

CALL TO ORDER

Feniosky Peña-Mora

- ADOPTION OF MINUTES – November 12, 2019 Feniosky Peña-Mora
- SENIOR VICE PRESIDENT’S REPORT Christine Flaherty

ACTION ITEMS

- **Resolution** **Jeremy Berman / Christine Flaherty**  
Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a ten year lease with 2356 Partners LLC (the “Landlord”) for the use and occupancy of approximately 2,100 square feet of ground floor space at 2356 Nostrand Avenue, Brooklyn to operate a Supplemental Food Program for Women, Infants and Children (the “WIC Program”), managed by NYC Health + Hospitals/Kings County Hospital Center (the “Facility”) at a rent of \$108,000 per year, or \$51.43 per square foot to be escalated by 3% per year for a total of \$1,238,099 over the ten year term with an option to terminate after four years exercisable only by the System if funding is reduced.

Vendex: NA  
EEO: NA

- **Resolution** **Jeremy Berman / Maureen McClusky**  
Amending the resolution adopted in September 2019 by the Board of Directors of New York City Health and Hospitals Corporation (the “System”) authorizing the execution of a 30 year lease with Camelot of Staten Island, Inc. (“Camelot”) with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder (“SUD”) program on the campus of NYC Health + Hospitals/Sea View (the “Facility”) on land including the Administration Building with such amendment increasing the initial term to 50 years with Camelot holding a ten year renewal option thereby yielding rental income to the System over the initial term of \$24,371,087 at \$12.50 per sq. ft. escalated by 2.5% per year.

Vendex: Approved  
EEO: NA

- **Resolution** **Christine Flaherty**  
Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a contract with Johnson Controls Inc. (the “Contractor”) to provide Building Management System maintenance services at various facilities throughout the System over a three year term with option exercisable solely by the System, for two one-year extensions, for an amount not to exceed \$15,510,315.

Vendex: Approved  
EEO: Approved

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

# **CAPITAL COMMITTEE MEETING MINUTES**

November 12, 2019

## MINUTES

### Capital Committee

Meeting Date: November 12, 2019

Time: 3:30 P.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

Matthew Siegler – designee of Mitchell Katz, MD, President, Chief Executive Officer, in a voting capacity

### HHC Staff:

Paul Albertson – Vice President, Supply Chain Services

Jeremy Berman – Deputy Counsel, Office of Legal Affairs

Frederick Covino – Vice President, Finance

Robert Egbert – Senior Project Manager, Office of Facilities Development

Christine Flaherty – Senior Vice President, Capital Design & Construction

Daniel Gadioma – Associate Director, NYC Health + Hospitals / Kings County

Oscar Gonzales – Assistant Vice President, Office of Facilities Development

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

Louis Igthaut – Assistant Vice President, Office of Facilities Development

Vincent Mulvihill – Deputy Executive Director, NYC Health + Hospitals / Kings County

Erik Osborne – Budget Director, Office of Facilities Development

Manuel Saez – Senior Director, Corporate Support Services

Brenda Schultz – Senior Assistant Vice President, Finance

Denisha Simpson Franklin – Director of Program Budget, Office of Facilities Development

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 3:35 P.M.

On motion, the Committee unanimously approved the minutes of the October 10, 2019, Capital Committee meeting.

### SENIOR VICE PRESIDENT'S REPORT

Christine Flaherty, Senior Vice President noted that since her arrival in May she had now officially toured all eleven acute care facilities, all five Skilled Nursing facilities, and many Ambulatory Care sites. She plans on continuing visits to some of the smaller sites throughout the City.

Ms. Flaherty welcomed new members of the Office of Facilities Development (OFD), Oscar Gonzales, Assistant Vice President, who would be working on design and construction, Erik Osborne and Denisha Simpson Franklin, Directors of Capital Budget, with experience in the Office of Management and Budget (OMB), and Senior Project Manager, Robert Egbert, who would be working on office consolidation projects.

Ms. Flaherty explained that her team was continuing to work closely with Supply Chain to ensure continuity of contracts and issuance of future service contracts to support H+H sites. There is a continued focus to explore and seek ways to increase MWBE participation within the portfolio of work. The team also plans to research the availability of vendors in considering potential Minority and Women Owned Business Enterprise (MWBE) dedicated service agreements for specific sets of services, where there were opportunities.

Ms. Flaherty advised that the goal within the Office of Facilities Development was to continually look to improve service and increase the value of planning, design, construction and facility management services to facilities and clinical leadership across the system.

That concluded Ms. Flaherty's report.

Mr. Peña-Mora expressed interest in the MWBE initiatives mentioned by Ms. Flaherty and the efforts to increase participation. He commended the work around the MWBE community becoming aware of the interest that the system has in supporting participation.

### ACTION ITEMS

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

- **Amending 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.**

Ms. Flaherty presented on the continued ongoing testing that occurs for fire alarm systems throughout the enterprise including preventative maintenance of the infrastructure as well as regulatory testing and code compliance. Additionally, as new services came, onboard and new areas were opened, or if there was something that broke, it was necessary to repair those systems.

Ms. Flaherty noted that Fiscal Year 2018 spend for associated services totaled \$1.75 million; \$1.2 million on preventive maintenance and testing and \$550,000 on repairs. Those services were provided by three vendors; Firemaxx Systems, FireCom, and Johnson Controls, under contracts that would expire December 31, 2019. Ms. Flaherty advised that FireCom provided services at Gouverneur only, and would continue to maintain that proprietary system while Firemaxx assumed all other system sites.

Ms. Flaherty further explained the procurement process and RFP criteria.

Ms. Flaherty explained that Firemaxx had received good reviews for responsiveness at the facilities they serviced in the past.

Ms. Flaherty shared the financial breakdown by year, noting that fiscal years 2020 and 2025 were allocated for six months each, being that the contract would start and end midway through the fiscal years. Ms. Flaherty explained that the Preventive Maintenance (PM) and Testing cost would cover scheduled testing and maintenance, performed regularly. She further explained the Allowance for PM and Testing Due to Expansion cost, would cover any new areas that opened and required integration into existing panels and would need to be maintained and tested moving forward. The Repair Allowance, would cover any replacements necessary, or break and fix. The contract total for all five (5) years was \$8,935,376.

