

CAPITAL COMMITTEE
MEETING AGENDA

November 12, 2019

3:30 PM

125 Worth Street, Room 532
5th Floor Board Room

CALL TO ORDER

Feniosky Peña-Mora

- ADOPTION OF MINUTES – October 10, 2019 Feniosky Peña-Mora
- SENIOR VICE PRESIDENT'S REPORT Christine Flaherty

ACTION ITEMS

- **Resolution** Christine Flaherty
Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with Firemaxx Inc. ("the Contractor") to provide fire alarm preventive maintenance, testing and repair services on pre-determined schedule at various facilities throughout the System over a three years term with an option, exercisable only by the System, for two one-year extensions for an amount not to exceed \$8,935,376.

Vendex: Pending
EEO: Pending

- **Resolution** Christine Flaherty
Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with MICO Cooling Corp. ("the Contractor") to provide refrigeration maintenance services on pre-determined schedule at various facilities throughout the System over a three year term with an option, exercisable solely by the System, for two one-year extensions, for an amount not to exceed \$8,507,640.

Vendex: Pending
EEO: Pending

- **Resolution** Sheldon McLeod
Amending the New York City Health and Hospitals Corporation (the "System") to execute a renewal of a five-year revocable license agreement with Eyes and Optics (the "Licensee") for the continued use and occupancy of approximately 140 square feet of space on the 8th floor of the "E" Building to operate an optical dispensary at NYC Health + Hospitals/Kings County (the "Facility") at an occupancy fee of \$34.78 per square foot for a total annual occupancy fee of \$4,869 to be escalated by 3% per year for a total over the five year term of \$25,850.

Vendex: Approved
EEO: N/A

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

October 10, 2019

MINUTES

Capital Committee

Meeting Date: October 10, 2019

Time: 8:00 A.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

José Pagán, Chairman of the Board

Feniosky Peña-Mora

Freda Wang

Sally Hernandez-Piñero

Mitchell Katz, MD, President, Chief Executive Officer

HHC Staff:

Jordana Bailey – Deputy Executive Director, NYC Health + Hospitals / Jacobi

Jeremy Berman – Deputy Counsel, Office of Legal Affairs

Ernest Covino – Project Manager, Office of Facilities Development

Frederick Covino – Vice President, Finance

Mariesha Dixon – Assistant Director, Finance

Christine Flaherty – Senior Vice President, Capital Design & Construction

Gary Guttman – Senior Director, Office of Facilities Development

Colicia Hercules – Chief of Staff and Corporate Secretary to the Chairman of the Board, Office of the Chairman

Mahendranath Indar – Senior Director, Office of Facilities Development

Linda Lombardi, PhD – Associate Executive Director, NYC Health + Hospitals / Bellevue

Michael Rawlings – Chief Operating Officer, NYC Health + Hospitals / Bellevue

Christopher Roberson – Director, NYC Health + Hospitals / Bellevue

Manuel Saez – Senior Director, Corporate Support Services

Roslyn Weinstein – Vice President, President's Office

Dion Wilson – Director of Real Estate, Office of Legal Affairs

Elizabeth Youngbar – Assistant Director, Office of Facilities Development

CALL TO ORDER

The meeting was called to order by Feniosky Peña-Mora, Chairman of the Capital Committee, at 8:04 A.M.

On motion, the Committee voted to adopt the minutes of the September 12, 2019, Capital Committee meeting.

VICE PRESIDENT'S REPORT

Christine Flaherty, Senior Vice President reported that the team was working hard to ensure there was continuity of services for all existing contracts and was working on getting necessary support for design-build, which was being discussed as an option for Primary Care expansion projects, but was awaiting sign-off by the New York State Governor.

She noted that the system, along with Communitlife, was exploring a Phase II development at Woodhull, to provide housing to patients.

Additionally, Mrs. Flaherty stated, that the Minority and Women Owned Business Enterprise (MWBE) participation was very important and that the department was considering adding minimum criteria of MWBE participation on future Requests for Proposal (RFP) to ensure that there would be key buy-in from all vendors tied to MWBE participation moving forward.

Mrs. Flaherty said she looked forward to presenting the various Action Items on the Agenda.

ACTION ITEMS

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record.

- **Amending the resolution adopted in December 2016 by the Board of Directors of New York City Health and Hospitals Corporation (the "System") that authorized requirements contracts with seven architectural and engineering ("AE") consulting firms to provide AE design services; six mechanical, engineering, and plumbing ("MEP") consulting firms to provide MEP design services; and five Local Law 11 inspection consulting firms to provide Law 11 inspection and filing services and AE services in connection with Local Law 11 compliance on an as-needed basis at various facilities – all of such contractors being listed in Schedule A attached hereto -- with such amendment increasing the \$23 Million not-to-exceed limit by \$5 Million to bring the total-not-to exceed limit to \$28 Million and extending the term of the contracts through June 30, 2020; and**

Further amending the list of consultants to be those listed in Schedule A attached.

Mrs. Flaherty noted that the subject contracts were used system-wide for design services. Proposals for the contracts were reviewed by selection committee in December 2016, and final award was made in February 2017. Six (6) Architectural and Engineering firms, five (5) Mechanical firms, and 5 Local Law 11 firms were selected. For those who were not familiar with Local Law 11, Ms. Flaherty explained that it was

essentially life safety façade, structural, and/or rehabilitative services. For instance, if there were a structural issue at one of our sites, they would ensure that scaffolding was in place.

Mrs. Flaherty explained that the pool was initially approved under a \$15 million not-to-exceed limit, for a term of three years (one base year and two one-year options to renew). As a result of high usage, the not-to-exceed threshold was increased by the Capital Committee and Board of Directors in March 2019, bringing the not-to-exceed threshold to \$23 million.

As timelines were reviewed, for the solicitation of new contracts, it was determined that there would likely need to be an extension of the term, as well as an increase of the not-to-exceed threshold, in order to accommodate the lengthy contract award process.

