



DCAS Efficiency Initiatives

June 6, 2012



About DCAS

Asset Management

- provides overall facilities management for 55 public buildings;
- purchases, sells and leases non-residential real property

Human Capital

- Supports City agencies' workforce needs in recruiting, hiring and training City employees

Purchasing

- Purchases, inspects and distributes supplies and equipment for City agencies

Energy

- Establishes, audits and pays utility accounts that serve more than 4,000 City buildings
- Implements energy conservation programs throughout City facilities

Fleet Management

- Provides administrative, technical, and functional support to promote efficiencies for the citywide vehicle fleet

Maximizing Efficiencies in New York City Government

In his 2010 State of the City speech, Mayor Michael R. Bloomberg asked, “How do we find new ways to stretch every dollar to the limit, making City government more highly efficient, and continuing to bring it into the 21st century?” As the first stage of a comprehensive initiative to turn ideas into efficiencies and save money in creative and previously unexamined ways, this report presents a concrete plan to save taxpayers \$500 million over the next four years.

This efficiency plan focuses on five key areas:

- ✓ **Real Estate Management:** Creating an office real estate portfolio that is appropriately sized to City needs and instituting clear governance to better utilize space.
- ✓ **Payments and Revenue Collection:** Designing a more efficient and productive revenue collection process that is more accessible to City agencies and residents.
- ✓ **Fleet Operations:** Ensuring that the management, maintenance and fueling of the City’s 26,000 vehicles are as cost-effective and efficient as possible.
- ✓ **Human Resources Management:** Designing HR processes responsible for supporting almost 200,000 City workers that are more cost-effective and responsive to customers.
- ✓ **Information Technology:** Making the City’s IT infrastructure and development more efficient and a model for 21st century cities.

Maximizing Efficiencies in New York City Government

- ✓ **Customer Service:** By refocusing all agencies towards a customer service mentality, the internal provision of necessary services will become more responsive to the needs of the agencies and workers that keep the City running, and ultimately to the City's external customers -- its residents, businesses and visitors.
- ✓ **Technology:** Leveraging cutting-edge IT resources and best practices will enable the implementation of many of this report's recommendations and make New York City a model for 21st century technological innovation.

About DCAS Asset Management

- Acts as the real estate arm of the City of New York, overseeing City owned office buildings, court buildings and commercial rental properties.
- Operates 55 office and court buildings totaling over 15 million square feet.
- Negotiates and administers City leases of private property portfolio of 22 million square feet.
- Administers a public auction program aimed at disposing of surplus City properties to the highest bidder through sale or lease auction.
- Advises City agencies in real estate matters, leading the City's drive to make the most effective and efficient use of the property.
- Generates revenue through real estate sales, consolidating-the City's occupied space, and improving-building services for tenants.

City of New York Office Space Reduction Initiative

Why office space?



- Mayor Bloomberg's 2010 State of City speech set a goal for agencies to reduce office space by 1.2 Million and \$36 Million in annual expense.
- Office space has a clear metric of rsf per employee.
- Office space is the most expensive category of City agency real estate.



How is NYC achieving office space and cost reductions?



- Instituted mandatory open plan office space guidelines for new office build-outs
- Reducing rsf/employee through increased use of collaborative shared space and reducing storage
- Identified underutilization through vacant desks and high RSF/employee and field verified
- Target underutilized space for terminating, downsizing and relocating

City of New York Office Statistics

- 6.5 Million SF of Owned Office Buildings
- 12.5 Million SF of Leased Office Space

Where are we today?

- Reduced office space by 400,000 sf and \$14.75 Million in annual expense
- Open plan and VOIP are standard
- Use leasing for growth and where it works for agency operations
- Retain owned buildings for uses that do not change significantly

Where are we going?