Freda Wang asked if FireCom would remain at Gouverneur. Ms. Flaherty confirmed FireCom would continue to maintain the proprietary system and Firemaxx would do everything else.

Ms. Flaherty noted that any allowances referenced were "as used" budgets, since everything cannot be anticipated, but any new primary care sites would be subsumed into this contract, or any other sites that did not currently have occupancy but may during the course of the contract.

Ms. Flaherty explained that the MWBE utilization plan presented by Firemaxx included 25% to Falcon Fire and Security (an MBE vendor) for Labor, and 5% to NRM for parts (NRM was in process of obtaining MWBE certification).

Mr. Peña-Mora said he was familiar with the City recognizing services/labor as counting towards MWBE but he was not familiar with parts counting towards goals. He asked if that was an acceptable practice. Ms. Flaherty said that as she understood it, yes, that was acceptable.

Ms. Flaherty explained that in the case of this contract, replacing readily available parts would be regular practice, so in this case it presented an opportunity. Largely, in a maintenance contract, the contractor would be providing the labor and self-performing so this was seen as an opportunity to expand MWBE utilization.

Jeremey Berman, Deputy Counsel, Legal Affairs noted that including the cost of parts and materials increased the denominator and increased the system's obligation.

Mr. Peña-Mora asked for confirmation that the City find parts an acceptable part of the plan.

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 (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.**

Ms. Flaherty advised that Mico Cooling was currently providing maintenance services for 1,643 refrigeration units throughout the system. Those units contained blood, medication, etc. The current contract included Preventive Maintenance, Labor and Emergency repairs, with an annual spend of \$2.12 million dollars. That total spend included \$1.6 million for preventive maintenance and dedicated labor at Bellevue, Queens, Lincoln, and Harlem, and \$520,000 for emergency repairs system-wide. The contract would expire December 31, 2019.

Ms. Flaherty explained the procurement process and RFP criteria.

Based on services provided to date at Bellevue, Queens, Lincoln, Harlem, Henry J. Carter, Morrisania, and Belvis, MICO Cooling have demonstrated its capacity to support the system. MICO Cooling was also a Women Owned Business Enterprise (WBE).

Ms. Flaherty reviewed the financial commitment for services, outlining the annual allocations for Preventive Maintenance and Labor, and an allowance for expansion, by Fiscal Year, for a total of \$8,507,640 over the full five-year term.

Sally Hernandez-Piñero asked if the annual gross sales criteria included preventive maintenance services, repairs, etc., all categories included in our service contract. Ms. Flaherty confirmed and explained that gross sales criteria was included in minimum criteria because NYC H+H needed to see that a firm could handle the capacity of servicing such a large system.

Ms. Wang asked why the minimum annual gross sales requirement was \$1 million in the Fire Safety RFP and \$5 million in this refrigeration RFP. Mr. Iglhaut explained that the cost of equipment was reflected in that number. The equipment associated with refrigeration was more expensive than that associated with the fire services contract.

Ms. Wang asked if there was a general guideline as to the size a company should be. Mr. Iglhaut said no there were no general guidelines. In the case of MICO Cooling, there was familiarity with the firm, based on prior services, so there was confidence in their ability to perform.

Mr. Peña-Mora asked if the approval was for the full five-year possible term (including renewal options), at the full proposed amount, but whether there was possibility that the contract could be shorter and cost less. Ms. Flaherty said yes this request if for approval of the five year-term at the total \$8 million but there was a

chance that the decision could be made not to execute the renewal options and that uncommitted dollars would be left over.

José Pagán asked if there was an evaluation process in place or a mechanism for tracking performance. Ms. Flaherty said feedback was received from the facilities and annual questionnaires for vendors were completed, and noted that there were specific examples of the vendor rising to the challenge to address issues during surveys.

Mr. Iglhaut said that with regards to MICO specifically, that issues was addressed in the RFP process and during contract negotiations.

Mr. Peña-Mora asked if evaluations were completed by the facility, or the Office of Facilities Development, during or at the end of the contract. Mr. Iglhaut said evaluations were performed at the end of the year, but not at the end of the contract. He noted that since preventive maintenance contracts were generally expense funded contracts they were not eligible for entry or evaluation within the New York City Vendex PassPort System.

Mr. Peña-Mora asked again if evaluations were completed regularly. Mr. Iglhaut said Manuel Saez had regular discussions regarding contractor performance at the monthly Director of Engineering meetings so in a way their performance was reviewed and discussed all year long.

Manuel Saez, Assistant Vice President, Facility Administration, stated that a major issue under the prior MICO contract had been getting the correct balance of trades and mechanics at the facilities, to understand the pace and flow and volume at individual sites and that is now clarified.

Mr. Peña-Mora asked that moving forward internal evaluation be included as part of the presentations. That would show previous performance and if evaluations were being completed annually then it should just require a need to compile data. That would allow for tracking of issues and their associated fixes.

Mr. Berman explained that part of the scoring for the MICO contract was experience and references and being that the vendor was an incumbent those became internal factors that were taken into account during the solicitation process. He explained that if were necessary to include evaluation reporting in Board presentations then a standard would need to be developed because contracts varied in type and substance.

José Pagán said he was not sure how the evaluations should be organized but there were clearly expectations with regards to timeliness, and other factors. Ms. Flaherty agreed. Mr. Berman agreed and added that having Key Performance Indicators (KPIs) outlined in the contract would help establish performance as the contract proceeded.

Ms. Hernandez-Piñero said that the more generic the evaluations the better, so that comparisons were relatively easy, but she understood that contracts and services varied.

Mr. Peña-Mora noted that safety was an important part of these types of contracts and related issues would be reportable, so that should be monitored. Ms. Flaherty agreed.

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.



Vincent Mulvihill, Deputy Executive Director, NYC Health + Hospitals / Kings County, read the resolution into the record.

- **Authorizing 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 8<sup>th</sup> 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.**

Mr. Mulvihill advised that the renewal being presented was for a dispensary at Kings County Hospital that provided one stop shopping for eyeglasses, protective goggles, and contact lenses. The vendor offered these services at a discounted rate, in a variety of cost options, for children and adults of all income levels.