Mrs. Flaherty walked through the associated power point presentation, reviewing the commitments to date against the existing contracts, and the data gathered with regards to Minority and Women Owned Business Enterprise (M/WBE) utilization. Ms. Flaherty noted that based on the summary information gathered from consultants, the pooled contracts were collectively meeting a 13% subcontracting goal.

Ms. Hernandez-Piñero asked if the percentage was based on paid to date information. Ms. Flaherty explained that it was based on dollars paid to date to M/WBEs against dollars paid to date to the consultants. She referred Committee members to a breakdown included with the resolution in the package.

Mr. Peña-Mora asked if that breakdown included paid to date information. Ms. Flaherty said yes, the chart shows committed to date, paid to consultant to date, and consultant paid to M/WBE to date.

Mrs. Flaherty advised that a meeting had been convened with all consultants to gather data that had not been previously collected over the course of the contract.

Mr. Peña-Mora asked what goals were established during contract award. Mrs. Flaherty said she would like to review the contracts and report back.

Mr. Peña-Mora asked if the data had not been collected to date. Mrs. Flaherty said yes. There was a process for reporting into a system managed by Supply Chain, and that reporting was not being done.

Mr. Peña-Mora asked if by not collecting and reviewing data, when goals were established in the original contracts, were we not giving the impression that this was not important?

Mrs. Flaherty said yes. The reporting was not being captured and we are now working closely with Supply Chain to correct that.

Dr. Katz agreed with Mr. Peña-Mora, that a message was being sent to these consultants that M/WBE was not a priority. Mrs. Flaherty said she understood and reiterated her commitment to correct the issue.

Mr. Peña-Mora asked if the extension through June 2020 would allow adequate time for the solicitation of new contracts to be complete, and whether the additional funds would be utilized but not exhausted. Mrs. Flaherty said yes, the solicitation process has begun, with CRC approval of the Request for Proposals (RFP) in place, and the dollars should carry us through with some cushion. We do not want to

have to come back before the Capital Committee and Board of Directors with these contracts but we do not want to underestimate possible usage.

Ms. Hernandez-Piñero asked if there were needs identified for the additional \$5 million. Mrs. Flaherty said yes, we have Express Care design on-going at various facilities, we have Primary Care expansion projects in the pipeline, ongoing Capital design, and regulatory compliance tied to 797/800 requirements at various facilities. There will undoubtedly be some outliers as well, that cannot be predicted.

Mr. Pagán asked if the new contracts would come before the Committee. Mrs. Flaherty said yes, hopefully by April 2020.

There being no further questions or comments. On motion by the Chairman of the Committee, the Committee approved the resolution for the full Board's consideration.

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record.

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with Fratello Construction Corporation (the "Contractor") for an amount not to exceed \$8,982,904 for pre-construction, demolition, asbestos abatement, and construction services necessary for the heating, ventilation and air conditioning ("HVAC") relocation project (the "Project") at NYC Health + Hospitals / Bellevue ("Bellevue").**

Mrs. Flaherty narrated the associated Power Point presentation. She explained that of the \$1.723 awarded to NYC Health + Hospitals under the Federal Emergency Management Association (FEMA) 428 grant, \$498.69 was awarded to Bellevue.

The project being presented was to relocate three (3) air handling units from the ground floor mechanical room to the Northwest and Southwest mechanical rooms, elevating the units to a safe level to minimize risk of being affected during weather events.

Mrs. Flaherty noted that the construction contract being presented was sourced via public bid. Fratello Construction was the lowest responsible bidder and they had submitted an MWBE utilization plan of 33%.

Mr. Peña-Mora asked what the completion date would be. Mrs. Flaherty said the contract would be for a term of 24 months.

There being no further questions or comments. On motion by the Chairman of the Committee, the Committee approved the resolution for the full Board's consideration.

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record.

- **Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to initiate the renovation of the 10th Floor (the "Project") of the Main Building at NYC Health +**

Hospitals/Jacobi ("Jacobi") including a construction contract award to Vanguard Construction in an amount not to exceed \$5,646,362 and other pre-construction, design, asbestos abatement, and construction management services, including the cost of the Vanguard contract, in an amount not to exceed \$9,530,500.

Mrs. Flaherty was joined by Jordana Bailey, Chief Financial Officer, NYC Health + Hospitals Jacobi.

Mrs. Bailey explained that the goal of this project was to integrate Behavioral Health into a Primary Care setting. Services would be relocated from the 4th and 5th floors of building #4 into 19,980 square feet of space on the 10th floor of building #1. The project was funded by Capital Restructuring Financing Program (CRFP) funds and was anticipated for completion by December 2020 with occupancy by 2021.

Ms. Wang asked if there were completion requirements associated with receiving the grant funds. Mrs. Flaherty said yes, grant funds were dependent on completion but a grant extension could be requested if needed.

Mrs. Bailey outlined the project budget, shown in the associated Power Point, and summarized the construction contract procurement, which was awarded to Vanguard Construction as lowest responsible bidder, for \$5,646,362. Vanguard had submitted an MWBE utilization plan of 35.8%.

Ms. Wang asked if there were any penalties built into the contract in the chance that there were delays on Vanguard's part. Mrs. Flaherty said that she did not believe that liquidated damages were built into the contract but said that the system had resources in place to manage the project and ensure that Vanguard stayed on track. She added that Vanguard was completing projects at other sites within the system, and had been performing on time.

Dr. Katz asked if NYC Health + Hospitals ever structured contracts with incentives (a term he preferred to penalties). Mrs. Flaherty said she had not seen an H+H construction contract drafted with incentives or liquidated damages but they could absolutely be drafted with those and is something we will be investigating, especially with time sensitive projects.

Ms. Wang said if it would be appropriate in a situation such as this, where funding was dependent on on-time completion. Mrs. Flaherty said absolutely, however that was not the condition of the bid itself and at this point it is possible that it would affect the bid price if added. She said it had been made clear to the contractor what the timeline was.

