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11-31

April 18, 2011

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## DEP Awards First Contract in New Insourcing Pilot Program

### New Program Allows DEP Unions and Their Employees to Bid On Contracts Against Private Contractors; Fulfills Wastewater Initiative in DEP's Strategic Plan

Environmental Protection Commissioner Cas Holloway today awarded the first contract to DEP employees as part of a new insourcing pilot program. The pilot allows municipal labor unions to compete against private contractors in order to bid on capital maintenance contracts at the city's wastewater treatment plants and pumping stations. Capital maintenance contracts will continue to be awarded to the lowest responsible bidder. The first contract, which will include the replacement of 25 submersible pumps at the North River Wastewater Treatment Plant, was awarded to a joint bid made up of employees from Local 1320, the New York City Sewage Treatment Workers and Senior Sewage Treatment Workers, and Local 3, the International Brotherhood of Electrical Workers, that is worth \$149,000 — 12% lower than the nearest private contractor bid. Submersible pumps, located at all of the city's 14 wastewater treatment facilities, remove excess water that accumulates during the operation of certain mechanical equipment at the plant. Opening up bidding to municipal employees will potentially result in significant financial opportunities for DEP's workforce and generate substantial savings for the city in lower maintenance costs.

"New York City employees deliver effective, quality services every day," said Deputy Mayor for Operations Stephen Goldsmith. "Inviting union employees to bid on these contracts will empower our public workers while also reducing capital replacement and maintenance costs. By soliciting bids from both the public and private sector, we can maximize tax dollars by leveraging the dedication and expertise of City workers."

"Our strategic plan focuses on optimizing the efficiency and reliability of DEP's operations, and maintaining our capital assets through targeted, cost-effective investments," said Commissioner Holloway. "Doing that work for the lowest possible price while also minimizing the impact on day-to-day operations is no easy task, and getting the highest

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quality work for the lowest possible price is key. This new pilot program is particularly exciting because it enables DEP to tap into the considerable expertise of our own workforce, by allowing our employees to bid on certain jobs just like any other private contractor. If our workers put in the lowest bid, they will get the job. This pilot program will save money and at the same time, offer significant economic opportunities to our dedicated employees."

"The dedicated Sewage Treatment workers and Senior Sewage Treatment Workers of Local 1320 are capable of taking on any task put before them," said Local 1320 President James Tucciarelli. "We have always taken the position that much of the work performed by private contractors in our waste water treatment plants can be done cheaper and better in house. We have successfully participated in contracting in projects in the past and know that we can out perform most if not all of the insourcing initiatives put before us. This is a great program for my members and the citizens of this city, providing a managed competition for the work at a savings to the city."

"The members of Local Union #3 IBEW, Stationary Engineer Electric, Senior Stationary Engineer Electric and Electricians have been working in conjunction with the Members of DC #37 Local 1320 members to operate and maintain all of the Bureau of Wastewater Treatment facilities, 14 wastewater treatment plants and 95 pumping stations," said Jack Bolembach, Vice Chair of Local Union #3 IBEW, BAA-CEE. "We have the knowledge and the experience that is required to compete, outperform professionally and more economically than any contractor from the private sector. This program is a great monetary benefit for the City of New York and its citizens. With the fiscal concerns we all face, we can and will show that "Contracting In" is a great way for City employees to do their share."

The pilot program allows municipal unions to bid only on Job Order Contracts, also known as JOCS, which are predominately small-scale capital in-kind replacement contracts at DEP facilities for electrical, mechanical and plumbing work that are generally less than \$1 million in value. In 2010, 647 such projects were awarded with a combined value of approximately \$49 million — an average of \$76,000 per contract. DEP retains Job Order Contractors who perform work within a narrow range of preset costs to ensure that repairs to wastewater treatment plants and pumping stations are made quickly, thereby minimizing downtime. Typical Job Order Contracts include replacing wastewater pumps, large valves, sludge piping and electrical cables. Municipal employees who win bids will only be permitted to perform capital replacement and maintenance work during their off hours. DEP will evaluate the effectiveness of the program during the pilot phase to ensure that municipal employee bids are accurate, that the work is being performed by appropriate trades people to a high standard, and that JOC work is not negatively impacting the operations of a particular plant or the workforce in general.

The new program is one of the initiatives outlined in *Strategy 2011-2014*, a far-reaching strategic plan that lays out 100 distinct initiatives to make DEP the safest, most efficient, cost-effective, and transparent water utility in the nation. The new plan, the product of nearly one year of analysis and outreach, builds on *PlaNYC*, Mayor Bloomberg's sustainability blueprint for New York City. The plan is available on DEP's website at [www.nyc.gov/dep](http://www.nyc.gov/dep).

DEP manages the city's water supply, providing more than

1 billion gallons of water each day to more than nine million residents, including eight million in New York City and residents of Ulster, Orange, Putnam and Westchester counties. New York City's water is delivered from a watershed that extends more than 125 miles from the city, and comprises 19 reservoirs, and three controlled lakes. Approximately 7,000 miles of water mains, tunnels and aqueducts bring water to homes and businesses throughout the five boroughs, and 7,400 miles of sewer lines take wastewater to 14 in-city treatment plants. For more information, visit [www.nyc.gov/dep](http://www.nyc.gov/dep) or follow us on Facebook at [www.facebook.com/nycwater](http://www.facebook.com/nycwater).

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