

THE NEW YORK INTERAGENCY ENGINEERING COUNCIL



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CUNY Graduate Center



A photo of the entrance to the CUNY Graduate Center, the location of the NYIEC Technical Conference.

Technical Conference

The planning has started for the annual technical conference. This year the theme will be Project Delivery Methods in these Economically Challenging Times. We are in the process of arranging for a keynote speaker who will focus on the current construction economic conditions. Presentations will address different project delivery methods. The conference is scheduled for June 15th at CUNY Graduate Center. Its great facility and conveniently located at 34th Street and Fifth Avenue. As always it will be an all day conference with coffee/Danish, and lunch included. A CD compilation of the presentations will be given to all attendees to take home. AIA, HSW CE credits will be offered.

We think it will be an interesting and relevant theme. It's still early, and we are actively looking for presenters and speakers. If you would like to present, or would like to recommend a presenter, I urge you to contact me, Joe Macaluso at 212 803-3289, jmacaluso@empire.state.ny.us. We'll keep you posted on the NYIEC website at www.nyiec.org

Quarterly Meeting

At the quarterly meeting the delegates met at the offices at our newest member the New York City Economic Development Corporation. Len Greco gave a presentation which gave an overview of what the NYCEDC and does. The Capital Program Department contributes to NYCEDC's broader economic development mandate by acting as the City's design and construction agent. The department provides the physical infrastructure, facilities and amenities that support its real estate and property asset portfolios. The Highline is one of the projects that NYCEDC is working on. If interested in taking a tour of the project please contact me Joe Macaluso at jmacaluso@empire.state.ny.us

Commissioner LiMandre



Robert LiMandre, Commissioner of the New York City Department of Buildings giving his keynote speech at the NYIEC annual luncheon

Call For Articles

We're looking for articles for the NYIEC newsletter. Please send submittals to jmacaluso@empire.state.ny.us

An Alternative to Bailouts?

ENR has an editorial that would be of interest to all of us in the public sector. The title of the editorial is Public Works, Not Bailouts, Will Ease The Financial Crisis.

The link to the website is <http://enr.construction.com/opinions/editorials/archives/080917.asp>

HAPPY HOLIDAYS



SEASONS GREETING AND BEST WISHES FOR A HEALTHY HAPPY NEW YEAR

Annual Luncheon

On November 6th, New York City Building Commissioner, Robert LiMandri gave the keynote address at the New York Interagency Engineering Council's annual luncheon. The luncheon was held at the Union League Club in Manhattan and attended by over 120 guests composed entirely of architectural, engineering, and construction staff members from 17 NYIEC member agencies.

The Commissioner focused on measures the agency has taken, and ongoing efforts to address construction safety. He brought home the chain of human tragedy and pain that construction accidents cause. He gave some examples of how miscommunications resulted in serious construction accidents. In one case (not in New York City) an inexperienced worker was given instructions to "back-off" some bolts just prior to a crane jump, but the worker misunderstood this to mean remove the bolts entirely. The action caused a massive crane collapse. He elaborated on how this and other accidents might have been prevented. The question and answer period brought forth interesting discussions, including a comparison of how construction safety in the United States compares to other countries.

Models

There's more to the mortgage meltdown than the result of ordinary people defaulting on houses they couldn't afford. The other half of the fiasco is the result of well-heeled financial institutions being duped into buying these worthless mortgages.

The story starts with what was thought of the "innovative financing" (now recognized as "creative accounting") of sub-prime mortgages. A large group of mortgages that included sub-prime mortgages were bundled together in packages through these "innovative" investment products. The financial institutions bought these products because they were rated as good investments from highly respected credit rating service

companies. How does a group of poor investments get rated as good?

It is the opinion of some that there were a few problems with how the rating services came up with the rating. They relied on a new mathematical model which was supposed to predict the failure rate of the mortgages. They collected large fees for rating these products that was charged each time a new package was put together for sale.

The problem with the sophisticated mathematical model was that it was so complex that few people really understood it, and not enough time had passed to test whether the results were in fact accurate. The problem with the high fee was that it fostered an incentive for giving good ratings to each package offered for sale. Because this became a new major profit center for the rating service companies, nobody wanted to be a "wet blanket" and therefore discourage the sale of these packages; the better the ratings the more packages sold... until the mortgages started to default.

What can we learn from this? A lot of us rely on data and models for analysis and decision making. A model can be defined as an abstract mathematical representation of a process, device or concept using variables to represent inputs, outputs, and formulas to describe the interaction.

Some suggestions:

1) Don't be drawn, even subconsciously, to the conclusion that because something is done with the help of computer it must be accurate. Remember when estimates first appeared, dot matrix printed on continuous computer paper instead of handwritten? We had to remind ourselves of GIGO, garbage in garbage out. Then again when the output was sharp laser print on crisp white letter size paper, GIGO. I fear that there may be some of that going on with the advent of BIM with its amazing animated graphics.

2) Know where the underlying data came from. Know where the assumptions of the model came from. See if the data and the assumptions have been vetted.

3) Understand the model; know what's behind the black box. There's a reason why you had to learn how to solve problems in school, when you could have just used a pocket calculator to get the results. I'm not suggesting that you go into the computer code, but know what the model is based on.

4) Test the results. Do reality checks before you accept the results. Apply some rules of thumb. Does it sound right based on your experience? However after testing the results, don't be lured into forcing an answer to fit in with what you would expect it to be, or would want it to be.

5) Realize that the results are not always the last word,

but good place to start.

Now I'm not advocating going back to the stone-age, computers help us perform more efficiently enable to reduce the amount of repetitive calculations and other necessary tasks. But they are tools, great as they are, but still only tools.

Project Delivery

There's a common belief that technical innovation is exclusive to the private sector. But the public sector has shown just what they can do, as demonstrated at our last technical conference. Impressive presentations were given by the Port Authority of NY & NJ, NYC Dept of Design & Design & Construction, and the US General Services Administration on Graphic Information Systems (GIS), Computer Aided Design (CAD), and Building Information Modeling (BIM). There are scores of public sector organizations that bring innovative technology to the field of design and construction, among them are the National Institute of Building Sciences, Stanford University, and NASA just to name a few.

Similarly there is a common notion that innovative project management is exclusive to the private sector, think Walmart, Apple, and Google, but recent events relating to the "Big 3" automakers clearly demonstrate that private sector management is not always the most innovative. At our next technical conference I think that you will see that the public sector has a lot to offer too. Sometimes private sector solutions work for the public sector, sometimes not. The key is to find out what works and what doesn't, we hope to explore this and other issues at the upcoming technical conference. Together we can learn from each other, not only from our successes, but as the saying goes... learn from your mistakes.

The opinions expressed in this newsletter are not necessarily those of NYIEC or member agencies

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