Ms. Hernandez-Piñero asked where the relocated services were being moved to. Mrs. Bailey said the 4th and 5th floors (Behavioral Health) would be moved to the 10th floor of the main building to be collocated with Primary Care.

Ms. Hernandez-Piñero asked what the vacated space would be used for. Mrs. Bailey said it would be used for business occupancy or administrative functions.

Mr. Peña-Mora asked if the contingency was adequate. Mrs. Flaherty said yes, she believed so. The budget was tied closely to the grant funds. Mrs. Flaherty explained that the \$362,910 project contingency listed in the Power Point presentation covered for all aspects of the project, construction, furniture, fixtures and equipment (FF&E), etc.

On motion by the Chairman of the Committee, the Committee approved the above amended resolution for the full Board's consideration.

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record.

- **Authorizing the resolution adopted by the Board of Directors of New York City Health and Hospitals Corporation (the "System") on July 26, 2018 authorizing the execution of a Job Order Contract ("JOC") with Volmar Construction, Inc. ("Volmar"), to provide heating, ventilation and air conditioning ("HVAC") services on an as-needed basis with such amendment increasing the \$6 Million not to exceed cost by \$6 Million to bring the total not to exceed limit to \$12 Million.**

Ms. Flaherty explained that this requested increase was similar to one presented in September to double contract capacity for a Job Order Contract (JOC) requirements contract. She noted that the reason for increase was based on similar needs as well, noting the extensive work required at Kings County in order to complete necessary work related to EPIC.

This specific contract, with Volmar Construction, was solicited through public bid, whereby contractors bid on a pre-priced itemized list, establishing a multiplier on which the bids will be based.

Mrs. Flaherty advised that there were currently two JOC contracts in place for Heating, Ventilation, and Air Conditioning (HVAC) services, one with Volmar Construction and one with AWL Industries, Inc. Volmar has been used throughout the system for EPIC make-ready work required to support Information Technology (IT) requirements. They had been doing all acute and ambulatory care electronic patient record software. AWL was being used for construction work associated with 797/800 pharmacy work moving forward.

The contracts were awarded in June 2018 with a multiplier of 1.0510 for Volmar and 1.0848 for AWL. Volmar has presented a plan to meet 30% MWBE utilization goals.

Volmar has a scope of work with current commitments to date of \$2.4 million, for which MWBE utilization had totaled 31%, 30% and 22% against individual work orders.

Mrs. Flaherty explained that the main driver for contract increase was the pending work at Kings County. Once the proposed work was outlined and separated by project it was determined that based upon response rate and assurance on performance, Volmar would be the most appropriate to perform the upcoming work. They have demonstrated the speed and willingness necessary.

Mrs. Flaherty advised that Volmar was still in process of providing a proposal for the upcoming work, which was estimated to be approximately \$5 million. Within that proposal Volmar was asked to incorporate a minimum of 30% MWBE participation, which Mrs. Flaherty was working closely with them to ensure.

Mrs. Flaherty stated that the request was being made for an additional \$6 million with the contract in effect through June 2020. She noted that the combination of work in the pipeline, unforeseen jobs, and the remaining time on the contract should provide for continuity of service until a new solicitation was performed.

Mrs. Flaherty advised that as a result of the Capital Committee briefing, a call had been scheduled with the New York City Comptroller's Office to get their perspective on substantial contract increases, and the call was scheduled for the coming Friday. We shared the details of the contracts, the scope of services, the reason the scope was not anticipated, and that we did not believe the results of the bid would have changed based on this information and all of that will be discussed.

Ms. Hernandez-Piñero asked why assessments for EPIC rollout related work did not anticipate the volume of work needed at Kings and how that cost compares to other sites. Mrs. Flaherty said Kings County was by far the largest cost of all, infrastructure was very old in many locations, and in some locations entirely new wiring was being laid in order to accommodate new systems and/or equipment.

Ms. Hernandez-Piñero asked if that could not be viewed as a benefit to the system in some ways. Mrs. Flaherty agreed that in some cases necessary infrastructure upgrades were being completed as a result of the EPIC related work. She noted that unfortunately the upgrades were not carrying over to clinical areas for the most part.

Dr. Katz commented that EPIC estimates seem to have been largely based on the cost of EPIC and some of the related support work was not pulled into the scope. For example, you cannot plug in a router without an electrical outlet.

Mr. Peña-Mora asked if there was a timeline for when the final proposal and MWBE plan would be provided and noted that any approvals would be contingent upon discussions with the Comptroller's Office. Mrs. Flaherty said the subcontractor information was being gathered and finalized. She hoped that information would be provided prior to the Board of Directors meeting.

Mr. Peña-Mora asked if the contract would require an extension. Mrs. Flaherty said no, we anticipate new bids going at as usual, in the coming months, to replace the existing contracts.

Mr. Peña-Mora asked if the dollars included in the increase were expected to be committed prior to the end of the contract. Mrs. Flaherty said yes, we believe so, but we did not want to under budget, we wanted to be sure that as projects roll out there is a contractor available.

Mr. Peña-Mora asked if there were a contingency plan in place, if the Comptroller's Office did not approve of the \$6 million increase or if the resolution did not move forward as planned. Mrs. Flaherty said yes, the work can be split between; 1) urgent critical work required for EPIC to be online; and, 2) larger projects for permanent long-term fixes. The smaller "band aid" work would be completed under the current contract, within the approved \$6 million, while the larger more permanent fixes could be funneled through other available contracts. Mrs. Flaherty noted that there were other options, and they did not all require coming before the Capital Committee and Board of Directors but this was determined to be the most efficient solution.

Ms. Wang asked if the amount needed solely to complete the work related to Kings County was the \$7,241,637 referenced in the presentation. Mrs. Flaherty said yes. Ms. Wang noted that perhaps another avenue could be requesting increase of that specific amount, in order to complete that work but not necessarily double the contract value. Mr. Peña-Mora agreed. Mrs. Flaherty said that would be dependent

on the Comptroller's feedback but explained that since the contract was in effect through June 2020 the vendor would like the opportunity to work through the term.

