in the city.

Beyond the data, we conducted dozens of interviews with top officials at cultural institutions and libraries, as well as architects, private construction managers, engineers, and even officials at DDC. These conversations depict a city nonprofit capital design and construction process that is badly in need of reform.

One result of this broken system is a squandering of the extremely limited capital dollars that go to library and cultural projects. Other consequences take a more personal toll on libraries and cultural organizations, and the communities that depend on them. Museums are forced to postpone the opening of long-planned exhibitions, libraries remain closed for years longer than expected, performance halls lose revenue for every day they can't put on a show, and organizational budgets end up in the red due to higher-than-expected capital costs.



In recent years, the Center for an Urban Future (CUF) has published several studies documenting the growing importance of the city's libraries and cultural organizations. Our *Branches of Opportunity* report showed that patronage at the city's branch libraries skyrocketed over the past decade, in large part because libraries have become the go-to places to learn the essential literacy, language, and technology skills needed to get ahead today. Our *Creative New York* study found that the nonprofit arts and for-profit creative industries were among the fastest growing segments of the city's economy over the past decade.

In this new report, we set out to examine a key challenge facing both libraries and the nonprofit arts sector: the capital construction process for nonprofit organizations. The report, which was made possible thanks to generous support from the Charles H. Revson Foundation, provides the most complete picture to date of city-managed capital construction projects for libraries and cultural organizations.

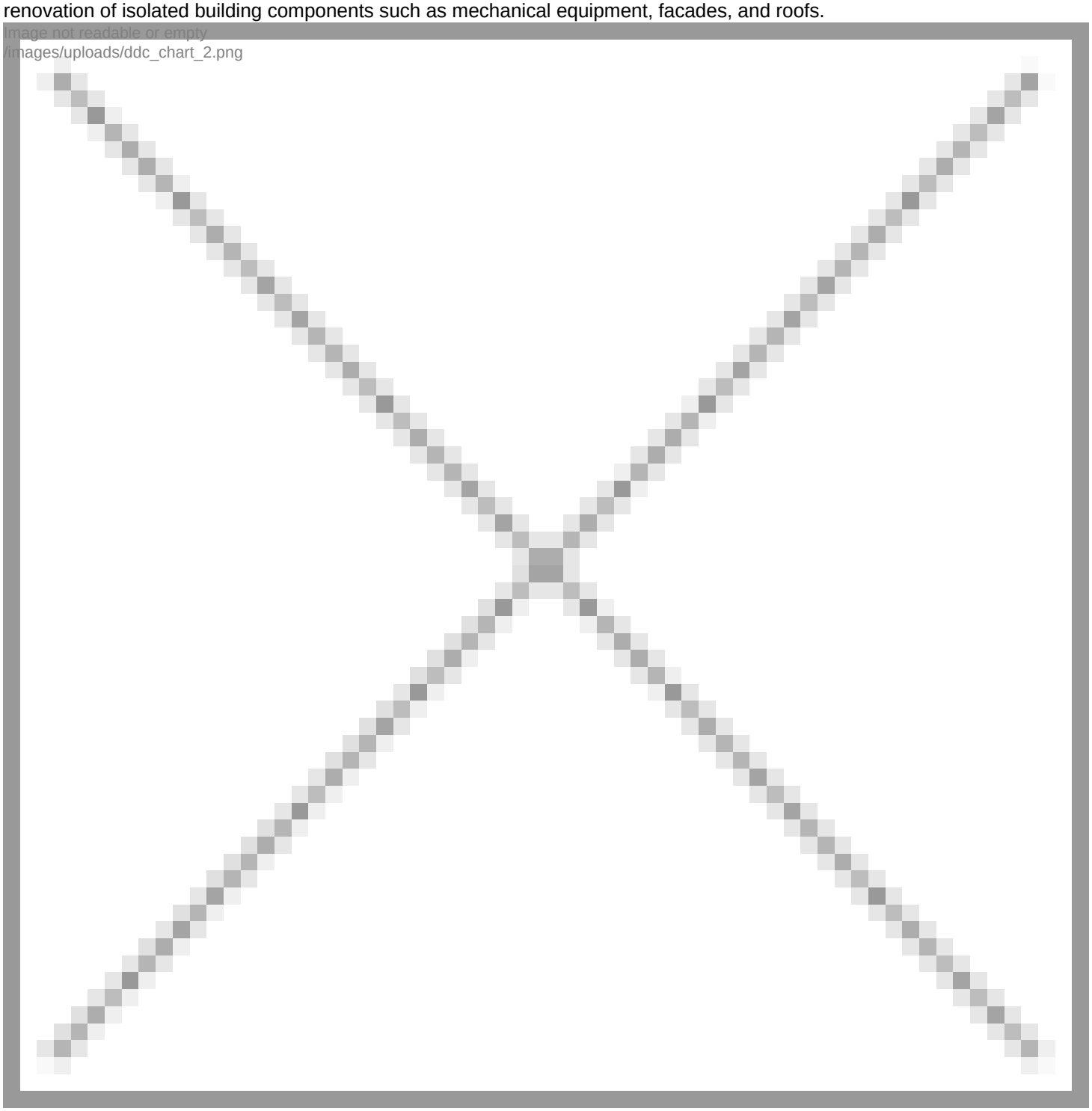
CUF teamed up with the Citizens Budget Commission to analyze timelines and cost breakdowns for 144 library and cultural capital projects completed between fiscal years 2010 and 2014. These projects constitute approximately one-quarter of all library and cultural projects completed during the Bloomberg administration, and all of the DDC-managed library and cultural projects completed during these five years.1 In addition to the data analysis, we conducted dozens of interviews with leaders at cultural institutions and libraries, architects, contractors, employees at city agencies, and budget experts. These conversations helped us identify the main challenges and chokepoints that plague capital projects at libraries and cultural institutions alike.