Mr. Mulvihill noted that Eyes & Optics had been on site at Kings County for five (5) years but had a longer relationship at Gouverneur and a new site at Woodhull. The site at Kings County was located adjacent to Ophthalmology services and was open to patients and the public, although services were mainly provided to patients and staff. The facility had been pleased with service to date.

Mr. Mulvihill added that the site did bring a small revenue to the facility, by way of the license fee. That fee was increased annually by three percent.

Ms. Hernandez-Piñero commented that the space was rather small. Mr. Mulvihill agreed that the space was small, as space was a hot commodity at Kings County, but said the layout was good and the space was adequate for service.

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 4:08 P.M.

**LEASE AGREEMENT**

**2356 PARTNERS, LLC.**

**2356 NOSTRAND AVENUE, BROOKLYN**

**SUPPLEMENTAL FOOD PROGRAM FOR WOMEN  
INFANTS AND CHILDREN (WIC PROGRAM)**

**NYC HEALTH + HOSPITALS / KINGS COUNTY**

## RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to execute a ten year lease with 2356 Partners LLC (the "Landlord") for the use and occupancy of approximately 2,100 square feet of ground floor space at 2356 Nostrand Avenue, Brooklyn to operate a Supplemental Food Program for Women, Infants and Children (the "WIC Program"), managed by NYC Health + Hospitals/Kings County Hospital Center (the "Facility") at a rent of \$108,000 per year, or \$51.43 per square foot to be escalated by 3% per year for a total of \$1,238,099 over the ten year term with an option to terminate after four years exercisable only by the System if funding is reduced.

**WHEREAS**, the System had operated a WIC Program servicing this area of Brooklyn since 1996 at a nearby site on Nostrand Avenue but was forced to close the site due to the expiration of its lease; and

**WHEREAS**, the proposed new site is in the same zip code as the former site thereby allowing the WIC Program to serve the same catchment area; and

**WHEREAS**, the System operates 27 WIC sites throughout the System of which 6 are in rented locations and 21 are in facilities controlled by the System;

**WHEREAS**, the Facility currently operates two WIC sites serving the Facilities' patients and the community and, with the proposed additional site, will operate three such sites; and

**WHEREAS**, like other WIC programs, the Facility's WIC Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income; and

**WHEREAS**, WIC Programs are funded by New York State Department of Health ("DOH") grants and DOH approves of each site and its lease terms in advance and that practice was followed at the proposed new site.

**NOW, THEREFORE, be it**

**RESOLVED**, that New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute a 10 year lease with 2356 Partners LLC for use and occupancy of approximately 2,100 square feet of ground floor space at 2356 Nostrand Avenue, Brooklyn to operate a Supplemental Food Program for Women, Infants and Children, managed by NYC Health + Hospitals/Kings County Hospital Center at a rent of \$108,000 per year, or \$51.43 per square foot to be escalated by 3% per year for a total of \$1,238,099 over the 10 year term with an option to terminate after four years exercisable only by the System if funding is reduced.

## EXECUTIVE SUMMARY

### KINGS COUNTY HOSPITAL CENTER SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN 2356 NOSTRAND AVENUE, BROOKLYN

- OVERVIEW:** New York City Health and Hospitals Corporation (the "System") seeks authorization from its Board of Directors to execute a ten year lease with 2356 Partners LLC (the "Landlord") for use and occupancy of space at 2356 Nostrand Avenue, Borough of Brooklyn, to operate a Women, Infants and Children Program (the "WIC Program"), managed by NYC Health + Hospitals/Kings County Hospital Center ("Kings County").
- NEED/PROGRAM:** The WIC Program had been providing services to the surrounding community at a nearby site at 2266 Nostrand Avenue since 1996. The System had to close the WIC Program at its prior site about a year ago because the lease expired and the landlord did not wish to renew. The new site is located in the same zip code as the former site thereby allowing the WIC Program to serve the same catchment area. The program provides comprehensive WIC services to eligible pregnant, breastfeeding and postpartum women, infants and children less than five years of age, who are determined to be at nutritional risk.
- UTILIZATION:** The WIC Program's caseload is approximately 2,500 clients.
- TERMS:** The System will occupy approximately 2,100 square feet of ground floor space, and will pay base rent in the amount of \$108,000 per year, or \$51.43 per square foot to be escalated by 3% per year for a total of \$1,238,099 over the ten year term. The landlord will build out the space at no cost to the System. The System will have the right to cancel the lease upon completion of the fourth year of the term if DOH funding is reduced. The System will be responsible for payment of separately metered gas, electricity and water. The System will pay its share of real estate tax increases above a base year. The landlord will be responsible for all interior and exterior maintenance and structural repairs on the premises. The System will be responsible for non-structural maintenance and repairs.
- FINANCING:** DOH funds both rent and operating expenses at WIC sites.

## SUMMARY OF ECONOMIC TERMS

<b>SITE:</b>	2356 Nostrand Avenue Borough of Brooklyn Block 7575, Lot 11, 77
<b>LANDLORD:</b>	2356 Partners LLC 4815 Avenue N Brooklyn, N.Y. 11234
<b>FLOOR AREA:</b>	Approximately 2,100 square feet of ground floor space
<b>TERM:</b>	10 years
<b>CANCELLATION:</b>	Tenant shall have the right to cancel the lease after four years if DOH funding is reduced.
<b>RENT:</b>	The System will pay a base rent in the amount of \$108,000 per year, or \$51.43 per square foot. The rent escalated by 3% per year over the term totals \$1,238,099.
<b>UTILITIES:</b>	The System will be responsible for the payment of separately metered electricity, gas, and water.
<b>MAINTENANCE/ REPAIRS:</b>	The Landlord will be responsible for all interior and exterior maintenance and structural repairs. The System will be responsible for non-structural maintenance and repairs.
<b>CONSTRUCTION:</b>	The Landlord will build out the space at no additional expense to the System.
<b>TAXES:</b>	The System will be responsible for the payment of its share of real estate tax increases above the base year.
<b>FINANCING:</b>	WIC programs are fully funded by DOH grants which cover rent, personnel and other operating costs. There are generally no costs to the System for the operation of a WIC Program.