Mr. Peña-Mora asked for confirmation that there was a plan B that did not require any emergency declaration from the Board of Directors. Mrs. Flaherty said yes, but we maintain that we would like to keep the contract active through term and solicit new contracts as scheduled over the coming months, as long as determined fair and reasonable by all parties.

Mr. Peña-Mora asked Colicia Hercules for confirmation on the best way to move forward with the resolution, being that there were some outstanding questions. Ms. Hercules said if all regular avenues were unavailable then, per NYC Health + Hospitals bylaws, and Executive Session could be convened.

Mr. Peña-Mora thanked Ms. Hercules and acknowledged that Mrs. Flaherty did not believe that would be necessary but it was an available option. Mrs. Flaherty agreed.

There being no further questions or comments. On motion by the Chairman of the Committee, the Committee conditionally approved the resolution for the full Board's consideration, pending the outcome of the scheduled discussion with the NYC Comptroller's Office.

Christine Flaherty, Senior Vice President, Capital Design and Construction, read the resolution into the record. Ms. Flaherty was joined by Michael Rawlings, Chief Operating Officer, NYC Health + Hospitals / Bellevue and Lombardi, PhD, Associate Executive Director, NYC Health + Hospitals / Bellevue.

- **Authorizing New York City Health and Hospitals Corporation (the "System") to execute a five year revocable license agreement with New York College of Health Professions ("NY College") for its use of approximately 3,471 square feet the 7th floor North of the Main Building on the campus of NYC Health + Hospitals/Bellevue ("Bellevue") at an annual occupancy fee payable to the System of \$206,350.95 calculated at \$59.45/ft. which will be escalated by 2.5% annually resulting in a total occupancy fee payable to the System over the term of \$1,084,648.36.**

Mr. Rawlings explained that NY College of Health Professions had been providing services to Bellevue staff for years, and the facility was now seeking to expand the program by offering services to patients. The services would allow for potential use of integrative wellness services instead of prescription medications. NY College would incur all cost for any renovations or updates to the proposed space.

Mr. Rawlings noted that NY College, accredited by the NY Board of Regents, was founded in 1976. All educational programs were approved by New York State Department of Education and accredited by the Commission for Acupuncture and Oriental Medicine. The College, which offered accredited undergraduate and graduate degrees in Massage Therapy, Advanced Asian Bodywork, Acupuncture, and Oriental Medicine, would also be offering onsite training for their students.

Mr. Rawlings noted that facility leadership and staff saw this as an opportunity to provide integrative wellness services including; massage therapy, meditation, yoga, nutrition counseling, acupuncture, Tai-Chi and Qi-Gong all of which could be used to treat various conditions, such as; nausea, pain management, allergies, anxiety, addition and depression, among others.

The program would treat patients and staff, using students or licensed practitioners, at varying rates, and NY College would bill insurance while Bellevue would pay for the uninsured.

Mr. Rawlings said the working relationship to date had been great and the facility saw this expansion as a great opportunity to provide these services to patients and continue to provide existing services to the staff.

Ms. Hernandez-Piñero noted that contract was for a small space but she was concerned that the program was promising a lot. She asked how long NY College had a presence at Bellevue. Mr. Rawlings said they had been providing massages to staff for approximately two years. He explained that Bellevue staff call to make appointments and get free massages while the trainees get practice and working experience.

Ms. Hernandez-Piñero asked if Bellevue had confirmed that NY College could handle the cost of the license agreement. Mr. Rawlings said yes.

Ms. Wang asked if they were paying an occupancy fee at present. Mr. Rawlings said no, they currently occupied only about 500 square feet of space, one or two days per week, so this would be a significant expansion.

Ms. Hernandez-Piñero asked how much was paid for uninsured under the present agreement. Mr. Rawlings said they did not currently provide services to the patients, just the staff, but the model included in the power point showed the rates for services.

Mr. Rawlings noted that insurances were beginning to cover services such as acupuncture and massage therapy.

Ms. Hernandez-Piñero asked if there were acupuncture services available by Bellevue. Mr. Rawlings said there was a small acupuncture clinic at the facility with one part-time acupuncturist but access was very limited.

Ms. Wang asked if Bellevue referred patients to the acupuncturist presently on site. Mr. Rawlings said yes.

Ms. Wang asked if there were plans to expand these types of alternative services throughout the system. Dr. Katz said it was not presently a part of training but it could be added.

Ms. Wang asked for clarification between lease and license agreements. Jeremy Berman, Deputy Counsel, Legal Affairs, explained that a license agreement was terminable without cause on short notice and is therefore not considered to be a real estate disposition and so it does not require a public hearing or approval of the City Council.

Mr. Peña-Mora asked if it would be clear to patients that this was not a Bellevue service but an outside organization. Mr. Rawlings explained that just recently the Capital Committee had approved a sleep center to be operated on the seventh floor at Bellevue and this program would be located on that same floor, next to the sleep center. This was a very similar model, the entity was licensing space within our facility to provide services to our patients. The Chief Medical Officer and many Bellevue physicians were interested in developing relationships and having the ability to refer for services. Both sites have clearly marked signage,

indicating that a patient is entering a space where they will be receiving care from an outside entity and not NYC Health + Hospitals / Bellevue.

Mr. Rawlings noted that it was similar to dialysis services, provided under contract by River Renal at Bellevue. There was a very clear line of demarcation when a patient gets off the elevator, he said. Patients get on a Bellevue elevator but get off at the River Renal Dialysis Center.

NY College will be running their own program, processing their own insurance but partnering with us for services that we do not currently have available, said Mr. Rawlings, and Bellevue staff is very excited to continue the relationship.

Mr. Peña-Mora asked if staff would now have to pay for services. Mr. Rawlings said that was dependent on the type of service. Staff will continue to receive massages at no cost but if a staff member wanted to try acupuncture for smoking cessation then that would be outside of the original scope and they would pay for that.

Mr. Pagán said he was pleased that the system was expanding its ability to provide these services and asked if Medicare covered the charges.

