

Subject: DEP Signs Project Labor Agreement on Construction of Rondout-West Branch Bypass



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Agreement Will Save the City Up to \$23 Million, Create 160 Local Jobs; Bypass Tunnel Construction a Major Component of Water for the Future Program

Environmental Protection Commissioner Carter Strickland today announced that DEP has signed a Project Labor Agreement (PLA) with the Hudson Valley Building and Construction Trades Council for construction of the Rondout-West Branch Water Bypass, affording the lowest cost to the city while helping to complete the project on time and on budget. Achieved through negotiations with the Hudson Valley Building and Construction Trades Council (HVBCTC), the PLA is expected to create roughly 160 jobs for construction of the bypass while saving the city up to \$23 million over the life of the project. Repair of the Rondout-West Branch Tunnel, which carries 50% of the city's water supply while also directly servicing the Towns of Newburgh and Marlboro, is a major component of DEP's Water for the Future Program. Construction of the bypass is scheduled to begin in the fall.

"Repairing the leaks in the Rondout-West Branch Tunnel is DEP's top priority for construction in our water supply system, and it is essential that we make this critical infrastructure improvement on schedule and on budget," said Commissioner Strickland. "This Project Labor Agreement illustrates how we can work together to ensure the future capacity of the Delaware Aqueduct at the lowest possible cost to the city while also creating vital construction jobs. I thank our partners at the Hudson Valley Building and Construction Trades Council for reaching a mutually beneficial solution for all involved."

"This project is a win-win for both the city of New York and the entire Hudson Valley," said Todd Diorio, President of the Hudson Valley Building and Construction Trades Council. "It takes care of the long overdue repairs to the water system supplying the city while at the same time creating

hundreds of local construction jobs for members of the Hudson Valley Building and Construction Trades Council. This project will surely provide an economic boost to the local economy. I commend the city for their efforts throughout the PLA process."

By providing the best work for the city at the lowest possible price while minimizing the impacts of delay and providing savings in labor costs, the PLA meets the criteria established by Section 222 of the New York State Labor Law. With 18 different local labor agreements that could potentially apply to the project, the PLA provides for a unified approach to shifts and time off, and the increased coordination under one agreement allows for more cost-effective scheduling and increased flexibility. The agreement is projected to save the city between \$16 million and \$23 million by reducing labor costs for shift work, standardizing holidays across all participating trades, and implementing a Worker's Compensation Alternative Dispute Resolution Program. Additionally, the PLA protects against delays or disruptions that could potentially arise from labor disputes. The terms of the PLA were negotiated to encourage competition among potential bidders while assuring a wide pool of potential subcontractors.

The Rondout-West Branch Tunnel is a critical component of the New York City water supply system. The 85-mile Delaware Aqueduct conveys more than 500 million gallons of water per day from Ashokan, Cannonsville, Pepacton and Schoharie Reservoirs—approximately half of the city's drinking water and serving one million residents of Orange, Putnam, Ulster and Westchester Counties. Additionally, residents of the Towns of Newburgh and Marlboro are supplied directly by the Rondout-West Branch Tunnel. Construction of the water bypass will allow for repair of the Delaware Aqueduct, where leaks are resulting in the loss of up to 35 million gallons of water per day. Construction of the 2.4 mile tunnel bypass will cost roughly \$1 billion, and will be completed in 2020 and connected to the Rondout-West Branch Tunnel in 2021.

The Water for the Future program to repair the Delaware Aqueduct is part of Strategy 2011-2014, the 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. According to a progress report released in March 2012, 99 of the plan's 100 initiatives were either underway or achieved in 2011. The product of nearly one year of analysis and outreach, the plan 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.

DEP manages the city's water supply, providing more than one 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. This water comes from the Catskill, Delaware, and Croton watersheds that extend more than 125 miles from the City, and the system comprises 19 reservoirs, three controlled lakes, and numerous tunnels and aqueducts. DEP employs nearly 6,000 employees, including almost 1,000 scientists, engineers, surveyors, watershed maintainers and others professionals in the upstate watershed. In addition to its \$49 million payroll and \$132 million in annual taxes paid in upstate counties, DEP has invested more than \$1.5 billion in watershed protection programs—including partnership organizations such as the Catskill Watershed Corporation and the Watershed Agricultural Council—that support sustainable farming practices, environmentally sensitive economic development, and local economic opportunity. In addition, DEP has a robust capital program with a planned \$13.2 billion in investments over the next 10 years that creates up to 3,000 construction-related jobs per year. For more information, visit www.nyc.gov/dep, like us on Facebook at www.facebook.com/nycwater, or follow us on Twitter at www.twitter.com/nycwater.

Learn more at the [NYC Environmental Protection](http://www.nyc.gov/dep) website.

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