

**CAPITAL COMMITTEE
MEETING AGENDA**

May 10, 2021

12:00 PM

Virtual Meeting

CALL TO ORDER

Feniosky Peña-Mora

- **ADOPTION OF MINUTES – April 12, 2021**

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 sign a six month lease extension with Cheyenne Realty LLC (the “Landlord”) for the use of approximately 1,600 square feet of space at 4302 Church Avenue, Borough of 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 base rent of \$61,437.24 per year, or \$38.40 per square foot, for a total of \$30,718.62 for the six month extension; provided the System will hold an option to extend for an additional five years with the rent for the six month extension and five year option totaling \$356,894.90.

Vendex: NA

EEO: NA

- **Resolution** **Christine Flaherty**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute five successive one year revocable license agreements with the New York City Department of Housing Preservation and Development (“HPD”) for the System’s continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the Ida G. Israel Community Health Center (the “Center”) managed by NYC Health + Hospitals/Coney Island Hospital Center (the “Facility”) at no occupancy fee payable.

Vendex: NA

EEO: NA

- **Resolution** **Christine Flaherty**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a three month revocable license agreement with T-Mobile Northeast LLC (the “Licensee”) to operate a mobile cellular communications system on an approximately 1,600 square foot parcel of land located on the campus of the former Neponsit Health Care Center (the “Facility”), located at 67 Rockaway Beach Boulevard, Queens, at an occupancy fee of \$50,000 or \$125 per square foot.

Vendex: Approved.
EEO: NA

- **Resolution** **Christine Flaherty**
Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a one-year extension of its agreement with CBRE, Inc. (“CBRE”) for various facility management support services for an amount not to exceed \$17,750,000.

Vendex: Approved.
EEO: Pending.

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

April 12, 2021

Capital Committee Meeting - April 12, 2021

As reported by Feniosky Peña-Mora/José Pagán

Committee Members Present: José Pagán, Feniosky Peña-Mora, , Sally Piñero-Hernandez, Robert Nolan,

Mr. Peña-Mora called the meeting to order at 1:05 p.m.

Upon motion made and duly seconded the minutes of the Capital Committee meeting held on February 8, 2021 were unanimously approved.

Senior Vice President's Report

Christine Flaherty, Senior Vice President, Office of Facilities Development presented her report.

Mrs. Flaherty acknowledged that the Office of Facilities Development remained engaged in capital development, facility management, real estate and housing work and advised that the May meeting would have a robust agenda covering all aspects of the office.

She noted that design activity was underway on approximately 40 projects supporting the system and that work funded by the new bonds was well underway and that a more thorough overview of those projects would be provided at the May briefing.

Given that Earth Day happens in April, Mrs. Flaherty wanted to acknowledge our partnerships with the Department of Citywide Administrative Services (DCAS), New York Power Authority (NYPA) and ConEd (Consolidated Edison) to combat climate change by reducing energy usage and the systems carbon footprint.

She advised that there would be new system wide energy projects beginning over the course of the year and additional funding was forthcoming from DCAS for two specific projects at Harlem and NCB.

Mrs. Flaherty read the resolution:

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute Job Order Contracts ("JOCs") with three firms: Volmar Construction Inc.; BA Global Construction, Inc.; and Carefree Improvements Inc, (the "Contractors"), that were selected through the System's public bid process, to provide general construction services on an as-needed basis at various facilities throughout the System with each contract to be for a term of two years, for an amount not to exceed \$10,000,000 for each contract for a total authorized value of \$30 Million.

Mrs. Flaherty narrated a power point presentation that reviewed background and current state of the existing contracts, the 2019-2020 existing pool of firms, the procurement process, and the MWBE utilization plans.

Sally Piñero-Hernandez asked whether the team was confident in the MWBE firms' ability to meet the Systems needs without being overextended and preventing any delays. Mrs. Flaherty said that there had been no delays on their recent or current projects and the system had been working closely with them to mentor and provide technical support. She noted that a user rating of 87% was still quite strong.

Mrs. Piñero-Hernandez said she understood and was only concerned about the potential for the System to push the vendor beyond their limits. Mrs. Flaherty explained that the System would be cautious not to overload the vendor and noted that there were multiple contracts for the same services being presented for approval so that there would be two other vendors available for the same services, for use System-wide.