## 2356 Nostrand Ave. Comparables

<u>Address</u>	<u>Floor Area (sq. ft.)</u>	<u>Rent (per sq. ft.)</u>
2147 86th St., Brooklyn, NY 11214	6,000	\$56.00
400 Atlantic Ave., Brooklyn, NY 11217	1,800	\$56.00
428 Atlantic Ave., Brooklyn, NY 11217	2,200	\$60.00
1222 Ave. U, Brooklyn, NY 11229	1,000	\$54.00
766 Flatbush Ave., Brooklyn, NY 11226	2,000	\$51.50
1172 Fulton St., Brooklyn, NY 11216	2,500	\$50.00
1567 Fulton St., Brooklyn, NY 11216	3,125	\$56.00
523 Halsey St., Brooklyn, NY 11233	2,551	\$42.50
894 Nostrand Ave., Brooklyn, NY 11225	2,958	\$56.00
3674 Nostrand Ave., Brooklyn, NY 11229	3,000	\$38.00
2178 Pitkin Ave., Brooklyn, NY 11207	3,800	\$51.50



**Supplemental Food Program for Women, Infants and  
Children (“WIC” Program)  
Lease Agreement – 2356 Nostrand Ave., Brooklyn, N.Y.**

**Capital Committee  
December 12, 2019**

**Presented by Christine Flaherty, Senior Vice President  
Jeremy Berman, Deputy Counsel**

**NYC H+H Kings County**



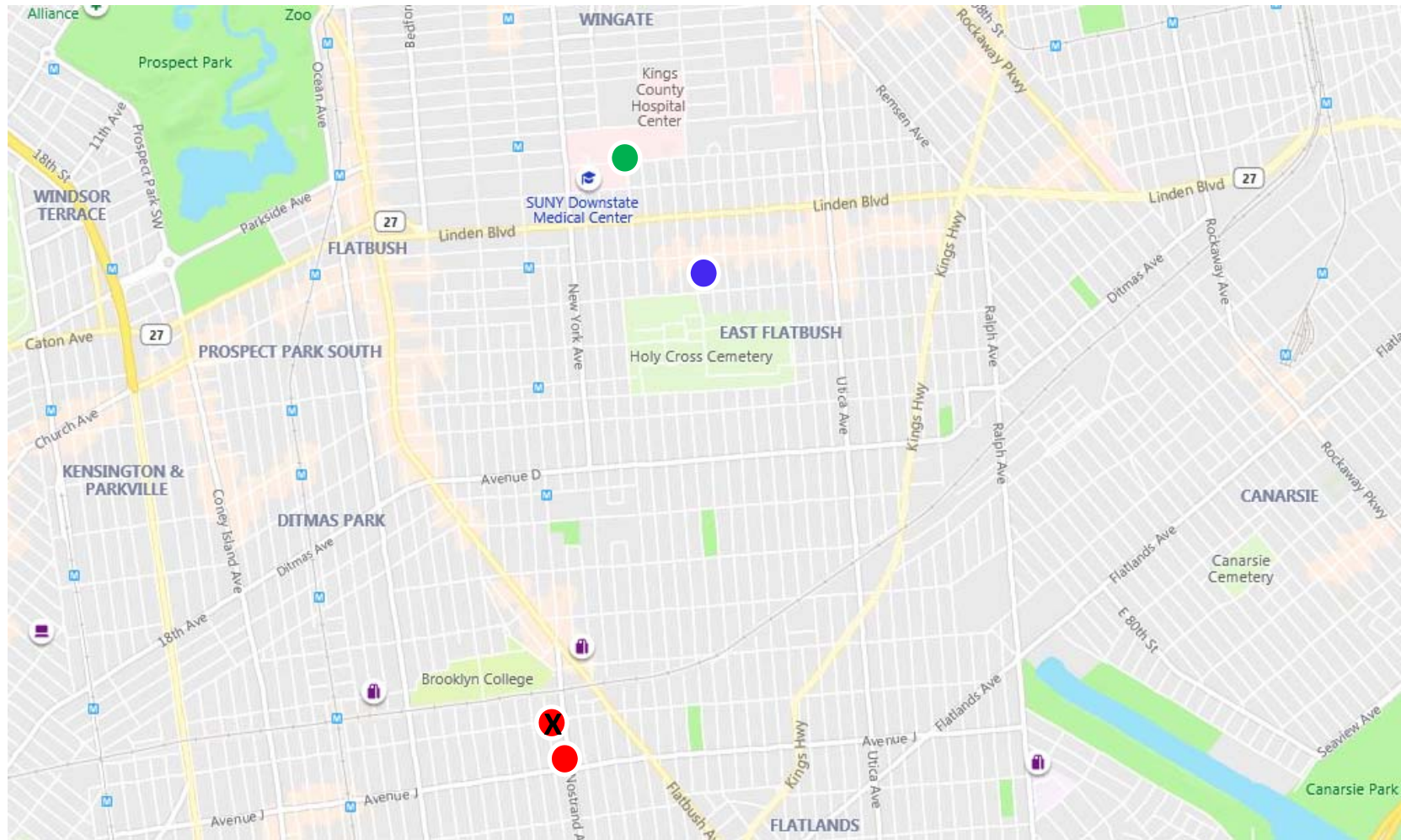
# Current State

- The NYC Health + Hospitals System operates 27 WIC sites throughout the System, 6 are in rented locations and 21 are in facilities controlled by the System.
- A WIC Program has been providing services to the surrounding community from a Nostrand Ave. site since 1996. The program provides comprehensive WIC services to eligible pregnant, breastfeeding and postpartum women, infants and children less than five years of age. The program is funded by the New York State Department of Health.
- The program has been operating from a site located at 2266 Nostrand Ave. but the landlord would not extend the lease. The 2356 Nostrand Ave. space was deemed a suitable replacement site.
- The projected caseload for Nostrand Ave. is approximately 2,500 clients.
- Kings County also operates WIC programs at sites on Church Ave. and in the “T” Building on the hospitals campus. The combined caseload of these two sites is approximately 7,500 clients.