Both the interviews and financial analysis brought us to the same conclusion: city-managed capital projects for nonprofit organizations take way too long and cost significantly more than they should.

To begin with, the projects we analyzed took staggeringly long to finish. The median project took 1,550 days—more than four

years—to complete. However, 36 percent of the projects took more than five years, and several lasted more than a decade. The durations are especially shocking given that most projects were relatively small and involved the replacement or renovation of isolated building components such as mechanical equipment, facades, and roofs.

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Of all the library and cultural capital projects we analyzed, the ones that involved new construction took the longest to complete—nearly seven years, or 2,467 days. But fairly routine maintenance projects also take years to finish. When broken down by project type, the median mechanical system upgrade—a category that includes the replacement and installation of fire alarms, boilers, and heating/cooling systems— took 1,573 days (4.3 years) until completion.

As one example of how seemingly simple projects can get bogged down in different stages of the process, a group of fire-safety projects at the New York Public Library (NYPL) took only three months to build and install but spent 1,499 days in the

planning and approval phases before construction could even begin. One relatively small parapet reconstruction project at the Brownsville branch of the Brooklyn Public Library (BPL) got so bogged down by the many layers of approval—not just at the Office of Management and Budget (OMB) but at the Fire Department, Department of Buildings, and the Public Design Commission—that it took 1,453 days before construction started, and spanned 2,022 days (over 5.5 years) from the time the project file was opened at DDC until it was deemed substantially complete.

Likewise, construction costs were extremely high. Relying on DDC's cost estimates, the median cost of construction for the new library and cultural buildings in our sample was an astronomical $930 per square foot.