Mr. Nolan thanked Christine for her presentation and stated his appreciation for showing an H+H user rating in the power point.

Mr. Peña-Mora commented on whether there was a way that the materials could reflect the rating along with an explanation if the rating may lead to questions as was the case with Carefree Improvements.

Mrs. Piñero-Hernandez asked for the amount awarded to Carefree under their existing contract. Mrs. Flaherty referred to slide 3 of the presentation, which showed an award of \$3,899,849 to Carefree at the time the presentation was finalized.

FOLLOW UP: The committee requested that a plan of action for technical support for Carefree to balance the rating and the historical spend for each contractor where applicable be added to the presentation for the Board presentation.

There being no further business, the Committee Meeting was adjourned at 1:21 p.m.

LEASE EXTENSION

CHEYENNE REALTY, LLC

4302 CHURCH AVENUE, BROOKLYN

**WOMEN, INFANTS & CHILDREN (WIC)
SUPPLEMENTAL FOOD PROGRAM**

NYC HEALTH + HOSPITALS / KINGS COUNTY

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "**System**") to sign a six month lease extension with Cheyenne Realty LLC (the "**Landlord**") for the use of approximately 1,600 square feet of space at 4302 Church Avenue, Borough of 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 base rent of \$61,437.24 per year, or \$38.40 per square foot, for a total of \$30,718.62 for the six month extension; provided the System will hold an option to extend for an additional five years with the rent for the six month extension and five year option totaling \$356,894.90.

WHEREAS, the Facility has operated a WIC Program at this location since 2010; and

WHEREAS, the System operates 17 WIC sites throughout the City located in a combination of rented properties and System controlled space; 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 ("**NYSDOH**") grants and this program will continue to be operated and managed by the Facility; and

WHEREAS, like the System's other WIC Programs, this one receives funding on a cycle which, in this case expires in six months with its continuation dependent on NYSDOH grant; and

WHEREAS, while the System is optimistic a new grant will be made, the proposed lease extension is structured to extend only through the current funding cycle with an option exercisable solely by the System if the funding is continued.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation (the "**System**") be and hereby is authorized to sign a six month lease extension with Cheyenne Realty LLC (the "**Landlord**") for approximately 1,600 square feet of space at 4302 Church Avenue, Borough of 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 base rent of \$61,437.24 per year, or \$38.40 per square foot, for a total of \$30,782.62 for the six month extension; provided the System will hold an option to renew the lease for an additional five years with the rent for the six month extension and five year option totaling \$356,834.90.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/KINGS COUNTY HOSPITAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN 4302 CHURCH AVENUE, BOROUGH OF BROOKLYN

OVERVIEW: New York City Health and Hospitals Corporation (the “**System**”) seeks authorization from its Board of Directors to sign a six-month lease extension with Cheyenne Realty LLC (the “**Landlord**”) for the use of space at 4302 Church 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**”). Like the System’s other WIC Programs, this one receives funding on a cycle which, in this case expires in six months with its continuation dependent on a New York State Department of Health (“**NYSDOH**”) grant. While the System is optimistic a new grant will be made, the proposed lease extension is structured to extend only through the current funding cycle with an option exercisable solely by the System if the funding is continued.

NEED/PROGRAM: Kings County has operated a WIC Program at this location since 2010. The System operates WIC sites throughout the City located in a combination of rented properties and System controlled space. Like other WIC programs, this Kings County 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. WIC Programs are funded by NYSDOH grants.

UTILIZATION: The WIC Program’s caseload is approximately 1,500 clients.

TERMS: The System will occupy approximately 1,600 square feet of space, and will pay a base rent of \$61,437.24 per year, or \$38.40 per square. The base rent represents a 2.0% increase over the rent payable during the last year of the prior term. The six-month lease extension will commence July 1, 2021 and end December 31, 2021. The System will hold an option to renew the lease for an additional five years. The first year of the option term will commence January 1, 2022. The base rent for the option term will commence at a rate 2% above the December 2021 rent. Electricity, gas, and water will be separately metered and will be the responsibility of the System.

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.

REAL ESTATE TAXES:

The system will pay its share of real estate tax increases above the 2021/22 base year

FINANCING:

NYSDOH funds both rent and operating expenses at WIC sites.