Mr. Rawlings said they frequently do but for limited sessions, which can be difficult on patients.

There being no further questions or comments. On motion by the Chairman of the Committee, the Committee approved the resolution for the full Board's consideration.

There being no further business, the meeting was adjourned at 9:02 A.M.

CONTRACT APPROVAL

FIREMAXX, INC.

FIRE ALARM TESTING

SYSTEM-WIDE USE

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with Firemaxx Inc. ("the Contractor") to provide fire alarm preventive maintenance, testing and repair services on pre-determined schedule at various facilities throughout the System over a three years term with an option, exercisable only by the System, for two one-year extensions for an amount not to exceed \$8,935,376.

WHEREAS, the facilities of the System will require fire alarm testing services to ensure compliance with The Joint Commission and Fire Department of New York City regulations; and

WHEREAS, the System has determined that such needs can best be met by utilizing an outside firm, through a maintenance contract; and

WHEREAS, the System selected the Contractor through a request for proposals ("RFP") process for fire alarm testing services, which was approved by the Contract Review Committee as required;

WHEREAS, the Contractor has met all, legal, business and technical requirements and is qualified to perform the services as required in the contract documents; and

WHEREAS, the administration of the proposed agreement shall be the responsibility of the Senior Vice President for Facility Administration.

NOW, THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute a contract with Firemaxx Inc. to provide fire alarm preventive maintenance, testing and repair services on pre-determined schedule at various facilities throughout the System over a three year term with an option, exercisable only by the System, for two one-year extensions, for an amount not to exceed \$8,935,376.

EXECUTIVE SUMMARY

FIRE ALARM PREVENTIVE MAINTENANCE, TESTING & REPAIR SERVICES

FIREMAXX INC.

- OVERVIEW:** The New York City Health and Hospitals Corporation (the "System") seeks to execute a contract for a term of three years, with an option for two one-year renewals for amount not-to-exceed \$8,935,376, to provide fire alarm preventive maintenance, testing and repair services at various NYC Health + Hospitals facility. The total authorized to be spent under this contract is \$8,935,376. Previously these services were provided by JCI Fire Protection and Firemaxx Inc. for a total of \$1,196,036 annually. The new contract would provide these services at an annual cost of \$1,031,229, for an annual savings of \$164,807.
- NEED:** Throughout the System, fire alarm systems are required to ensure fast detection and notification of a fire to ensure patient and staff safety. Fire alarm systems are also required to comply with NYC, The Joint Commission, National Fire Protection Association, and Center for Medicaid Services regulations. To ensure the operation and full functionality of the fire alarm systems, quarterly, semi-annual, and annual tests are needed.
- TERMS:** The maintenance services will be provided via a contract with a three year term, with the System holding an option for two one-year extensions for an amount not to exceed \$8,935,376. For any new sites within the System that become operational after this contract is executed, the Contractor will complete an inventory of the System and develop a proposal for the annual cost of testing. Once that proposal is finalized, an amendment will be drafted to add the new site to the list of sites where testing will be required. The proposed resolution includes an annual allowance for integration and maintenance of system expansion to cover additional testing required as a result of new construction or new sites.
- COSTS:** Not-to-exceed \$8,935,376 over three years and two one year options solely exercisable by the System.
- FINANCING:** This contract will be funded through the System's operating budget.
- MWBE:** MWBE 30% Utilization Plan

FIREMAXX - Fire Alarm Preventive Maintenance, Testing and Repair

**Capital Committee
November 12th, 2019**

**Christine Flaherty
Sr. Vice President
OFD**



Background / Current State

- Mandated inspection & testing for Fire Protection Testing systems
- H+H requires vendors to perform fire safety services across all acute care and post-acute care facilities. Services include:
 - Preventative Maintenance & Testing
 - Repairs
- FY 2018 Preventative Maintenance & Testing Spend - \$1.2 MM
- FY 2018 Repair Spend - \$550K
- FY 2018 Total = \$1.75M
- The current agreements with FireMaxx Systems, FireCom and Johnson Controls will expire 12/31/19
- The CRC approved an application to issue solicitation 8/20/19
- Two responsive proposals reviewed on 10/23/19



Current Service Providers by Facility

FIREMAXX	JCI	FIRECOM
Elmhurst	Bellevue	Gouverneur
Harlem	Coney Island	
Henry J. Carter	Cumberland	
Kings County	East New York	
Jacobi	Kings County	
Lincoln	McKinney	
Metropolitan	Woodhull	
Queens		
Renaissance		
Belvis		
Seaview		

- Firemaxx currently provides testing and maintenance services at 60% of H+H facilities
- Firecomm maintains a proprietary system at Gouverneur where



RFP Criteria

➤ **Minimum criteria:**

- A minimum of 5 years performing Fire Safety Maintenance and Repair Services in a hospital environment.
- Appropriately licensed and certified in the state/city of New York to perform this service
- \$1 million in annual gross sales. The System reserves the right to modify this criterion for MWBE vendors.

➤ **Evaluation Criteria**

- 35% - Agreement to SOW Terms
- 20% - Appropriateness and Quality of Firm's Experience
- 30% - Cost Proposal
- 15% - Status as MWBE or MWBE Utilization Plan Percentage and Quality

➤ **Evaluation Committee:**

- OFD staff and representation from all facilities where service will be utilized



Vendor Selection

- Firemaxx scored 40% higher than second vendor in quality, understanding of the scope of services and experience
- Firemaxx is one of the current vendors providing Fire Alarm preventive maintenance, testing and repairs to H+H
 - Firemaxx received good reviews for responsiveness at specific facilities
- Firemaxx provided the most competitive and comprehensive cost proposal



Contract Pricing

FISCAL YEAR	PREVENTIVE MAINTENANCE (PM) & TESTING	ALLOWANCE FOR PM + TESTING DUE TO EXPANSION	REPAIR ALLOWANCE	TOTAL
FY 2020	\$515,615	\$103,123	\$275,000	\$893,738
FY 2021	\$1,031,229	\$206,246	\$550,000	\$1,787,475
FY 2022	\$1,031,229	\$206,246	\$550,000	\$1,787,475
FY 2023	\$1,031,229	\$206,246	\$550,000	\$1,787,475
FY 2024	\$1,031,229	\$206,246	\$550,000	\$1,787,475
FY 2025	\$515,615	\$103,123	\$275,000	\$893,738
TOTAL	\$5,156,145	\$1,031,229	\$2,750,000	\$8,935,376



MWBE Plan

- Firemaxx has presented a plan to commit 30% of contract value to MWBE by sub-contracting

VENDOR	SERVICE	% MWBE
Falcon Fire and Security*	Labor	25%
NRM**	Parts	5%

*Falcon Fire and Security is a NYC Certified MBE.