- Continue to leverage City assets and tenancies for greatest economic impact and cost savings
 - Example: 210 Joralemon Street – Retail Condo
- Create more shared resources and less duplication of facility needs in large buildings
- Continue to reduce office portfolio – favor both energy and space efficient buildings and design office space for recruiting the next generation of municipal workers
 - Example: 21st Century Civic Center Plan – combination of renovation of owned buildings, leasing of space and disposition of 3 buildings in Lower Manhattan



21st Century Civic Center Plan

REQUEST FOR PROPOSALS

Civic Center Building Sales

Release Date: Monday, April 23, 2012

Submission Date: Tuesday, July 31, 2012

49-51 Chambers Street



346 Broadway



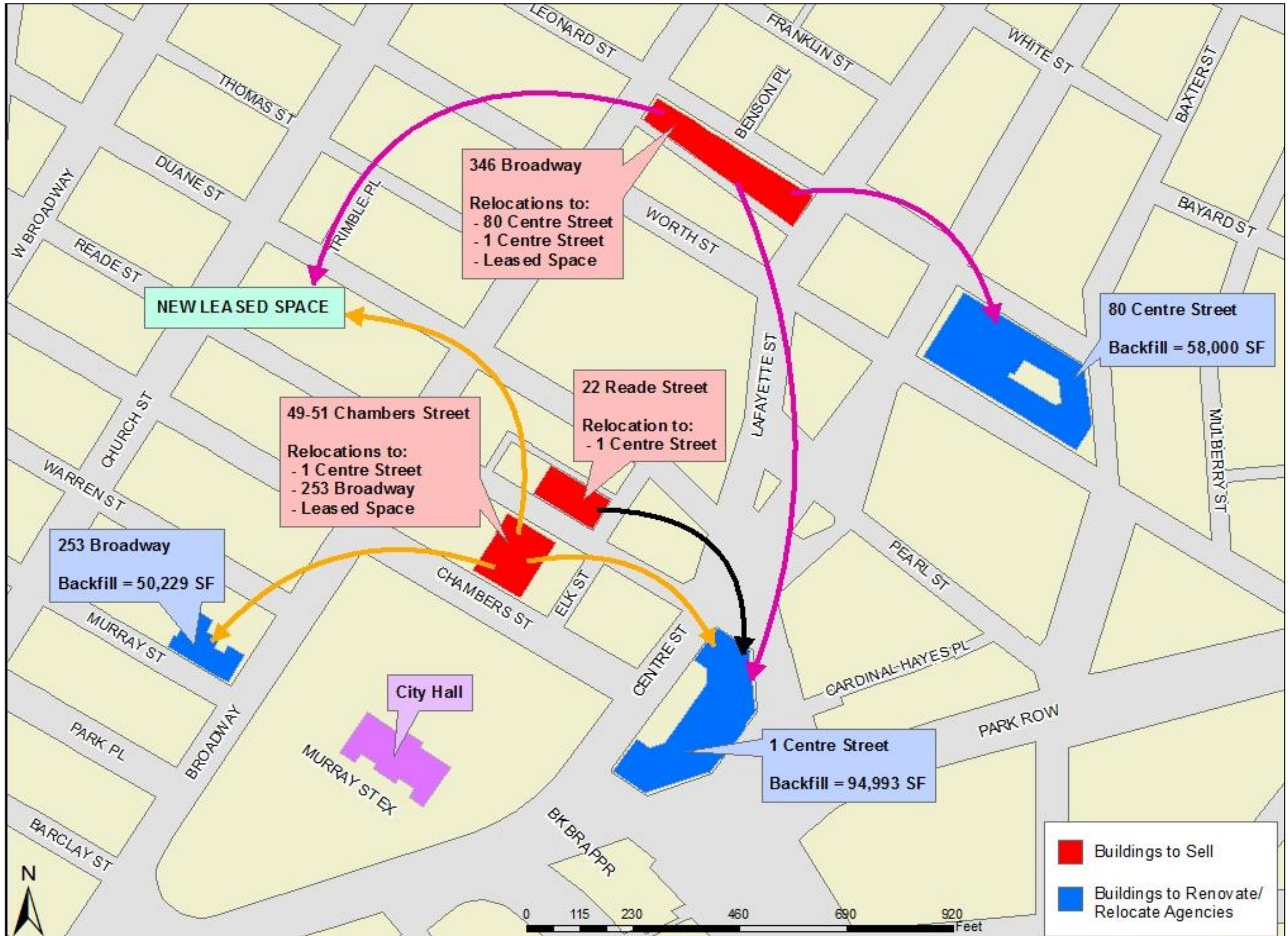
22 Reade Street



RFP Responses Due 7/31/2012

Buildings for Disposition (* Requires ULURP Approval)	<ul style="list-style-type: none"> • 22 Reade St* • 49-51 Chambers St* • 346 Broadway
Major Relocations	<ul style="list-style-type: none"> • DCAS reduces space in 1 Centre St • DCP consolidation and relocation to 1 Centre St • DSNY partial consolidation and relocation to leased space • NYPD relocation to leased space. • Court relocation to 80 Centre St