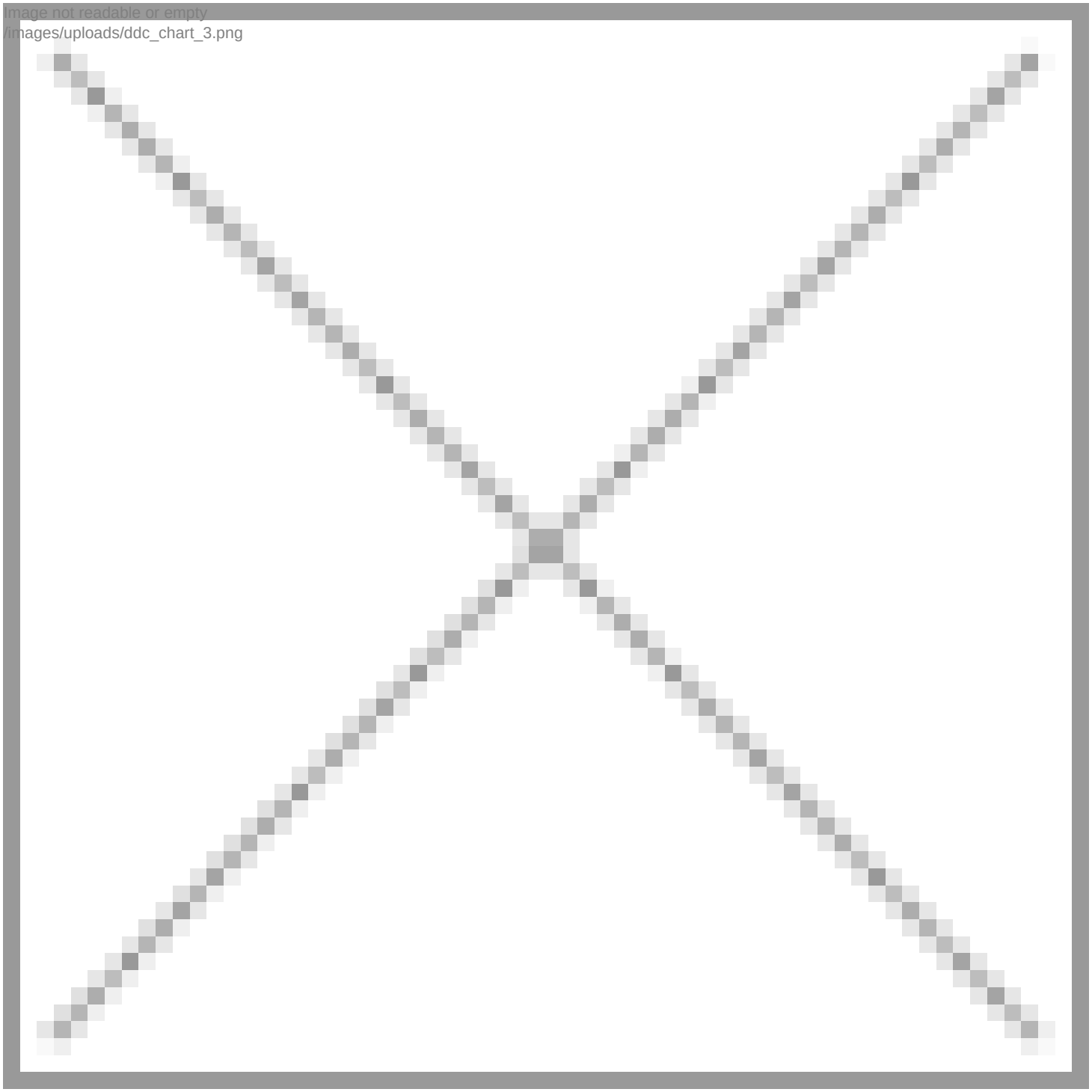
This is strikingly high, even in a city with the highest construction costs in the nation. Indeed, construction costs for speculative office buildings in New York City range from $425 to $500 per square foot, according to a March 2016 analysis by the New York Building Congress. Even the most expensive private sector projects generally cost significantly less than DDC-managed library and cultural projects. For example, the cost of hospital construction—the most expensive category surveyed—averaged $800 to $1,000 per square foot. University buildings came in at $600 to $900 per square foot, and five-star hotels at $700 to $800 per square foot.

Many library and cultural construction projects in the city far exceed the $930 per square foot median cost of construction. Indeed, after filtering out the minor or highly specific capital projects included in our new construction and renovation categories, we found 12 major projects—out of 28 total—that cost more than $1,000 per square foot. That includes the Kingsbridge Library, completed in 2011, which cost $1,117 per square foot, and the Weeksville Heritage Center, completed in 2013, which cost $1,398 per square foot.

These costs also vastly exceed the prices per square foot that libraries and cultural institutions report paying for projects that they manage themselves. For example, of the six new NYPL branches completed since 2005, the average cost of construction for selfmanaged projects was approximately $523 per square foot, versus $883 per square foot for the DDC-managed projects—a 69 percent premium. When design costs are factored in, the cost difference balloons to 88 percent.6 (In a handful of instances, known as "pass throughs," libraries and other large nonprofits receive permission from the city to manage projects themselves.)

The frequent delays and cost overruns are painful for the client institutions and the communities they serve. For example, a roof repair and Americans with Disabilities Act compliance project at the Park Slope library kept the branch closed for more than three years. As the initial project dragged on, library officials attempted to take advantage of the prolonged closure to revamp and refresh the building's interior. However, the proposed changes triggered a cascade of new approvals, rejections, and alterations from DDC and OMB, further elongating the timeline. During the years that the 12,500-square-foot library was closed for repairs, the entire 675,000-square-foot Barclays Center was built.

"At the end of the day, our patrons suffer," says one public library official. "When a branch does have to close for construction, the duration is longer than it should be. We have rooms offline, we have systems that don't work. If our librarians are worried about the boiler or the HVAC, it all impacts how we run our business."



The delays and high costs stem in large part from inefficient systems and processes at DDC and OMB, the agencies that are most involved in overseeing capital projects for libraries and cultural organizations. However, another major factor is the piecemeal way that many capital projects for libraries and cultural groups are funded—a process in which scope changes are common. In addition, there are several system-wide issues that contribute to major inefficiencies, including laws that both mandate a low-bid procurement system and prevent city projects from adopting a design-build process.