# NYC Health + Hospitals / Kings County WIC Sites



● NYC H+H / Kings County “T” Building

● 4302 Church Avenue

● 2356 Nostrand Avenue (new site)

● 2266 Nostrand Avenue (site closed 5/2019)



# Rent Schedule

Year	Annual Rent	Monthly Rent	PSF
1	\$108,000	\$9,000	\$51.43
2	111,240	9,270	52.97
3	114,577	9,548	54.56
4	118,015	9,835	56.20
5	121,555	10,130	57.88
6	125,202	10,433	59.62
7	128,958	10,746	61.41
8	132,826	11,069	63.25
9	136,811	11,401	65.15
10	<u>\$140,916</u>	<u>\$11,743</u>	<u>\$67.10</u>
	\$1,238,099		
	floor area: 2,100 rsf		



# Capital Committee Approval Request

- Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a ten year lease with 2356 Partners LLC (the “Landlord”) for the use and occupancy of approximately 2,100 square feet of ground floor space at 2356 Nostrand Avenue, Brooklyn to operate a Supplemental Food Program for Women, Infants and Children (the “WIC Program”), managed by NYC Health + Hospitals/Kings County Hospital Center (the “Facility”) at a rent of \$108,000 per year, or \$51.43 per square foot to be escalated by 3% per year for a total of \$1,238,099 over the ten year term with an option to terminate after four years exercisable only by the System if funding is reduced.



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: 2356 Partners, LLC

Date: November 25, 2019

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

**Vendor Responsibility**

NA

**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.

# LEASE AGREEMENT

CAMELOT OF STATEN ISLAND, INC.

NYC HEALTH + HOSPITALS / SEA VIEW

## RESOLUTION

Amending the resolution adopted in September 2019 by the Board of Directors of New York City Health and Hospitals Corporation (the "System") authorizing the execution of a 30 year lease with Camelot of Staten Island, Inc. ("Camelot") with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder ("SUD") program on the campus of NYC Health + Hospitals/Sea View (the "Facility") on land including the Administration Building with such amendment increasing the initial term to 50 years with Camelot holding a ten year renewal option thereby yielding rental income to the System over the initial term of \$24,371,087 at \$12.50 per sq. ft. escalated by 2.5% per year.

**WHEREAS**, the term of the proposed lease established in the September resolution had been approved by Camelot's funder, the New York State Office of Alcohol and Substance Abuse Services ("OASAS"), and was similar to the term of Camelot's pre-existing lease at the Facility; and

**WHEREAS**, after the adoption of the September resolution, it and certain funding and construction documents were presented to the Office of the Attorney General of the State of New York (the "AG") for approval; and

**WHEREAS**, the AG objected to the length of such term as being too short to allow the full amortization of the State's planned investment; and

**WHEREAS**, most of the ground leases given by the System to third parties to occupy space on land controlled by the System are for terms of 99 years; and

**WHEREAS**, the System wishes to accommodate the State's desire for a longer lease term.

**NOW, THEREFORE, be it**

**RESOLVED**, that the resolution adopted in September 2019 by the Board of Directors of New York City Health and Hospitals Corporation authorizing the execution of a 30 year lease with Camelot of Staten Island, Inc. ("Camelot") with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder program on the campus of NYC Health + Hospitals/Sea View on land including the Administration Building be and the same hereby is amended to increase the initial term of the lease to 50 years with Camelot holding a ten year renewal option thereby yielding income to the System over the initial term of \$24,371,087 at \$12.50 per sq. ft. escalated by 2.5% per year

## EXECUTIVE SUMMARY

### AMENDMENT OF SEPTEMBER 2019 RESOLUTION AUTHORIZING LEASE WITH CAMELOT OF STATEN ISLAND, INC. NYC HEALTH + HOSPITALS/SEA VIEW TO INCREASE THE INITIAL TERM

#### OVERVIEW:

In September 2019 the Board of Directors of the New York City Health and Hospitals Corporation (the "System") adopted a resolution authorizing a lease with Camelot of Staten Island, Inc. ("Camelot"), for the operation of a residential Substance Use Disorder ("SUD") program on the campus of NYC Health + Hospitals/Sea View ("Sea View") in the approximately 20,000 square foot Administration Building. The September resolution approved an initial term of 30 years with Camelot holding a 19 year renewal option.

In the course of gathering necessary approvals for Camelot's planned State financed renovation of the Administration Building, the approval of the Office of the Attorney General of the State of New York (the "AG") was sought. The AG objected to the length of such term as being too short to allow the full amortization of the State's planned investment. Such objection was surprising because OASAS had not raised such objection previously and because the term of the proposed lease is identical to the term of Camelot's pre-existing lease at the Facility which also involved the extensive renovation of a building financed by the State through DASNY. The AG required that the initial term be not less than fifty years.

#### TERMS:

Under the proposed amended resolution the terms of the lease will remain the same except as to the duration of the lease. As before, Camelot will pay annual rent of \$250,000, or \$12.50 per square foot to be escalated by 2.5% per year. Whereas, under the September resolution the initial term of the lease was to be thirty years with Camelot holding an option to extend such term for nineteen additional years, under the proposed amendment, the initial term will be for fifty years with Camelot holding an option to extend such term for ten additional years. The total rent payable over the original thirty year term was \$10,975,676 and the total rent payable over the proposed fifty year term will be \$24,371,087. Under the proposed amendment, the term of the renewal option is ten years instead of the nineteen year renewal term originally provided. As before, the annual base rent for the option term will be set at 95% of the property's appraised value.

## SUMMARY OF ECONOMIC TERMS

<b>SITE:</b>	NYC Health + Hospitals/Sea View 460 Brielle Avenue Borough of Staten Island Block 955, Lot 1
<b>TENANT:</b>	Camelot Counseling, Inc. 4442 Arthur Kill Road, Suite No. 4 Staten Island, N.Y. 10309
<b>BUILDING SIZE:</b>	Approximately 20,000 square feet
<b>PARCEL SIZE:</b>	Approximately 24.080 square feet
<b>TERM:</b>	50 year initial term
<b>RENEWAL OPTIONS:</b>	One 10 year option. The annual base rent for the option term will be set at 95% of the property's appraised value and will escalate at 2.5% thereafter.
<b>RENT:</b>	\$250,000 per year in the first year of the term
<b>ESCALATION:</b>	2.5% per year
<b>UTILITIES:</b>	The cost of all utilities will be the tenant's responsibility.
<b>MAINTENANCE:</b>	The tenant will responsible for all interior and exterior structural and non-structural maintenance and repairs to the facility.
<b>FINANCING:</b>	Funding will be provided by the New York State Office of Alcohol and Substance Abuse Services.



## RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to execute a 30 year lease with Camelot of Staten Island, Inc. ("Camelot") with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder ("SUD") program on the campus of NYC Health + Hospitals/Sea View (the "Facility") on land measuring approximately 24,080 sq. ft. including the approximately 20,000 sq. ft. Administration Building at an annual rent of \$250,000, or \$12.50/sq. ft. to be escalated by 2.5% per year for a total rent over the 30 year initial term of \$10,975,676.

**WHEREAS**, Camelot is a not-for-profit formed in 1971, licensed under Article 32 of the Mental Hygiene law to operate outpatient and intensive residential rehabilitation programs; and

**WHEREAS**, Camelot operates 2 intensive residential programs – 1 for adolescent males, and 1 for adult males; and 4 out-patient programs – one on Staten Island and 3 out-patient clinics located in Homes for the Homeless Inc. Tier II Family Shelters in Queens and the Bronx; and

**WHEREAS**, since 2012 Camelot has operated a 35-bed adult male residential program on the Facility's campus in the Camelot-renovated "Group Building;" and

**WHEREAS**, the proposed 25-bed residential SUD program will treat women only because research indicates that gender-responsive rehabilitation is more effective; and

**WHEREAS**, the program will be housed in the now vacant Administration Building to be renovated by Camelot at its own expense; and

**WHEREAS**, there is an acute need for SUD programs on Staten Island and SUD programs for women, in particular; and

**WHEREAS**, the New York State Office of Alcohol and Substance Abuse Services (OASAS) confirms that Camelot complies with OASAS program requirements, which includes medication and monitoring; and

**WHEREAS**, Camelot provides Methadone and Buprenorphine-based treatments to all patients with opioid use disorder and connects patients to maintenance treatment with medication following completion of residential treatment; and

**WHEREAS**, Camelot also provides out-patient intensive counseling and family treatment programs to which the System will refer

**WHEREAS**, a Public Hearing was held on February 27, 2018, in accordance with the requirements of the System's Enabling Act, and, prior to lease execution, the proposed sublease is subject to the approval of the City Council and the Office of the Mayor.

**NOW, THEREFORE, be it**

**RESOLVED**, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a 30 year lease with Camelot of Staten Island, Inc. with Camelot holding a 19 year renewal option for the operation of a residential Substance Use Disorder program on the campus of NYC Health + Hospitals/Sea View on a parcel of land measuring approximately 24,080 sq. ft. including the approximately 20,000 sq. ft. Administration Building at an annual rent of \$250,000, or \$12.50 per sq. ft. to be escalated by 2.5% per year for a total rent amount over the 30 year term of \$10,975,676.

## EXECUTIVE SUMMARY

### LEASE WITH CAMELOT OF STATEN ISLAND, INC. NYC HEALTH + HOSPITALS/SEA VIEW

#### OVERVIEW:

The New York City Health and Hospitals Corporation (the "System") seeks authorization from its Board of Directors to execute a lease with Camelot of Staten Island, Inc. ("Camelot"), for the operation of a residential Substance Use Disorder ("SUD") program on the campus of NYC Health + Hospitals/Sea View ("Sea View") in the approximately 20,000 square foot Administration Building. A Public Hearing was held on February 27, 2018, in accordance with the requirements of the System's enabling act. Prior to lease execution, the proposed sublease is subject to the approval of the City Council and the Office of the Mayor.

Camelot is a not-for-profit corporation formed in 1971 and licensed under Article 32 of the Mental Hygiene law to operate outpatient and intensive residential rehabilitation programs. Camelot currently operates two intensive residential programs – one for adolescent males, and one for adult males; and four outpatient programs – one on Staten Island and three outpatient clinics located in Homes for the Homeless Inc. Tier II Family Shelters in Queens and the Bronx. Since 2012, Camelot has operated a 35-bed adult male residential program on Sea View's campus in the Camelot-rehabilitated "Group Building."

#### PROGRAM/ NEED:

According to the NYS Department of Health, SUD are found on Staten Island at rates higher than the rest of New York City. Individuals with SUD represent approximately 33% of Medicaid beneficiaries on Staten Island and 32% of these are hospitalized at least once each year, which is twice the rate of those without SUD. Roughly 30% of these are women. There are no residential treatment programs on Staten Island for women with SUD. The proposed 25-bed residential SUD program will treat women only because research indicates that gender-responsive rehabilitation is more effective. It will be housed in the now vacant Administration Building to be renovated by Camelot at its own expense.

Camelot maintains that acute detoxification services either alone or in combination with short-term 21 day inpatient rehabilitation is effective for less than 25% of patients and ongoing outpatient treatment is also effective for only a limited percentage of patients. Thus, longer duration programs are necessary. Women entering the Camelot program will remain as long as nine months.

The Camelot facility will accept referrals from the System and from a range of health and social service agencies on Staten Island including members of the Staten Island DSRIP PPS. Each Camelot patient will have a primary counselor and will receive treatment for SUD, mental health issues, trauma-related experiences and post-discharge planning with respect to employment and housing. Each resident will receive a medical and psychiatric evaluation and medications will be prescribed for any chronic conditions. Camelot projects that 80% of its patients will achieve recovery.

Page Two – Executive Summary  
Sublease Agreement – Camelot of Staten Island

**PROCUREMENT:** Camelot responded to an RFP issued by OASAS on February 13, 2017 for developers/operators of residential SUD treatment facilities in Bronx, Kings and Richmond County and was awarded funding and a contract to develop the Administration Building and operate the program. Also during this time period, the New York City Economic Development Corporation (“EDC”) issued a Request for Expressions of Interest in the development of portions of the Sea View campus not being used for the operation of the facility. Camelot responded to the RFEI on April 24, 2017 with support, from among others, the Borough President, James Oddo. Although the Camelot proposal does not provide a comprehensive plan for the entire Sea View campus, EDC concluded that the proposed use of the Administration Building would complement the other proposed plans and that Camelot’s independent funding would help to anchor either of the other two leading proposers.