Total Agency Relocations	17 (12 to owned space, 5 to leased space)
Square Footage Sold	750,000 SF
Lease SF	Up to 250,000 SF
Owned Space Renovated	270,000 SF
Savings	\$100M NPV Over 20 Years
Time	3+ Years
Proposed Disposition Method	EDC RFP on behalf of DCAS Sale with short term lease back
Benefits of Plan	<ul style="list-style-type: none"> • Consolidate City government into green, efficient 21st Century office space, setting the model for the future of City government and improving working conditions • Reduce City capital and operating expenditures and lower energy consumption • Eliminate management burden and large liabilities associated with aged buildings • Stimulate private investment and job creation and increase tax revenue

Summary of Civic Center Relocations



THE NEW YORK CITY

GREENER, GREATER BUILDINGS PLAN

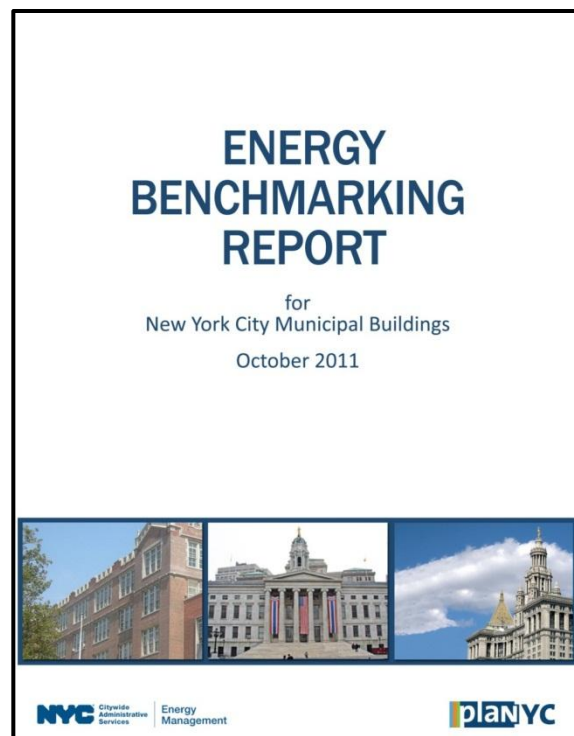
1 New York City
Energy Code

2 Lighting Upgrades &
Sub-metering

3 Benchmarking

4 Audits & Retro-
commissioning

- Most ambitious and comprehensive effort by any city to reduce energy use in existing buildings.
- Proactively requires efficiency improvements and transparency.