Overall, we were able to identify seven major drivers of delays and costs in city-managed capital projects for nonprofits:

The complex and time-consuming approvals process can take years before construction even begins. The three stages of the capital process that precede construction—pre-design, design, and post-design—involve an arduous multiagency review process and many stages of project scoping and cost estimating. Projects can spend months in limbo while DDC, OMB, and other

agencies make determinations on scope changes, design elements, and capital eligibility, such as whether a light switch is eligible for capital funds in an electrical system upgrade.

The average project spends nearly a year waiting for approval of Certificates to Proceed. Although DDC manages the capital process for nonprofits, OMB reviews every amendment to the project. Among the projects we analyzed, it took 62 days on average for OMB to approve each amendment. For the average project, these approvals added up to 328 days.

Little accountability for the efficient and cost-effective delivery of capital projects. DDC and OMB do not track timelines and costs in a systematic way and do not keep project managers accountable to pre-established targets. Layers of review designed to protect public dollars can have the unintended consequence of contributing to delays and driving up costs.

Lack of coordination among oversight agencies. DDC, OMB, and other agencies such as the Department of Buildings, the Fire Department, and Public Design Commission too often work at cross purposes, stymieing effective project management at all phases of design and construction. Insufficient management experience at nonprofit client organizations. Many small cultural nonprofits lack experience working with city capital dollars and struggle to meet the extensive legal requirements that come attached.

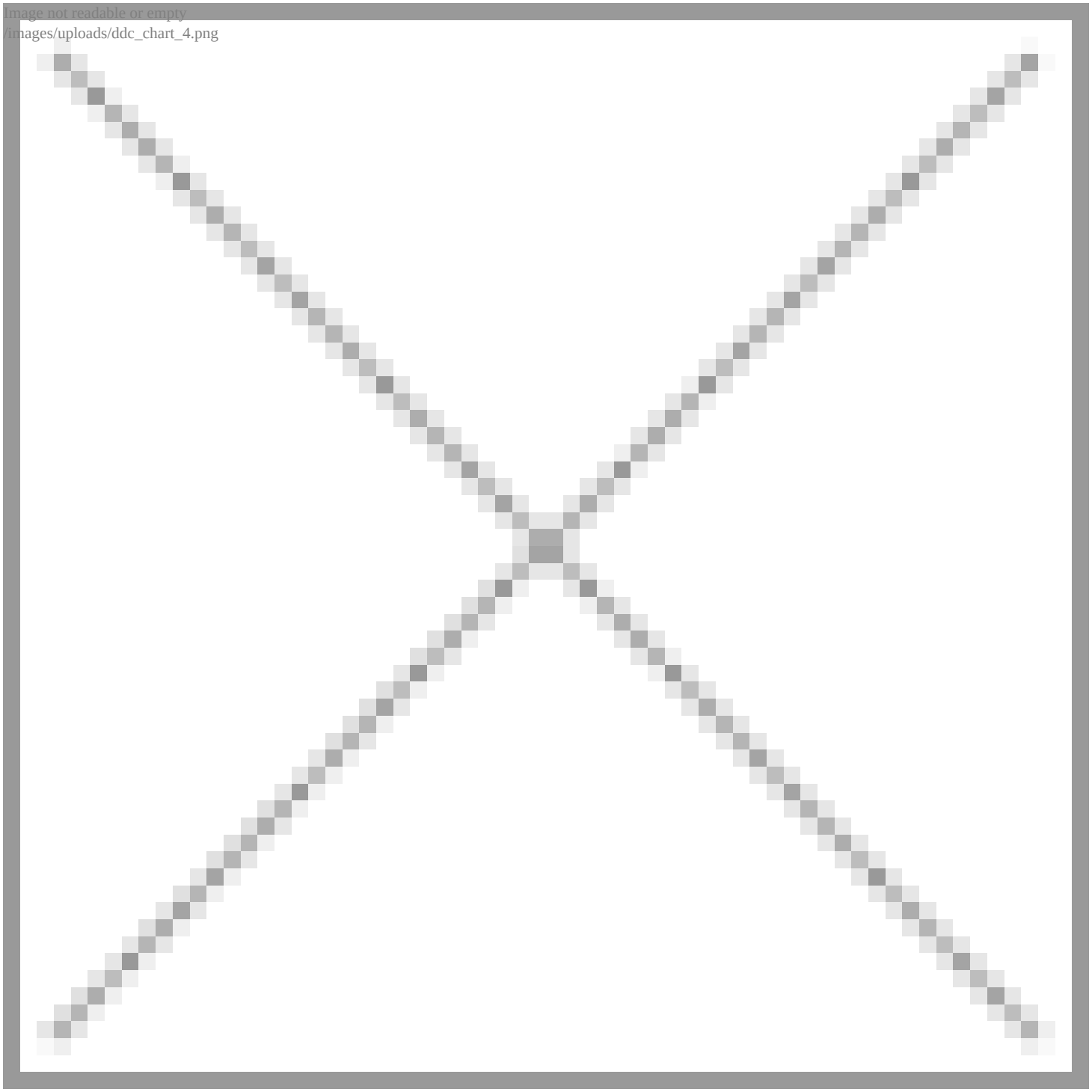
Ineffective budgeting and capital planning processes and major changes in scope. The city's discretionary funding process, which allows individual elected officials to fund projects in their districts independently, makes it difficult for OMB and DDC to create a predictable pipeline of capital-eligible projects. Scope changes are fairly common, with many libraries and cultural organizations raising additional funds for dramatically expanded projects after the design phase has begun. Each new financial infusion and scope change leads to new rounds of agency review.

