
BRIEFING MEMORANDUM

RE: NYC Council Committees on Contracts, Transportation and Infrastructure, and Cultural Affairs, Libraries and International Relations Joint Oversight Hearing on Capital Construction Contracting and Cost Escalation.

From: Cozen O'Connor Public Strategies

Date: April 29th, 2026

OVERVIEW:

- On April 29, 2026, the New York City Council Committees on Contracts, Transportation and Infrastructure, and Cultural Affairs, Libraries, and International Relations held a joint oversight hearing on capital construction contracting and cost escalation to examine recurring delays and cost overruns in City capital projects, particularly infrastructure, libraries, and cultural facilities, and to assess recent reform efforts and procurement methods while identifying actions to improve transparency, accountability, and efficiency in capital project delivery citywide.
- Public library representatives testified that despite significant past investments, DDC managed capital projects often face prolonged planning and delivery timelines that contribute to cost escalation, cash flow constraints, reimbursement delays, and growing reliance on alternative delivery methods, while aging facilities and deferred maintenance continue to draw on operating funds and underscore the need for more predictable funding and streamlined approvals.
- Cultural institutions, nonprofits, and service providers characterized capital delays and cost growth as systemic, noting that fragmented and prolonged delivery places disproportionate financial strain on nonprofit organizations, particularly smaller institutions and those serving lower income communities.
- Construction, engineering, and policy experts cited duplicative reviews, layered approvals, slow procurement, unclear eligibility rules, limited agency capacity, fragmented governance, and weak systemwide accountability, and called for structural reforms including centralized oversight, improved data systems, and coordinated capital planning.

COUNCIL MEMBERS IN ATTENDANCE:

- Committee on Contracts Chair Lincoln Restler, Committee on Transportation and Infrastructure Chair Shaun Abreu, Committee on Cultural Affairs, Libraries, and International Relations Chair Dr. Nantasha Williams

- CM James Gennaro, CM Shahana Hanif, CM Virginia Maloney, CM Phil Wong, CM Inna Vernikov, CM Justin Sanchez, CM Gale Brewer, CM Selvena Brooks-Powers, CM Chi Osse, CM Pierina Sanchez, CM Farah Louis, CM Althea Stevens, CM Sandra Ung

LEGISLATION:

- [Int 263-2026](#) (Krishnan): Developing a strategic blueprint to reduce capital project durations by at least 25 percent.
- [Int 465-2026](#) (Stevens): Study and report on the expansion of ferry service along the Harlem River.
- [Res 264-2026](#) (Lee) Grant permanent and expanded Design-Build authority to all New York City agencies.

HEARING HIGHLIGHTS:

Paul A. Ochoa, Commissioner of the New York City Department of Design and Construction (DDC), delivered testimony outlining the agency's long-term approach to improving capital project delivery through reforms to planning, procurement, and project management aimed at reducing delays and cost escalation. He presented these efforts as part of a citywide strategy to modernize capital construction, strengthen coordination across agencies and utilities, and better match delivery methods to project complexity and public purpose, while enhancing transparency, accountability, and efficiency.

- Described DDC's capital delivery reforms launched in 2018, including a strategic blueprint and subsequent updates to identify systemic barriers, track progress, and improve interagency coordination, with examples of completed public health, infrastructure, library, and community projects.
- Emphasized that accelerating project timelines is a shared priority with City Hall, expressed support for the goals of Intro 263, and cautioned against rigid baselines or a one-size-fits-all approach given the diversity of DDC's portfolio.
- Stressed the need for improved utility coordination to prevent delays, supported continued use of the joint bidding program to integrate private utility work, and sought Council support for a long-term extension of the state-authorized program.
- Explained that scope changes are often intentional to enhance long-term community benefits, while noting internal improvements underway through staff training, updated specifications and contracts, stronger risk management, and industry engagement.
- Identified alternative delivery methods as a key reform, noting that design-build and CM-build authority has significantly shortened timelines, including completion of the Shirley Chisholm Recreation Center in roughly half the traditional timeframe and on budget.
- Reported that all initial design-build projects are expected to be completed by the end of 2026 and outlined the expansion of CM-build for libraries and cultural facilities, highlighting its effectiveness for complex renovations and prior emergency-response use.