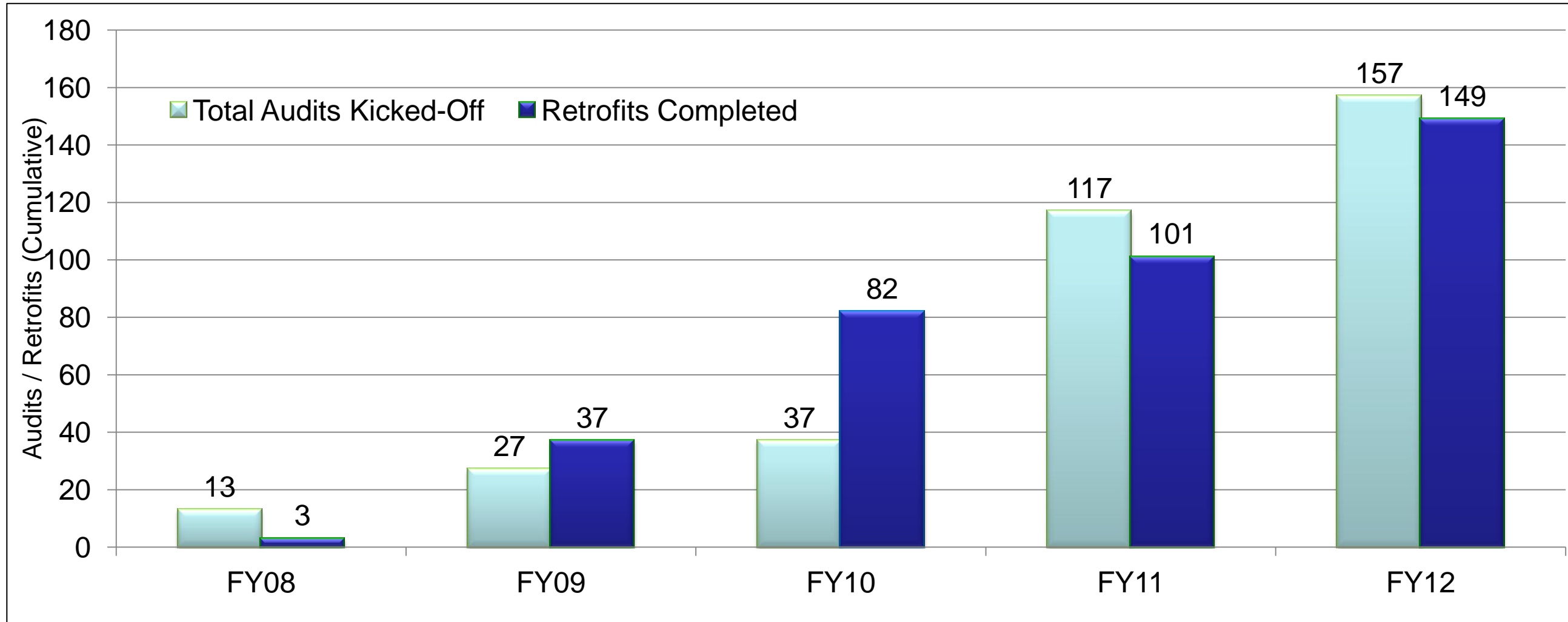


Local Law 84 - Benchmarking

- Third annual round completed May 1, 2012
- 2,730 buildings over 10,000 sf
- 260.6 million sf managed by 28 City agencies
- 51.4% of buildings at or better than national average
- Use scores to prioritize audits & retrofits for buildings >50,000 sf

Progress to Date: Local Law 87

Energy Audits, Retrofits, & Retro-commissioning



Retrofits	Total	Total Cost	Estimated Annual Savings	Greenhouse Gas Reduction	% Toward Retrofit Reduction Goal
Completed	149	\$55,278,311	\$6,142,369	15,714 MT	18.7%
Design/Construction	96	\$300,501,919	\$28,134,486	103,082 MT	
Prelim Design*	24	\$51,888,000	\$3,129,600	10,800 MT	

* Audit phase recently complete for these 24 projects. Used estimated total costs, annual savings, and GHG reductions.