Insufficient management experience at nonprofit client organizations. Many small cultural nonprofits lack experience working with city capital dollars and struggle to meet the extensive legal requirements that come attached.

Outdated and costly procurement processes. State procurement law, which generally requires DDC to hire the lowest bidder without room to compare the quality of contractors or the overall value of bids, introduces inefficiencies and misaligned incentives into the contracting process and leads to project management conflicts.

To be sure, across the spectrum of public projects funded and managed by city agencies, library and cultural projects are among the most complex. Major underlying factors that affect cost and complexity include a mix of public and private funding sources and ownership structures, some of which trigger additional state and federal capital finance rules, as well as needs that do not allow for a cookie-cutter approach to design and construction. The result is that libraries and cultural institutions are hit particularly hard by the burdens that accompany city-funded capital projects.

It's worth noting that DDC has made a lot of progress over the past decade in the design and overall quality of the construction projects it manages. Dozens of buildings, from firehouses and libraries to theaters and museums, have won recognition from prominent critics and organizations; the Design and Construction Excellence program has even streamlined rules to make it easier for talented architects to contribute to public buildings. Moreover, this study found no evidence that these investments in quality design have contributed to long delays and cost overruns.



This report solely analyzed data from DDC-managed capital projects that were substantially completed prior to the administration of Mayor Bill de Blasio, and there are signs that the current administration is making progress. Under the leadership of Commissioner Feniosky Peña-Mora, DDC has focused more attention on improving project delivery. DDC's 2017 State of the Agency report cites a number of achievements, including a 22 percent reduction in project approval durations from OMB and an initiative to schedule bids for release within two weeks of approval by DDC's Law Division.

DDC's commitment under the current administration to improving its processes is immensely encouraging, but it's also clear that these improvements only begin to address the sources of cost escalation and delay in their oversight of capital construction projects at libraries and cultural institutions, many of which stem from citywide oversight rules—particularly those enforced by OMB—and inefficient procurement practices that are mandated by state law.

The de Blasio administration cooperated fully with us on this study, granting access to project managers and other personnel at a variety of city agencies and offices. In addition, our data analysis was reviewed by DDC officials with expertise in project management and budgeting. Although the majority of city and nonprofit employees interviewed for this report chose to speak anonymously to avoid offending other agencies and organizations, most were candid in their assessments of the city's capital funding and management system. Together, these interviews describe a system that presents obstacles throughout the entire process, from approving the initial design brief through cutting the final check. In the words of one nonprofit executive with extensive capital construction experience, "The biggest [cost] escalator in a construction project is delay—and the city system is built to delay."

At a time when the city appears to be heading into a period of diminishing tax revenues and reduced federal funding, it will be more important than ever for New York policymakers to ensure that the city's capital funds are stretched as far as possible. That hasn't been the case with respect to the city's capital programs for libraries and cultural organizations. But the good news is that there is no shortage of promising ideas to improve this deeply flawed system.

In the final chapter of this report, we set forth 12 achievable recommendations for creating a more costefficient—and more effective—capital construction process for cultural organizations and libraries. Our recommendations include:

- Create a task force to review and reform the capital construction process.
- Start systematically tracking capital project costs and timelines.
- Streamline project approval practices and reduce redundancies between OMB and DDC.
- Simplify the design review process at DDC.
- Strengthen DDC's data analytics team to inform smarter decision-making.
- Institute a process for nonprofits to prequalify for discretionary capital funds.
- Establish dependable funding for capital construction projects, including routine state-of-goodrepair investments
- Standardize and disseminate capital eligibility rules and requirements.
- Allow appropriate capital projects to be contracted through a design-build process.
- Expand the use of self-managed projects.
- Improve contracting by assessing value rather than defaulting to the lowest bid.
- Create a "Director of Libraries" inside City Hall.