**TERMS:** Camelot will lease a parcel of land measuring approximately 24,080 square feet including the Administration Building which is approximately 20,000 gross square feet over two floors and a cellar. The building is currently not in use. The renovation work for the Administration Building will include installation of a new elevator, new interior finishing, new windows, doors, roofing, mechanical and fire protection systems. The construction will be managed by the Dormitory Authority of the State of New York and will be entirely funded by OASAS at an estimated cost of approximately \$9 million. The term of the lease will be 30 years. Camelot will pay annual rent of \$250,000, or \$12.50 per square foot to be escalated by 2.5% per year for a total rent over the thirty year term of \$10,975,676. The sublease will contain one nineteen year renewal option. The annual base rent for the option term will be set at 95% of the property’s appraised value. Camelot will be responsible for its operating expenses associated with the Administration Building including utilities, interior and exterior maintenance, and structural and non-structural repairs

Camelot will indemnify and hold harmless the System and the City of New York from any and all claims arising by virtue of its use of the property, and will also provide appropriate insurance naming each as additional insured.

## SUMMARY OF ECONOMIC TERMS

**SITE:** NYC Health + Hospitals/Sea View  
460 Brielle Avenue  
Borough of Staten Island  
Block 955, Lot 1

**TENANT:** Camelot Counseling, Inc.  
4442 Arthur Kill Road, Suite No. 4  
Staten Island, N.Y. 10309

**BUILDING SIZE:** Approximately 20,000 square feet

**PARCEL SIZE:** Approximately 24.080 square feet

**TERM:** 30 year initial term

**RENEWAL  
OPTIONS:** One 19 year option. The annual base rent for the option term will be set at 95% of the property's appraised value and will escalate at 2.5% thereafter.

**RENT:** \$250,000 per year in the first year of the term

**ESCALATION:** 2.5% per year

**UTILITIES:** The cost of all utilities will be the tenant's responsibility.

**MAINTENANCE:** The tenant will responsible for all interior and exterior structural and non-structural maintenance and repairs to the facility.

**FINANCING:** Funding will be provided by the New York State Office of Alcohol and Substance Abuse Services.

**LONG TERM LEASE TO  
CAMELOT OF STATEN ISLAND, INC.  
SEA VIEW HOSPITAL  
ADMINISTRATION BUILDING  
FOR CONVERSION TO WOMENS'  
RESIDENTIAL SUBSTANCE ABUSE PROGRAM**

**CAPITAL COMMITTEE  
SEPTEMBER 12, 2019**

**Maureen McClusky - Senior Vice President  
Christine Flaherty, Senior Vice President, Capital and Design  
Charles Barron, Deputy Chief, MPA Behavioral Health  
Administrator**



## Background -- Camelot

- Not-for-profit formed in 1971
- Art 32 Mental Health Law license to operate outpatient and residential substance use disorder (SUD) programs
- Now operates 35-bed men's residential SUD program at Sea View under another long term lease
- Focuses on Staten Island where incidence of SUD is higher than elsewhere in City and where 30% of patients are women



## Camelot SUD Program

- Funded by NY State Office of Alcohol and Substance Abuse Services (OASAS)
- OASAS confirms Camelot complies with OASAS Program Requirements, which includes medication and monitoring
- Provides Methadone and Buprenorphine-based treatments as well as abstinence-based treatments
- Provides out-patient intensive counseling and family treatment programs to which NYC H+H will refer
- Collaboration with Gotham Vanderbilt Staten Island Site



## Proposed Camelot Program

- 25 bed residential program for women and their children
- Residents will remain in the program for up to 9 months
- Will accept referrals from NYC Health + Hospital facilities among others
- Residents will be offered drug maintenance programs (Methadone and Buprenorphine) as well as abstinence-based treatments





## Proposed Lease of Admin. Building

- 30 year term
- Land is 24,080 sf; Building is 20,000 sf
- Building currently dilapidated and unused
- Rent starts at \$12.50/ft. or \$250,000/yr.
- Increases at 2.5%/yr.; total rent over term is \$10,975,676
- Renovation costs paid entirely by Camelot and funded by OASAS



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: Camelot of Staten Island, Inc.

Date: November 25, 2019

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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.

**CONTRACT APPROVAL**

**JOHNSON CONTROLS, INC.**

**BUILDING MANAGEMENT SYSTEMS**

**SYSTEM-WIDE**

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with Johnson Controls Inc. (the "Contractor") to provide Building Management System maintenance services at various facilities throughout the System over a three year term with option exercisable solely by the System, for two one-year extensions, for an amount not to exceed \$15,510,315.

**WHEREAS**, the facilities of the System require Building Management System maintenance services to ensure the building's mechanical and electrical equipment such as ventilation, lighting, power and fire systems function optimally; 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 Building Management System 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 Johnson Controls Inc. to provide Building Management System maintenance services various facilities throughout the System over a three year term with options, exercisable solely by the System, for two one-year extensions, for an amount not to exceed \$15,510,315.

## EXECUTIVE SUMMARY

### BUILDING MAANGEMENT SYSTEMS MAINTENANCE SERVICES

#### JOHNSON CONTROLS INC.

- OVERVIEW:** The New York City Health and Hospitals Corporation (the "System") seeks to execute a contract with Johnson Controls, Inc. (the "Contractor") for a term of three years, with System options for two one-year renewals for amount not-to-exceed \$15,510,315, to provide Building Management System maintenance services at various NYC Health + Hospitals facilities. The Contractor previously provided such services to the System at an annual cost of \$2,339, 563. Under the proposed agreement, such services will be provided at an annual cost of \$2,386,354, a 2% increase, in the first year, with subsequent increases of 4% each year thereafter.
- NEED:** Throughout the System, Building Management Systems are used to control and monitor the buildings' mechanical and electrical equipment such as ventilation, lighting, power and fire systems. To ensure the operation and full functionality of the Building Management Systems, annual preventive maintenance services are needed.
- TERMS:** The maintenance services will be provided under a three year contract with options exercisable solely by the System for two one-year extensions for an amount not to exceed \$15,510,315, including a 20% allowance for repairs and expansion. The System will have the option to add or remove services at an agreed upon rate. If items are removed from the inventory, the System's overall cost will decrease by the labor cost associated with that item and if items are added the System's overall cost will increase by such labor cost. For any new sites that become operational after the proposed contract is executed, a baseline inventory of devices that would be managed by the Contractor will be collected and the agreed upon labor cost will be used to determine the new facility's annual maintenance cost. Any such additional scope is expected to be within the not-to-exceed costs established within the proposed budget.
- COSTS:** Not-to-exceed \$15,510,315 over three years and two one year options solely exercisable by the System.
- FINANCING:** Operating budget of the System.
- MWBE:** Contractor submitted a plan for 12.5% MBE utilization. A waiver of 17.5% of the 30% MWBE goals has been requested. JCI identified several potential MWBE vendors they pledge to utilize for "repairs and expansion".