**NYC Health + Hospitals/Kings Cty.
Hospital Center
Women Infants and Children (WIC)
4302 Church Ave.
Brooklyn, New York**

Capital Committee Meeting

May 10, 2021

Sheldon McLeod, Executive Director, NYC Health + Hospitals/Kings
Vincent Mulvihill, Deputy Executive Director, NYC Health + Hospitals/Kings
Christine Flaherty, Senior Vice President, Office of Facilities Development



Background

- NYC H+H/Kings has operated a WIC program at this location since 2010. The program occupies 1,600 square foot on the ground floor.
- Pregnant, breastfeeding and postpartum women, infants and children less than five years of age who are determined to be a nutritional risk are eligible for WIC program services which include monitoring children's growth rates, nutrition education, breastfeeding support and high risk counseling.
- Kings also operates two other sites: one on Nostrand Ave, and one at the facility. There is a strong relationship with departments at Kings.



- This site serves 1,500 participants.

Lease Terms

This resolution requests a six month extension:

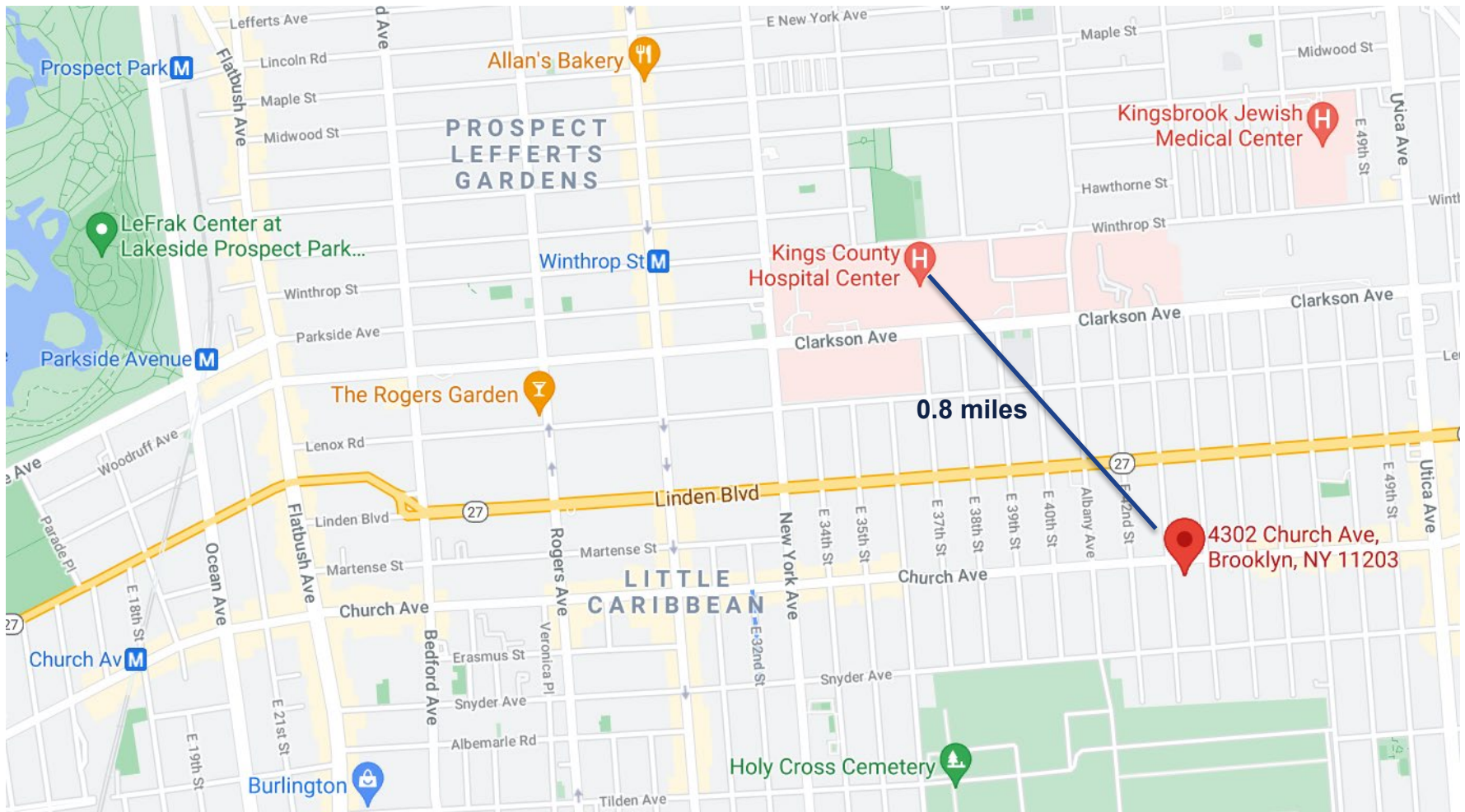
- Base Rent at \$38.40 per square feet, a 2.0% increase above the current rent.
- The six month term will commence July 1, 2021 and end December 31, 2021.
- H+H will hold a five year renewal option. The option term will commence January 1, 2022.
- Total per square foot occupancy cost is within the fair market value range of \$32 - \$40 PSF.
- A New York State Department of Health (“NYSDOH”) grant provides funding all WIC program operations including personnel and real estate. Current funding expires September 2021 with future funding anticipated. The WIC program anticipates receiving a new five year grant. However, should the program not receive the new grant, NYSDOH will continue to fund the program for an additional three months through December 31, 2021.