Photo credit: Hunters Point Community Library / Steven Holl Architects

- The following are recommendations from *Slow Build*
- Read the full report (PDF)

Create a task force to review and reform the capital construction process.
The mayor should convene a task force to examine the current capital construction approval and management system, ensuring that representatives of the city's libraries and cultural institutions are at the table. The task force should include representatives from DDC and its largest client organizations—such as the three library systems and members of the Cultural

Institutions Group—as well as other agencies with a role in the approval process, including the Departments of Buildings and City Planning, the Fire Department, and the Office of Management and Budget. Charged with identifying and mitigating the inefficiencies that plague the current system, the task force should seek ways to streamline the CP approval process, clarify the rules regarding pass-through projects, and study the potential of a best-value contracting system.

Start systematically tracking capital project costs and timelines.
Though the Department of Design and Construction keeps track of the percent of projects completed "on time and onbudget" for the Mayor's Management Report, these scores are not based on preestablished targets and provide little insight into the delays that plague the system. In the absence of rigorous data collection, it is impossible to manage projects effectively and minimize time and cost overruns, especially given the complex bureaucracy surrounding capital construction oversight. There have been few efforts to evaluate project timelines based on current record-keeping practices, much less any coordinated effort to institute a more robust project tracking system.

The city should leverage its existing Capital Projects Dashboard and expand it to systematically track the real costs and timelines of all capital construction projects, including DDC-managed projects and those managed by other agencies. This system should track projects from the time that DDC or OMB is first notified until the final checks are cut, while measuring progress against deadlines that are established at the onset of the project. The system should also record past estimates in order to allow project managers to accurately assess performance after each phase is completed. In addition, records should reflect the initial estimated completion date so that delays in earlier phases of the project are not lost once construction actually begins.

The existing dashboard could be significantly enhanced—pulling together data and records from DDC, OMB, client agencies or institutions, and the relevant contractors—to provide a real-time snapshot of time and money spent on a given project and compares the current status to the estimates and deadlines established at the beginning of the process. This dashboard should allow project managers to drill down into specific phases of the project, compare estimates to actual costs for each individual contract, and compare results to those of similar projects.

Streamline project approval practices and reduce redundancies between OMB and DDC.
OMB is involved with nearly every decision in the capital construction process, including project scopes and costs, CP interpretations, and change orders within the contingency budget. The agency's approach hinges on the notion that more OMB control helps to limit cost escalation. Unfortunately, the opposite is often the case: when OMB approvals take a year on average to execute and projects undergo repeated stops and starts, delays cause costs to rise. The problems are compounded by the lack of real-world contracting and construction management experience among OMB staff. In addition, decisions are often made twice, once at DDC and then again at OMB.

The city should consider reducing OMB's role in project approvals after the initial CP approval and institute frequent randomized audits instead to ensure that all legal and finance law obligations are met. At the same time, the administration could do more to strengthen the change order review process inside DDC to inspire confidence at OMB and allow DDC to manage the contingency budget without OMB approval. With the right checks and balances inside DDC, construction professionals should be allowed to manage a project's contingency budget, which is accounted for in the original CP approved by OMB. Minimizing the need for both agencies to review and approve subsequent adjustments can help to mitigate the current start-stop nature of DDC contracting, saving time and money.

Simplify the design review process at DDC.
The design review process for DDC-managed capital construction projects is invariably slow. The median project reviewed in this study spent more than two years in the pre-design and design phases, and, for 86 percent of projects, the design phases took longer than construction itself. For example, an agency should not discover that a parapet project does not meet Fire Department guidelines or historic preservation requirements only after it is fully designed—leading to months of delays.

With the help of the Mayor's Office, DDC should work with other relevant departments—including the Fire Department, Department of Buildings, and Public Design Commission—to establish a common review process and agree to achievable timetables for feedback and approval. An effective design approval process will require project managers within DDC and contacts at each external agency to sign off on each proposal in a predetermined sequence, ensuring that changes to one element of a project design do not conflict with the priorities of another oversight body. If all of these approvals are granted at the beginning of a project after thorough review, the likelihood that subsequent changes will violate departmental guidelines is greatly diminished.

Strengthen DDC's data analytics team to inform smarter decision-making.
Data is revolutionizing every aspect of organizational decision-making and DDC could benefit from increased support for its new data analytics efforts. The current team, created under Commissioner Pena-Mora, need sufficient capacity to leverage the copious data that DDC-managed projects generate, allowing the agency to analyze vendor performance, optimize purchases of raw materials, and assess the efficiency of approval processes, among many other opportunities. However, DDC lacks the capacity to fully capture, process, and interpret this data across all projects and in real time.