**NRM is currently in the process of obtaining their MWBE certification




Capital Committee Approval Request

- We are seeking approval to enter into contract with FireMaxx Systems Corp. for Fire Alarm Preventive Maintenance, Testing, and Repairs.
 - 3 years with two 1-year extensions
 - Effective 1/1/20
 - MWBE utilization plan of 30%
 - Total Contract value - \$8,935,376



To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe 
Senior Counsel
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Firemaxx, Inc.

Date: November 8, 2019

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

<u>Vendor Responsibility</u>	<u>EEO</u>	<u>MWBE</u>
Approved	Pending	30% Utilization Plan

Firemaxx, Inc. has agree to a utilization plan as follows:

<u>Vendor</u>	<u>Status</u>	<u>Percentage</u>	<u>Scope</u>
Falcon Fire and Security, LLC	NYC MBE	25%	Labor
NRM	Pending	5%	Parts

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

CONTRACT APPROVAL

MICO COOLING, CORP.

REFRIGERATION MAINTENANCE SERVICES

SYSTEM-WIDE USE

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with MICO Cooling Corp. ("the Contractor") to provide refrigeration maintenance services on pre-determined schedule at various facilities throughout the System over a three year term with an option, exercisable solely by the System, for two one-year extensions, for an amount not to exceed \$8,507,640.

WHEREAS, the facilities of the System require refrigeration maintenance services for refrigerators storing medication, blood supplies, lab reagent supplies and food; and

WHEREAS, the System has determined that such needs can best be met by utilizing an outside firm, through a maintenance contract; and

WHEREAS, the System selected the Contractor through a request for proposals (an "RFP") process for refrigeration maintenance services, which was approved, as required, by the Contract Review Committee; and

WHEREAS, the Contractor has met all, legal, business and technical requirements and is qualified to perform the services as required in the contract documents; and

WHEREAS, the proposed contract will be administered by the Senior Vice President for Facility Administration.

NOW, THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute a contract with MICO Cooling Corp. to provide refrigeration maintenance services on pre-determined schedule at various facilities throughout the System over a three year term with an option, exercisable solely by the System, for two one-year extensions, for an amount not to exceed \$8,507,640.

EXECUTIVE SUMMARY

REFRIGERATION MAINTENANCE SERVICES

MICO COOLING CORP.

- OVERVIEW:** The New York City Health and Hospitals Corporation (the "System") seeks to execute a contract for a term of three years, with an option for two one-year renewals for amount not-to-exceed \$8,507,640, to provide refrigeration maintenance services at various NYC Health + Hospitals facility. MICO Cooling Corp. previously provided these services to the System at an annual cost of \$1,867,064. Under the proposed agreement, these services will be provided at an annual cost of \$1,701,600 for an annual savings of \$165,464.
- NEED:** Throughout the System commercial refrigerators are used to store medication, blood supplies, lab reagent supplies, and food until needed for patient use. To ensure the operation and full functionality of these refrigeration systems, quarterly, semi-annual, and annual preventive maintenance are needed.
- TERMS:** The maintenance services will be provided via a contract within a three year term, with an option exercisable solely by the System for two one-year extensions for an amount not to exceed \$8,507,640. The System will have the option to add or remove units at an agreed upon per unit cost with MICO Cooling Corp. If items are removed from the inventory, the System's overall cost will decrease by the per-unit cost multiplied by the number of units and if items are added the system's overall cost will increase by the per unit cost multiplied by the number of units. For any new sites that become operational after this contract is executed, a baseline inventory of devices that would be managed by the Contractor will be collected and the per-unit cost will be used to determine the new facility's annual maintenance cost.
- COSTS:** Not-to-exceed \$8,507,640 over three years and two one year options solely exercisable by the System.
- FINANCING:** This contract will be funded through the System's operating budget.
- SCHEDULE:** Upon contract execution this contract will be in effect for three years with the System have the option to exercise two one year renewals.
- MWBE:** Vendor is a NYC certified WBE

MICO Cooling Corp. Refrigerator Service and Maintenance

**Capital Committee
November 12th, 2019**

**Christine Flaherty
Sr. Vice President
OFD**



Background / Current State

- The System has an existing contract with Mico Cooling for the maintenance of 1,643 refrigeration units
- The contract includes PM, Labor, and Emergency Repair with an annual spend of \$2.12M
 - PM & Stationary Labor at Bellevue (2), Queens (1), Lincoln (1), Harlem (1) - \$1.6M
 - Emergency Repairs system wide - \$520,000
- The contract with Mico Cooling will expire on 12/31/19
- The CRC approved an application to issue solicitation on October 3, 2018
- 3 responsive proposals received on June 21, 2019
- Vendor presentations and scoring of two final vendors occurred on October 29, 2019



RFP Criteria

- **Minimum criteria:**
 - A minimum of 5 years performing Refrigeration Maintenance, Repair and Inspection Services in a hospital environment.
 - Appropriately licensed and certified in the state/city of New York to perform this service.
 - \$5 million in annual gross sales. The System reserves the right to modify this criterion for MWBE vendors.

