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PROPOSED CHANGES TO FCB REGULATIONS CONCERNING THE REVIEW OF  
CONTRACTS

Proposed additions to the Regulations Concerning the Review of Contracts promulgated by the New York State Financial Control Board for the City of New York are shown by underlining and proposed deletions by bracketing.

Section 1. Subdivisions a, b and d of section 1 of the Regulations Concerning the Review of Contracts are amended to read as follows:

a. "City" means The City of New York, and for purposes of the thresholds set forth in Sections 1(d), 2(a) and 2(d) of these Regulations only, the City shall also be deemed to include the New York City Board of Education (also known as the New York City Department of Education).

b. "Covered Organizations" shall have the same meaning as contained in Section 2(5) of the New York State Financial Emergency Act for The City of New York (hereinafter the "Act"), except that the New York City Board of Education (also known as the New York City Department of Education) shall be deemed to be a component of the City and not a Covered Organization for the purposes of the thresholds listed in Section 1(a) of these regulations only. [As of July 1, 1986, the Covered Organizations subject to these regulations are the following:

- Board of Education of The City of New York
- City University Construction Fund
- City University of The City of New York
- Manhattan and Bronx Surface Transit Operating Authority
- New York City Educational Construction Fund
- New York City Health and Hospitals Corporation

- 1 New York City Housing Authority
- 2 New York City Housing Assistance Corporation
- 3 New York City Housing Development Corporation
- 4 New York City Industrial Development Agency
- 5 New York City Off-Track Betting Corporation
- 6 New York City Rehabilitation Mortgage Insurance Corporation
- 7 New York City Transit Authority
- 8 Staten Island Rapid Transit Operating Authority]

9 d. “Long-term Lease” means: (1) any lease of real property where the City or a  
 10 covered organization is the lessee which is for a term of three years or more, inclusive of renewal  
 11 periods, and which (i) expressly provides for payment, as rent or otherwise, of amounts to be  
 12 determined by reference to expenditures by the lessor, the specific amount of which cannot be  
 13 ascertained by reference solely to the lease, or (ii) provides for annual payments by or on behalf  
 14 of the City or a covered organization of an amount of [\$10,000,000] \$50,000,000 or more in the  
 15 case of the City or [\$5,000,000] \$25,000,000 or more in the case of a covered organization during  
 16 the original term and any renewal period.

17 (2) any lease of real property where the City or a covered organization is the lessor  
 18 which requires expenditures in excess of [\$10,000,000] \$50,000,000 by or on behalf of the City or  
 19 in excess of [\$5,000,000] \$25,000,000 by or on behalf of a covered organization for the acquisition,  
 20 construction, rehabilitation or renovation of land or improvements as a condition for the rental of  
 21 such land or improvements.

22 (3) any lease or leaseback agreement between the City or a covered organization  
 23 and a person or entity, private or public, for purposes of financing all or any part of the costs for

1 the planning, design, acquisition, construction, improvement, reconstruction or rehabilitation of  
2 any capital project which requires payments or incurs obligations by or on behalf of the City or a  
3 covered organization.

4 § 2. Section 2 of the Regulations Concerning the Review of Contracts is amended  
5 to read as follows:

6 Section 2. Contracts Subject to Review

7 The following categories of contracts requiring the payment of funds or the  
8 incurring of costs by the City or any covered organization shall be submitted promptly to the  
9 Control Board for its review:

10 a. Any contract, other than Long-term Leases and Collective Bargaining  
11 Agreements, of [\$10,000,000] \$50,000,000 or more in the case of the City or [\$5,000,000]  
12 \$25,000,000 in the case of a Covered Organization.

13 b. Any Long-term Lease.

14 c. Any Collective Bargaining Agreement or modification thereof which:

15 1. Fixes terms and conditions of employment for more than one collective  
16 bargaining unit (a “coalition agreement”); or

17 2. Is a separate unit agreement conforming to a coalition agreement and covers a  
18 collective bargaining unit of more than 10,000 employees; or

19 3. Is an agreement covering a collective bargaining unit of 250 or more employees  
20 and does not conform to a coalition agreement or to modifications permitted by such a coalition  
21 agreement; or

22 4. Has been requested by the staff of the Financial Control Board or the Office of  
23 the Special Deputy Comptroller.

1           d. Any amendment to a contract required to be submitted to the Control Board,  
2 other than a Long-term Lease or Collective Bargaining Agreement, which modifies the time or  
3 times of payment, or increases the amount required to be paid by or on behalf of the City or a  
4 covered organization, which amendment increases or may reasonably be anticipated to increase  
5 the base contract amount by the lesser of 10 per cent or [\$5,000,000] \$25,000,000 in the case of  
6 the City or the lesser of 10 per cent or [\$2,500,000] \$12,500,000 in the case of a covered  
7 organization.

8           e. (i) Any amendment to a Long-term lease as defined in Section [1(e)(1)] 1(d)(1)  
9 or (2) hereof, which (a) modifies the term of the lease or renewal period, (b) increases the amount  
10 required to be paid by or on behalf of the City or a covered organization as rent or otherwise, (c)  
11 decreases the amount to be paid to the City or a covered organization pursuant to such lease, or (d)  
12 modifies the times or amounts of any payments under the lease.

13           (ii) Any amendment to a Long-term lease as defined in Section [1(e)(3)] 1(d)(3)  
14 hereof.

15           § 3. The Regulations Concerning the Review of Contracts are amended by adding  
16 a new section 4 to read as follows:

17           Section 4. Review by the New York City Office of Management and Budget  
18           The New York City Office of Management and Budget shall continue to review  
19 contracts on behalf of the Control Board pursuant to these Regulations for consistency with the  
20 terms of the Act and the City Financial Plan developed pursuant to section 8 of the Act.

21           § 4. Subdivision e of section 5 of the Regulations Concerning the Review of  
22 Contracts, entitled “General Requirements,” is amended to read as follows:

1 e. The amended regulations set forth herein shall become effective as of January  
2 1, ~~[1987]~~2023.

3 § 5. Section 5 of the Regulations Concerning the Review of Contracts, entitled  
4 “Power to Revoke,” is renumbered to be section 6.