The city should fund an expanded agency-wide data and analytics team within DDC, which could work with existing city teams, including the Mayor's Office of Data Analytics and the pool of technologists at the Department of Information Technology and Telecommunications, to develop and implement data analytics tools for capital construction management. These tools could help project managers by analyzing cost trends over time, predicting potential overruns and delays, comparing estimates to previous projects and industry averages, flagging potential cost savings based on fluctuating prices for raw materials, and delivering automated updates to project stakeholders.

At the same time, the existing team needs top-level buy-in from other agencies to realize the full potential of data analytics. DDC's ability to analyze the entire capital construction process will remain limited unless the full spectrum of agencies involved agree to share information through a single system.

Institute a process for nonprofits to prequalify for discretionary capital funds.
The proliferation of discretionary funding for capital construction projects has led some nonprofits to undertake major initiatives that they are ill equipped to manage. The city should follow the lead of the HHS Accelerator system, which centralizes contracting and procurement for social service providers, and develop a similar portal for prospective recipients of capital construction dollars. This system would ensure that nonprofits are able to meet established criteria, including operating budget levels and staff capacity, before they can accept capital funds from elected officials.

Elected officials are not experts in capital financing or facilities planning and sometimes invest city dollars in organizations that lack sufficient operating support to maintain and manage large new physical spaces. In addition, some organizations seek capital funds as part of an ongoing fundraising campaign, which can lead to shifting goalposts and frequent changes to the scope of work. A prequalifiaction system would allow organizations to be matched with appropriate resources and weed out those that are unable to cope with capital construction projects

Establish dependable funding for capital construction projects, including routine state-ofgood-repair investments.
The current "rolling" capital funding system lacks measurable progress indicators and is vulnerable to sudden shifts inpolitical priorities. Libraries, in particular, rely on individual members of the City Council and borough presidents for the majority of their capital funds, which makes long-term planning a constant challenge. As the libraries piece together funds over multiple years and across various sources, they often have to go back and forth between OMB and DDC to reevaluate project scopes, which itself generates delays and increases costs. As a result, libraries and other cultural institutions are unable to plan for their needs over the long term or create a reliable pipeline of projects.

The size and scope of the discretionary funding process is unique to New York City. Funding municipal endeavors in such a

diffuse and uncontrollable manner places capital construction projects at great risk of delay, leading to cost escalations and constant uncertainty. The Mayor's Office should develop a plan for libraries and other cultural organizations located in city-owned properties to evaluate their capital needs every five years, including state-of-good-repair projects, systems replacements, and expansions to meet increasing demand. Although this is the intent of the city's current Asset Information Management System (AIMS), which is designed to centralize the city's capital construction needs, the system needs to be modernized and updated to take advantage of the current best practices in capital planning. In addition, under the City Charter, AIMS is limited in scope to capital assets with a replacement cost of at least $10 million. The Mayor's Office should consider the feasibility of including assets under $10 million to better understand the full scope of capital needs and allow budgeting for more proactive repairs and maintenance work, which often falls below that $10 million threshold. The city council should then adopt and fund a fixed fiveyear capital program, aligned with the city's required ten-year capital strategy. This approach is particularly essential for repair and maintenance projects, as the longer that repairs go unaddressed, the costlier they become.

Standardize and disseminate capital eligibility rules and requirements.
OMB does not currently provide a guide outlining the requirements for receiving approval of a CP. The Office of the Comptroller's Directives 7 and 10 cover basic rules for capital funding and auditing, but these are very general and require extensive interpretation by OMB staff, in accordance with state and federal law. Construction professionals caution that OMB's interpretations are not always clear and have been inconsistent over time. Although these rules are designed to protect public dollars, they often have the reverse effect. As one top official at a cultural institution says, "The money lost to corruption is nothing compared to the money lost to delays and inefficiencies." To improve the efficiency and transparency of the approval process, OMB should create a handbook providing an easy-to-understand summary of all capital eligibility rules and requirements with specific examples to help institutions understand the rationales behind various rulings. This document would help OMB staffers, capital construction managers at client nonprofits, and other agencies to understand how capital eligibility decisions are made and to ensure that proposals are in compliance before being submitted

Allow appropriate capital projects to be contracted through a design-build process.
Current state law requires design work and construction work be bid out, awarded, and completed separately, which canlead to inefficiencies and costs that exceed standards in the private sector. Although not all capital projects will benefit from a design-build process, this approach has been used by other governments, including certain New York State–funded projects, to reduce delays and control costs.

For large, complex projects, such as mechanical system replacements, a design-build process can help to ensure that architects, engineers, and contractors are in sync, reducing the likelihood that major changes will have to be made during the construction phase. In addition, a design-build approach can help to reduce total project durations by eliminating the bidding phase for construction and greatly reducing the likelihood that disagreements between the architects, engineers, and contractors will result in work stoppages and change orders in the build phase. The city should escalate its long-standing efforts to encourage the State Legislature to authorize design-build on appropriate capital construction projects.