# **Building Management System (BMS) Maintenance**

## **Capital Committee**

**December 12th, 2019**

**Christine Flaherty  
Sr. Vice President  
Capital Construction & Design**

# Background

- Building Management Systems (BMS) are installed in 15 of our facilities and are used to control and monitor a building mechanical and electrical equipment such as;
  - Heating, Ventilation, Air Conditioning (HVAC)
  - Lighting
  - Power systems
  - Fire systems
  - Security systems
- BMS used to optimize energy usage throughout our facilities
- BMS provide real-time notification and status of critical systems
  - Fire Dampers
  - Pressure Relationships
  - Humidity Controls
- JCI has been providing maintenance for BMS systems at 13 of the 15 facilities. JCI has a proprietary solution in these facilities
- The current JCI contract was extended from the JCI Plant Maintenance Management agreement
- Current contract spend is approximately \$2.3M annually
- Current maintenance contract will expire on December 31, 2019
- Desired outcome of RFP was for a single vendor solution

# RFP Criteria

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➤ **Minimum criteria:**

- 5 years in business in a multi-hospital environment
- New York City presence
- Licensed and certified in NY State to perform requested service

➤ **Evaluation Committee:**

- OFD and Facility Representation

➤ **Substantive Criteria**

- 40% Ability to meet SOW deliverables
- 30% Cost Proposal
- 20% Appropriateness and quality of firm's experience
- 10% Status as and MWBE or MWBE utilization plan



# Overview of Procurement

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- 04/02/19: The CRC approved an application to issue solicitation
- 05/17/19: RFP sent directly to 5 vendors and posted to City Record
- 05/23/19: Mandatory pre-proposal conference
- 06/03/19: Facility walk-throughs commence (15 facilities over 5 days)
- 07/19/19: Proposal deadline, 3 proposals received

# Vendor Selection

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- 3 vendors submitted proposals; 2 of the 3 vendors only provided proposals for 3 of the 15 required sites
- JCI has a proprietary solution in the majority of the facilities and as a result they offered the most comprehensive proposal
- JCI has the most experience and best qualified staff
- JCI had the most cost effective solution
- JCI BMS maintenance performance determined to be satisfactory system-wide

# Contract Terms

<b>PROPOSAL</b>	<b>BASE THREE YEAR CONTRACT WITH TWO ONE YEAR OPTIONS</b>	<b>20% ALLOWANCE FOR REPAIRS &amp; EXPANSION</b>	<b>MWBE COMMITMENT</b>
Negotiated Terms	\$12,925,259	\$2,585,052	12.5%

# Negotiated Contract Schedule

Contract Years*	Current Proposal (4% annual escalation)	Current Allowance for Repair + Expansion	Current Total
2020	\$ 2,386,353.24	\$ 477,270.65	\$ 2,863,623.89
2021	\$ 2,481,807.37	\$ 496,361.47	\$ 2,978,168.84
2022	\$ 2,581,079.66	\$ 516,215.93	\$ 3,097,295.60
2023	\$ 2,684,322.85	\$ 536,864.57	\$ 3,221,187.42
2024	\$ 2,791,695.76	\$ 558,339.15	\$ 3,350,034.92
	<b>\$ 12,925,258.89</b>	<b>\$ 2,585,051.78</b>	<b>\$ 15,510,310.67</b>

\*Reflected as calendar not fiscal years

# MWBE Plan

- JCI has presented a plan to committed 12.5% of contract value to MBE spend by sub-contracting

VENDOR	SERVICE	% MWBE
Building Control Services (BCS)	Labor	JCI requested a waiver of 17.5% of the 30% MWBE goals

- JCI identified several potential MWBE vendors they pledge to utilize for “repairs and expansion” services

VENDOR	SERVICE	MWBE Classification	Certification Status
ASI System Integration	Software, Programming	MBE	Pending
Aventura Technologies	Alarm System Monitoring	WBE	Pending
EDGE Electronics	Antenna Merchant Wholesaler	WBE	NYC Certified
Serendipity Electronics	Electronic Parts Merchant Wholesaler	WBE	NYC Certified
Sunrise Electrical Contractor	Electrical Contractor	WBE	Pending
JVR Electric	Electrical Contractor	WBE	Pending
Weydman Electric Inc.	Electrical Contractor	WBE	NYC Certified
KND Licensed Electrical and Contracting Service	Electrical Contractor	WBE	NYC Certified
Kasselmann Electric Co. Inc.	Electrical Contractor	WBE	Pending

# Capital Committee Approval Request

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- We are seeking approval to enter into contract with Johnson Controls Inc. for Building Management Systems Maintenance
  - Three year base term with two one year options
  - Contract cost increased by 2% the first year, and will increase by 4% annually starting the 2<sup>nd</sup> year
  - 10% discount on labor rates for repairs
  - \$15.5 M contract value over full term
  - 12.5% MBE plan submitted
  - 17.5% waiver requested, (JCI's pledge to utilize MWBE vendors for repairs and expansion is expected to reduce the waiver percentage; utilization documentation will be provided)

JCI BMS Vendor Performance	
Description	Answer
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	No
Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extent applicable?	No
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	Yes
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work?	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?	Yes
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?	Yes
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could impact the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
<b>Performance and Overall Quality Rating</b>	<b>Satisfactory</b>
Based on vendor evaluation data in the Vendex system.	

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: Johnson Controls, Inc.

Date: December 5, 2019

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

**Vendor Responsibility**

Approved

**EEO**

Approved

**MWBE**

12.5%

Johnson Controls, Inc. has requested a waiver of 17.5% of the 30% MWBE goals based on the scope of work being almost entirely self-performed on proprietary equipment. They have, however, pledged to subcontract to MWBEs for all work performed on a time and materials basis with an expectation that such work will have a 30% MWBE utilization.

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.