- **Evaluation Committee:**
 - OFD & facility representation where services will be utilized

- **Substantive Criteria**
 - 35% Ability to meet SOW deliverables
 - 35% Cost Proposal
 - 20% Appropriateness and quality of firm's experience & qualifications of proposed staff
 - 10% Status as an MWBE or MWBE utilization plan



Vendor Selection

- MICO Cooling scored 30% higher than second vendor in quality, understanding of the scope of services and experience
 - Vendor currently provides services to the following facilities;
 - Bellevue
 - Queens
 - Lincoln
 - Harlem
 - Henry J. Carter
 - Morrisania
 - Belvis
- MICO Cooling provided the most competitive and comprehensive cost proposal
- Based on current facilities serviced, MICO Cooling Corp. has demonstrated it has resources to support our system
- MICO Cooling Corp. is a WBE and will be self-performing all work related to this contract.



Pricing

➤ Markup on materials: 20%

FISCAL YEAR	PRVENTIVE MAINTENANCE + LABOR	ALLOWANCE FOR EXPANSION	TOTAL
FY 2020	\$708,850	\$141,770	\$850,260
FY 2021	\$1,418,000	\$283,600	\$1,701,600
FY 2022	\$1,418,000	\$283,600	\$1,701,600
FY 2023	\$1,418,000	\$283,600	\$1,701,600
FY 2024	\$1,418,000	\$283,600	\$1,701,600
FY 2025	\$708,850	\$141,770	\$850,260
TOTAL	\$7,089,700	\$1,417,940	\$8,507,640



NYC
HEALTH+
HOSPITALS **Capital Committee Approval Request**

- We are seeking approval to enter into contract with MICO Cooling Corp. for Refrigerator Service and Maintenance
 - 3 years with two 1-year extensions
 - Effective 1/1/20
 - Total Contract Value - \$8,507,640
 - Mico Cooling Corp. is a NYC certified WBE



To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe 
Senior Counsel
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Mico Cooling Corp.

Date: November 6, 2019

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility

Pending

EEO

Pending

MWBE

WBE

Mico Cooling Corp. is a NYC certified WBE.

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

LICENSE AGREEMENT

EYES & OPTICS

NYC HEALTH + HOSPITALS / KINGS COUNTY

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute renewal of a revocable five-year license agreement with Eyes and Optics (the "Licensee") for the continued use and occupancy of approximately 140 square feet of space on the 8th floor of the "E" Building to operate an optical dispensary at NYC Health + Hospitals/Kings County (the "Facility") at an occupancy fee of \$34.78 per square foot for a total annual occupancy fee of \$4,869 to be escalated by 3% per year for a total over the five year term of \$25,850.

WHEREAS, the Facility's Ophthalmology Department, located on the 8th floor of the Ambulatory Care Center, performs vision screenings, diagnostic tests and ophthalmic procedures for its patient population, and the department's outpatient visits continue to trend upward; and

WHEREAS, in June 2014 the Board of Directors of the Corporation authorized the System to execute a five year revocable license agreement with Eyes and Optics; and

WHEREAS, the Licensee has been successfully operating an optical dispensary at the Facility since the 2014 providing approximately 1,500 patients per year with low cost eyewear; and

WHEREAS, the Facility has adequate space to accommodate the Licensee's needs and desires to continue to offer optical dispensary services to its patients.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute renewal of a revocable five-year license agreement with Eyes and Optics for its continued use and occupancy of approximately 140 square feet of space on the 8th floor of the "E" Building at NYC Health + Hospitals/Kings to operate an optical dispensary at an occupancy fee of \$34.78 per square foot for a total annual occupancy fee of \$4,869 to be escalated by 3% per year for a total over the five year term of \$25,850.

EXECUTIVE SUMMARY

LICENSE AGREEMENT EYES AND OPTICS NEW YORK CITY HEALTH + HOSPITALS/KINGS COUNTY

The New York City Health and Hospitals Corporation (the "System") seeks authorization from the Board of Directors to execute renewal of a revocable five-year license agreement with Eyes and Optics (the "Licensee") for its continued use and occupancy of space to operate an optical dispensary at NYC Health + Hospitals/ Kings County ("Kings County").

The Ophthalmology Department at Kings County, located on the 8th floor of the Ambulatory Care Center, performs vision screenings, diagnostic tests and ophthalmic procedures for its patient population, and the department's outpatient visits continue to trend upward. Since 2008 Eyes and Optics has operated an on-site ophthalmic dispensary at NYC Health + Hospitals/Gouverneur pursuant to resolutions of the Board of Directors adopted in 2008 and again in 2012. In 2018, the System authorized the Licensee's operation of an optical dispensary at NYC Health + Hospitals/Woodhull. In June 2014, the Board of Directors authorized the System to execute a five year revocable license agreement with Eyes and Optics for space at Kings County. Since 2014, the Licensee has successfully operated its optical dispensary providing low cost eyewear to approximately 1,500 patients per year. Kings County desires to continue its relationship with Eyes and Optics and has adequate space to accommodate the Licensee's needs.

Eyes and Optics shall have the use and occupancy of approximately 140 square feet of space on the 8th floor of the "E Building" (the "Licensed Space"). Eyes and Optics shall pay an occupancy fee of \$34.78 per square foot for a total annual fee of \$4,869. The occupancy fee represents a 3% increase over the current rate and is considered to be the fair market value of the space. The cost of electricity shall be included in the occupancy fee. The occupancy fee will be escalated by 3% per year and will total \$25,850 over the term of the agreement.

Eyes and Optics will indemnify and hold harmless the Corporation and the City of New York from any claims arising by virtue of its use of the licensed space and will also provide appropriate insurance naming each of the parties as additional insureds.

The term of this agreement shall not exceed five years without further authorization of the Board of Directors of the Corporation. The license agreement shall be revocable by either party on ninety days' notice.