Expand the use of pass-through project management.
Large nonprofit organizations can benefit from the authority to manage projects themselves. Cultural institutions report that self-managed projects lead to fewer delays, saving money for the institutions and reducing the burden on city agencies. Likewise, DDC cites the client organization as the source of the majority of project delays; shifting more capital construction projects from DDC-managed to client-managed could help reduce the total number of approvals required when clients decide to make changes once a project is underway.

However, DDC continues to oversee pass-through projects and control the purse strings, releasing reimbursements to the client organization as work is completed. As a result, pass-through projects are also subjected to a host of city rules and regulations, with various filing deadlines that have to be met on time. For instance, prevailing wage documents have to be

filled out by the contractor, signed by every member of the crew, and returned to DDC. This has to happen periodically through the duration of the project or things can stall.

City agencies should expand the use of passthroughs for libraries and large cultural organizations, including both major capital construction and more modest renovation and maintenance projects. To help client organizations meet the city's paperwork requirements, DDC should assign a project manager to help the client stay on top of coming deadlines and maintain compliance with all existing rules. In addition, the city should consider creating capital grants for libraries to self-manage necessary repair projects, similar to the Department of Cultural Affairs' capital grants program. Lastly, DDC could pilot client-managed maintenance projects for certain smaller cultural organizations, in cooperation with DCLA and OMB, and closely compare the timelines and cost overruns to determine whether the pass-through model could work for a wider array of capital projects and clients. In addition, DCLA should publish clear guidelines for pass-through projects and standardize the process whereby pass-through permission is granted, so that client organizations know what to expect when they seek public funding for capital projects.

Improve contracting by assessing value rather than defaulting to the lowest bid.
When DDC is forced to choose the lowest bidder, as mandated by state law, the client organization ultimately pays the price. Low-bid contractors are predisposed to look for ways to make back their money, which creates an incentive to generate more change orders and find ways to recoup expenses once the project starts. Decisions that save money up front can lead to major maintenance headaches in the future— sometimes exceeding the original savings. And the most experienced contractors are often priced out of competition or forced to assign their least experienced people, leaving teams with minimal track records in charge of major construction projects.

The city should implement a risk-based contract review procedure that includes the bidder's experience as a criterion, with metrics assessed to validate past performance. Even better would be a system that assesses contracts on value rather than price, which would require a change in state law. A leading national model, known as the Performance Information Procurement System, asks evaluations teams to consider a host of additional factors, including technical expertise, quality of materials and construction methods, projected maintenance costs over a multiyear period, and a demonstrated capacity to mitigate risk.

Create a "Director of Libraries" inside City Hall.
By creating a new position in City Hall for a Director of Libraries, the city could strengthen these institutions' status as quasi-public agencies. Because all three systems are independent nonprofits and yet depend so heavily on city funds for the majority of their expense and capital budgets, and because the vast majority of branch buildings are owned by the city, it makes sense to appoint someone who can both exercise oversight over the libraries' management of city assets and serve as a knowledgeable voice on the city's side during budget negotiations. With respect to capital investments, in particular, a Director of Libraries could provide a knowledgeable perspective on what increased investments could do for library services across the city, how they could support other city goals, and how they might be best structured to create a long-term capital plan consisting of a pipeline of priority projects. A library liaison could target other efficiencies by working with the libraries, OMB and DDC to package capital investments into single contracts, create clearer design standards for new and renovated branch libraries, and pave the way for pass-through contracts for projects that draw on private donations and grants. According to Deputy DDC Commissioner David Resnick, project management support at the Department of Cultural Affairs has had a positive effect on on-time completion rates. "We have an intermediary agency on the cultural side that doesn't really exist for libraries," he noted in a City Council hearing. The Director of Libraries would be responsible for managing the city's investments in its library systems, ensuring that funding is adequate to meet current needs and that the libraries are able to make the most of the city's crucial investments in library infrastructure.

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Center for an Urban Future (CUF) is an independent, nonprofit think tank that generates innovative policies to create jobs, reduce inequality and help lower income New Yorkers climb into the middle class. For 20 years, CUF has published accessible, data-driven reports on ways to grow and diversify the economy and expand opportunity that are anchored in rigorous research, not preconceived notions about outcome. Our work has been a powerful catalyst for policy change in New York City and serves as an invaluable resource for government officials, community groups, nonprofit practitioners and business leaders as they advocate for and implement policies to address some of New York's biggest challenges and opportunities.

Citizens Budget Commission is a nonpartisan, nonprofit civic organization whose mission is to achieve constructive change in the finances and services of New York City and New York State government.

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