Diya Vij, Commissioner of the New York City Department of

Cultural Affairs (DCLA), delivered testimony describing the scope, complexity, and strategic importance of the City's cultural capital program. She emphasized that DCLA's work supports nonprofit cultural organizations operating in highly specialized and often aging facilities, requiring close coordination across agencies and careful navigation of budget, scheduling, and market pressures to deliver long term public value.

- Outlined the scale and impact of New York City's cultural capital investments, citing more than 500 projects totaling \$2.5 billion over 25 years, recent marquee projects in all five boroughs, and widespread capital equipment upgrades citywide.
- Explained that DCLA's capital portfolio presents unique challenges because projects serve nonprofit organizations rather than City owned assets, involve specialized cultural facilities, and frequently occur in older buildings with unavoidable unknown conditions.
- Described DCLA's dual role as both funder and owner's representative, including soliciting requests, determining investments with elected officials, coordinating with managing agencies, and advocating for cultural organizations throughout design and construction.
- Noted that despite DDC's rigorous front end planning, aging buildings and unforeseen conditions can still affect budgets and schedules, particularly for critical but infrastructure focused projects such as HVAC, fire safety, roofing, and boilers.
- Highlighted initiatives to improve delivery timelines, including streamlined procurement that reduced equipment delivery by six months, integration of cultural spaces into affordable housing developments, and a new capital feasibility planning program for small and mid sized institutions.
- Expressed support for DDC's alternative delivery reforms, particularly CM build, citing anticipated benefits for cultural organizations and appreciation for state authorization enabling these methods.
- Identified ongoing external pressures affecting capital projects, including rising construction costs, global supply chain disruptions, tariffs, and competition for specialized equipment, while underscoring the enduring public value of completed cultural assets.

QUESTIONING:

- Chair Williams asked about the volume of cultural capital requests. DCLA responded that demand far exceeds available funding, citing FY27 requests totaling approximately \$683 million from 112 organizations, with the City typically funding only 35–40 percent of requested dollars.
- Chair Williams asked about DDC–DCLA coordination and past coordination failures. DDC and DCLA responded that coordination is continuous throughout planning and construction to address unknown conditions in older buildings, with DCLA advocating

for institutions' operational needs; the DDC Commissioner committed to improving communication when project issues arise.

- Chair Williams asked how project priorities are determined. The panelists responded that prioritization is driven largely by project readiness, organizational capacity, and whether projects are fully or partially funded.
- Chair Williams asked about self management versus agency management of cultural projects. The panelists responded that self management is rare and requires strong governance, fundraising capacity, and compliance capabilities, with most projects managed by DDC and limited use of EDC by mutual agreement.
- Chair Williams questioned whether new approaches are needed to avoid delays and cost escalation. DDC responded that front end planning is essential to identify scope and cost issues early and ultimately reduces downstream delays, despite frustrations at the outset.
- Chair Williams asked about addressing funding delays, inflation, and repeated scope changes. The panelists responded that market conditions drive final costs and that sponsor requested scope changes are a significant contributor to cost growth.
- Chair Abreu asked about major problems in capital delivery. The DDC Commissioner responded that underground conditions are a primary challenge, but improved planning by DOT and DEP has strengthened capital packages, and expanded design build authority would further improve delivery.
- Chair Abreu asked about timeline and budget overruns. DDC responded that formal project baselines are reset when authorized changes occur, so performance is tracked against updated, approved schedules and budgets.
- Regarding the Comptroller's audit on cost tracking, DDC stated that project costs are tracked across multiple, non-integrated systems and expressed willingness to improve its systems and resume cost reporting with clear benchmarks are established.
- Chair Restler asked about disparities in project delays across agencies. DDC responded that projects with significant unknown conditions, such as landmarked buildings or street reconstructions, face greater delay risks, though alternative delivery methods can mitigate impacts.
- Chair Williams asked about delayed reimbursements. DDC responded that delays often result from late contract registration, which legally prevents payment, and emphasized the need for better upfront coordination with cultural institutions.
- Chair Williams asked about lengthy equipment procurement and warranty issues, and about establishing a cultural capital plan. DCLA responded that procurement delays are being examined and that discussions on a cultural capital plan are just beginning.
- Chair Williams asked about MWBE participation under alternative delivery methods. DDC responded that design build and CM build consistently achieve higher MWBE participation than traditional low bid contracts due to more disaggregated scopes of work.