



## Homes and Community Renewal

Division of Housing  
and Community  
Renewal

ANDREW M. CUOMO  
Governor

JAMES S. RUBIN  
Commissioner/CEO

November 25, 2015

The Honorable Andrew M. Cuomo  
Governor of the State of New York  
The Capitol, Executive Chamber  
Albany, New York 12224

Dear Governor Cuomo:

Pursuant to Section 170 of the Executive Law, I am submitting this response to the Office of the State Comptroller's Report 2014-S-21, Oversight and Monitoring of the Public Housing Modernization Program at the New York City Housing Authority (NYCHA). We have responded to all of the recommendations contained in the report and offer our detailed responses below.

Sincerely,



James S. Rubin.  
Commissioner/CEO

Cc: Honorable Thomas P. DiNapoli, NYS Comptroller  
Honorable John J. Flanagan, NYS Senate Temporary President and Majority Leader  
Honorable Andrea Stewart-Cousins, NYS Senate Minority Leader  
Honorable John A. DeFrancisco, NYS Senate Chair, Finance Committee  
Honorable Liz Krueger, NYS Senate Ranking Minority Member of the Senate Finance Committee  
Honorable Carl E. Heastie, NYS Assembly Speaker  
Honorable Joseph D. Morelle, NYS Assembly Majority Leader  
Honorable Brian M. Kolb, NYS Assembly Minority Leader  
Honorable Herman D. Farrell, Jr., NYS Assembly Chair, Ways and Means Committee

Recommendation 1:

*Improve project monitoring of State-funded NYCHA housing programs. In particular, ensure that projects' status information is up-to-date and accurate.*

HCR's Grants Unit is exploring an appropriate spreadsheet format to track each funding contract's progress in terms of submission phase date, scope of work completion and amount of requisition expended. This PHM Project Progress spreadsheet will be submitted by the Housing Authority at regular intervals, for review by the Grants Unit and the Architects & Engineering Bureau.

Recommendation 2:

*Work with NYCHA officials to develop action plans to help ensure unfinished projects are completed on time. Place emphasis on projects that are significantly behind schedule.*

Recommendation 5:

*Establish timeframes for NYCHA and other funding recipients to award project contracts. When timeframes cannot be met, require recipients to document the reasons why.*

As previously noted, we believe Recommendations #2 and #5 to be covering essentially the same issue.

The project management for newly allocated NYCHA PHM funds is being handled by The Dormitory Authority of the State of New York (DASNY). For other PHM funding recipients, HCR will track contract award timeframes with the above-described project progress spreadsheet.

Recommendation 3:

*Instruct NYCHA to require contractors to provide sufficient detail to justify change orders, including the related costs.*

As stated in our response to the draft report, the issue cited in the report was for one, extraordinary change order (rather than a systemic issue) and HCR already has a requirement related to adequate supporting documentation for change orders. Nevertheless, HCR's Office of Housing Management has begun discussions with our Office of Legal Affairs regarding potential criteria for evaluating any future change order resulting from the settlement of litigation.

Recommendation 4:

*Instruct NYCHA to solicit bids when proposed change order work is outside of the scope of the original contract.*

As stated in our response to the draft report, we disagree with the recommendation as written as all change orders are for work either not covered or outside the scope of the original contract, and HCR's Architectural and Engineering Unit reviews labor and material price estimates and determines if it impacts any critical path. Another concern with the recommendation was that such an instruction would have to be weighed against likely time added to the project life by undertaking new bid solicitations.