Rent Schedule

Period	Rent	Monthly	PSF
<u>Six month term</u>			
7/1/2021 – 12/31/2021	\$ 30,718.62	\$ 5,119.77	\$ 38.40
<u>Renewal Option</u>			
1/1/2022 – 12/31/2022	\$ 62,665.98	\$5,222.17	\$ 39.17
1/1/2023 – 12/31/2023	\$ 63,919.30	\$ 5,326.61	\$ 39.95
1/1/2024 – 12/31/2024	\$ 65,197.69	\$ 5,433.14	\$ 40.75
1/1/2025 – 12/31/2025	\$ 66,501.64	\$ 5,541.80	\$ 41.56
1/1/2026 – 12/31/2026	\$ 67,831.67	\$ 5,652.64	\$ 42.39
\$356,834.90		(six month term + option term)	

Map



Capital Committee Request

RESOLVED, that New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to sign a six month lease extension with Cheyenne Realty LLC at a base rent of \$61,437.24 per year, or \$38.40 per square foot, for a total of \$30,718.62 for the six month extension term; provided the System will hold an option to renew the lease for an additional five years.

SAVITT PARTNERS

April 26, 2021

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

Re: Fair Market Value Report
H+H WIC Program
4302 Church Avenue, Brooklyn NY 11203

Dear Dion:

You have requested that I comment on the value of the referenced property for the rental renewal. The referenced premises is an H+H WIC program which is currently paying rent of \$37.65 per RSF. This shall serve to comment on the unit's rent valuation going forward.

This letter confirms that I've reviewed the proposal of the economic rent terms, as presented, of the lease by and between Landlord and NYC Health + Hospitals Corporation intended response as Tenant comprising the following:

- The unit is currently occupied and zoned for use as medical offices appropriate for the WIC sponsored program.
- The lease is up for renewal effective July 1, 2021 in accordance with a five-year renewal option after affixed six month, one-time lease extension.
- The Landlord has proposed renewal terms.
- The Tenant has responded with the terms provided herein.
- The unit collectively totals approximately 1,600 SF on the Ground Floor of the referenced premises.
- This evaluation is for the purpose of a lease renewal.

Landlord and Tenant agree to a proposed starting base rent at \$38.40 RSF, which represents a 2% rental increase from the \$37.65 RSF currently being paid. The lease renewal calls for a 2.0% compounded yearly base rent increase, plus electric which is separately metered.

The renewing Tenant will provide Landlord with a continued rent stream uninterrupted by vacancy, little or no Tenant Improvement Allowance, no gap in marketing a vacant space and the time it takes to do so, and any free rent which would be given to a new Tenant. In addition, ancillary costs such as architects and engineering, commissions, and hard and soft legal fees are also avoided.

(Please see space comparables.)

Given the proposed Landlord rent and NYC Health + Hospitals response, we value the rents in the general vicinity of this location at a range of \$32.00-40.00/RSF. The agreed to rent proposed of \$38.40 per RSF plus electric is consistent with the market. Further, the 2.0% rent increase is average for percentage rent escalations and remains consistent with current market conditions.