Kings Eyes and Optics

<u>Years (2014 - 2019)</u>	<u>Annual</u>	<u>Monthly</u>	<u>PSF</u>
1	\$4,200	\$350	\$30.00
2	4,326	361	30.90
3	4,456	371	31.83
4	4,589	382	32.78
5	<u>4,727</u>	394	33.77
	\$22,298		

<u>Years (2019 - 2024)</u>	<u>Annual</u>	<u>Monthly</u>	<u>PSF</u>
1	\$4,869	\$406	\$34.78
2	5,015	418	35.82
3	5,165	430	36.90
4	5,320	443	38.00
5	<u>5,480</u>	457	39.14
	\$25,850		

note: escalation 3% per year

Eyes and Optics

License Agreement – NYC H+H Kings County

Capital Committee
November 12, 2019

Presented by Vincent Mulvihill
Deputy Executive Director
NYC H+H Kings County



Current State

➤ In operation at Kings County since 2014

- The Eyes and Optics Dispensary has served both patients and staff of NYC H+H Kings County since 2014, as a one-stop-shop to fill prescriptions for eye glasses, protective goggles, contact lenses and other related products.
- With an approximate discount rate of 25%, they offer a range of moderate-to-low cost options for children and adults, making it's products available for all income levels.

➤ Also located at other NYC H+H Facilities

- Located at Gouverneur since 2008
- Located at Woodhull since 2018



Benefits to Patient and Staff

- They serve between 120 to 140 patients and staff per month.
- Located adjacent to the Ophthalmology Practice so its very convenient for our patients.
- They have a 5 year track record of exemplary customer service towards our patients and staff.
- Rental fees provide a modest source of revenue for Kings County.



History of Rental Cost

<u>Years (2014 - 2019)</u>	<u>Annual</u>	<u>Monthly</u>	<u>PSF</u>
1	4,200	350	30.00
2	4,326	361	30.90
3	4,456	371	31.83
4	4,589	382	32.78
5	<u>4,727</u>	394	33.77
	22,298		
<u>Years (2019 - 2024)</u>	<u>Annual</u>	<u>Monthly</u>	<u>PSF</u>
1	4,869	406	34.78
2	5,015	418	35.82
3	5,165	430	36.90
4	5,320	443	38.00
5	<u>5,480</u>	457	39.14
	25,850		



Capital Committee Approval Request

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a renewal of a revocable five-year licenses agreement with Eyes and Optics (the “Licensee”) for the continued use and occupancy of approximately 140 square feet of space on the 8th floor of the “E” Building to operate an optical dispensary at NYC Health + Hospitals/Kings County (the “Facility”) at an occupancy fee of \$34.78 per square foot for a total annual occupancy fee of \$4,869 to be escalated by 3% per year over the five-year term of \$25,850



SAVITT PARTNERS

November 4, 2019

Mr. Dion Wilson
Legal Affairs – Office of the General Counsel
NYC Health + Hospitals Corporation
125 Worth Street
New York, 10013

Re: Fair Market Value/Appraisal of optical dispensary within Kings County Hospital
Located at 541 Clarkson Avenue, Brooklyn, NY in the East Building, 8th Floor, Suite C
On behalf of NYC Health + Hospitals Corporation

Dear Dion:

You have asked that I comment on the value of the referenced premises for the rental renewal. The original valuation report dated June 2, 2014 describes the referenced premises and gives a valuation of \$28.00-30.00 per rentable square foot (RSF) at that time. This shall serve to update that report and its valuation.

Pursuant to your request, the referenced property was initially inspected on April 16, 2014 in order to assess the Fair Market Value (FMV) of the designated office/retail space. This assessment is inclusive of the value of the Tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, repairs and maintenance, etc. As the owner is designated as a not for profit (501 (c)(3)) real estate taxes may not be applicable, however this expense will be considered when evaluating the value of the space in order to provide a comprehensive FMV. This appraisal will assess the estimated value of the base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The optical dispensary space is appropriately zoned for the use (office/retail) within the medical facility.
- The current lease expires 6/1/2020.
- The Landlord, in accordance with the terms of the original lease, has proposed a five year renewal term with 3.0% escalations per annum, compounded.
- The unit is approximately 140 RSF.
- This evaluation is for the purpose of a lease extension/renewal.

The ability to access the space and the provision of services without interruption is an amenity that benefits this retail tenant. This retail tenant, however, remains viable only as long the Ophthalmology practice remains present at the premises. The minimal expense for tenant improvements was a variable that was evaluated as well.

For the purpose of this appraisal, we shall assume that all operating expenses, i.e., security, refuse removal, utilities, repairs and maintenance, service contracts, etc. are provided by the Landlord.

In addition to the base rent of \$22, which we previously described as net, you would add in approximately \$3.50/sf for utility services, \$2.25/sf for cleaning services and as much as \$5/sf for IT and telephone services depending on the level of sophistication provided. In addition to these services, the tenants occupying the spaces do not have to maintain service contracts or maintenance of AC, communications or office equipment etc. That can be value-added into the cost of the space as well. Accordingly, we value the space at a gross rent of approximately \$34.75/rsf with services provided, which would be consistent with this use, within this use structure.

In conclusion this analysis finds that the FMV for this space is essentially a hybrid due to the location of the space, proposed use and lack of opportunity to promote a true retail operation. However, it also provides the user with an immediate client base.

It is our professional opinion that the value of the referenced space is \$32-36 per RSF (140rsf). It would not be appropriate to provide a tenant with a construction concession of rent abatement given the size of the unit.

Based on my review of the proposed lease term (5 years), the starting base rent and escalations, \$34.78 per square foot with 3.0% annual increases plus other Landlord cost pass-throughs as outlined in the initial lease, represents an increase from the current rent of 3.0% in addition to continuing to give the Landlord 3.0% annual escalations as was in place from the time of the initial lease.

In the event I can be of any further assistance to you, please do not hesitate to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael Dubin". The signature is fluid and cursive, with a prominent initial "M".

Michael Dubin
Partner

To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe
Senior Counsel
Office of Legal Affairs 

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Eyes and Optics

Date: November 6, 2019

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility

Approved

EEO

NA

MWBE

NA

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.