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

If you have any further questions, please let me know.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Michael Dubin", written in a cursive style.

Michael E. Dubin
Partner

Schedule A – Comparables

Address	Cross Streets	Square Feet	Price Per SF
4905 Church Avenue	Church Avenue & 49 th Street	1,800	\$40.00
387 Linden Boulevard*	Linden Boulevard & 35 th Street	1,700	\$24.70
805-807A Utica Avenue	Utica Avenue & Linden Boulevard	1,400	\$38.57
811 Utica Avenue*	Utica Avenue & Linden Boulevard	1,800	\$47.14
387 Linden Boulevard	Linden Boulevard & 35 th Street	1,500	\$32.00
1092 Utica Avenue*	Utica Avenue & Beverley Road	1,600	\$24.37
3504-3506 Church Avenue	Church Avenue & 35 th Street	1,700	\$38.00
4311 Church Avenue	Church Avenue & 43 rd Street	1,400	\$27.50
830-834 Clarkson Avenue	Clarkson Avenue & Utica Avenue	1,500	\$32.00
4611 Church Avenue*	Church Avenue & 46 th Street	1,600	\$23.35
880-888 Utica Avenue	Church Avenue & Utica Avenue	1,500	\$36.00
837 Utica Avenue*	Utica Avenue & Linden Boulevard	1,400	\$60.00

*While these are available as comps, the rates are inconsistent with the type of premises.

LICENSE AGREEMENT

**NEW YORK CITY DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT (HPD)**

BLOCK 7061, LOTS 16, 39, 40, 41, 42, 43, 45 AND 45

**NYC HEALTH + HOSPITALS / CONEY ISLAND
IDA G. ISRAEL COMMUNITY HEALTH CENTER**

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the **"System"**) to execute five successive one year revocable license agreements with the New York City Department of Housing Preservation and Development (**"HPD"**) for the System's continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the Ida G. Israel Community Health Center (the **"Center"**) managed by NYC Health + Hospitals/Coney Island Hospital Center (the **"Facility"**) at no occupancy fee payable.

WHEREAS, the Facility had operated the Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn until it was destroyed by Hurricane Sandy; and

WHEREAS, in July 2014 the Board of Directors authorized the System to enter into a license agreement with HPD for the use of the subject lots to locate a pre-fabricated structure to house the Center and in September 2017 the Board of Directors authorized an additional three-year term; and

WHEREAS, the Center has been providing health care services from the new location since September 2015 and its continued presence in the community allows it to meet ongoing health care needs; and

WHEREAS, HPD's policy is to issue license agreements for periods no longer than one year however, in this case, it is likely that HPD will be willing to renew the agreement for successive one-year terms; and

NOW THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation (the **"System"**) be and hereby is authorized to execute five successive one year revocable license agreements with New York City Department of Housing Preservation and Development (**"HPD"**) for the System's continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the Ida G. Israel Community Health Center (the **"Center"**) managed by NYC Health + Hospitals/Coney Island Hospital Center (the **"Facility"**) at no occupancy fee payable.

EXECUTIVE SUMMARY
LICENSE AGREEMENT
IDA G. ISRAEL HEALTH CENTER
managed by
NYC HEALTH + HOSPITALS/CONEY ISLAND

- BACKGROUND:** Hurricane Sandy destroyed the Ida G. Israel Community Health Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn (the “**Center**”). NYC Health + Hospitals/Coney Island Hospital (the “**Facility**”) worked with the community, local elected officials and various agencies of the City of New York to find a suitable replacement site for the Center and the current site, controlled by the New York City Department of Housing Preservation and Development (“**HPD**”) was selected. The Facility contracted for a modular, prefabricated structure to house the Center which was positioned at the site. The Center has been providing health care services at such location since September 2015 and its continued presence in the community allows it to meet ongoing health care needs. The Center provides dental, pediatric, general primary medical care and chemical dependency services.
- PROGRAM:** The Center currently has 4,500 Family Medicine/Primary Care visits, 10,000 Dental visits and 14,500 Chemical Dependency visits
- TERMS:** HPD will not collect any occupancy fee for the System’s use of the licensed lots. In the past, HPD gave the System 3-year license agreements for its occupancy to facilitate a possible recovery from FEMA of the cost of the modular unit. The application for those funds was not successful and is now in the past and thus, HPD will revert to its normal policy of issuing licenses of no more than a year. It is expected that HPD will give successive one-year renewal licenses until it needs the site for development. Each of HPD and the System has the right to terminate the license without cause on short notice.

Ida G. Israel Community Health Center License Agreement – NYC H+H Coney Island Hospital Center

Capital Committee Meeting

May 10, 2021

**Svetlana Lipyanskaya, CEO, Coney Island Hospital
Christine Flaherty, Senior Vice President, OFD**



Background and New Agreement

BACKGROUND:

- Coney Island Hospital Center operated the Ida G. Israel Community Health Center at 2201-2202 Neptune Ave Hurricane Sandy destroyed it.
- July 2014 the Board of Directors authorized a license agreement with NYC HPD for the use of Block 7061, lots 16, 39, 40, 42, 43, 44 and 45 to locate a FEMA funded pre-fabricated structure
- September 2017 the Board of Directors authorized an additional three years.
- Beginning in 2015, annual payments of \$130,000



Annually, this location provides

- Family Medicine/Primary Care to 4500 patients
- Dental Services to 10,000 patients
- Chemical Dependency to 14,500 patients

NEW LICENSE AGREEMENT:

- **Five successive one year terms**
- **No Occupancy Fee charged by HPD**



Capital Committee Approval Request

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute five successive one year revocable license agreements with the New York City Department of Housing Preservation and Development (“HPD”) for the System’s continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the Ida G. Israel Community Health Center (the “Center”) managed by NYC Health + Hospitals/Coney Island Hospital (the “Facility”) at no occupancy fee payable.



LICENSE AGREEMENT

T-MOBILE NORTHEAST

MOBILE CELLULAR COMMUNICATIONS SYSTEM

FORMER NEPONSIT HEALTH CARE CENTER

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a three month revocable license agreement with T-Mobile Northeast LLC (the "Licensee") to operate a mobile cellular communications system on an approximately 1,600 square foot parcel of land located on the campus of the former Neponsit Health Care Center (the "Facility"), located at 67 Rockaway Beach Boulevard, Queens, at an occupancy fee of \$50,000 or \$125 per square foot.

WHEREAS, in May 2019 the Board of Directors authorized the System to enter into a three-month license agreement with the Licensee: and

WHEREAS, the Licensee properly performed its obligations under the 2019 license agreement; and

WHEREAS, the Licensee will operate a cellular communications system mounted on a wheeled platform designed to provide enhanced cellular communications; and

WHEREAS, the Licensee will operate the system for an approximately three-month period from Memorial Day through Labor Day of 2021 and will remove the equipment shortly after Labor Day; and

WHEREAS, the Licensee's cellular communications system complies with applicable federal statutes governing the emission of radio frequency signals, and therefore poses no health risk.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute a three-month revocable license agreement with T-Mobile Northeast LLC (the "Licensee") to operate a mobile cellular communications system on an approximately 1,600 square foot parcel of land located on the campus of the former Neponsit Health Care Center (the "Facility") located at 67 Rockaway Beach Boulevard, Queens, at an occupancy fee of \$50,000 or \$125 per square foot.

EXECUTIVE SUMMARY

LICENSE AGREEMENT T-MOBILE NORTHEAST LLC

THE FORMER NEPONSIT HEALTH CARE CENTER

The New York City Health and Hospitals Corporation (the "System") seeks its Board of Director's authorization to execute a three-month revocable license agreement with T-Mobile Northeast LLC ("T-Mobile") to operate a mobile cellular communications system on the campus of the former Neponsit Health Care Center ("Neponsit"). If approved, this will be the second year that T Mobile will have such a license. Last year's license was performed without incident or complication and this year's license will be on exactly the same terms as the previous one.

T-Mobile will operate a cellular communications system mounted on a wheeled platform designed to provide enhanced cellular communications to the Rockaway beaches during the seasonal period of heavy use. The system will be in operation for an approximately three-month period from Memorial Day through Labor Day of 2021 and will be removed shortly after Labor Day. T-Mobile's equipment will be located on an approximately 1,600 square foot parcel of land located on the former Neponsit campus, located at 67 Rockaway Beach Boulevard, Queens. T-Mobile will pay an occupancy fee of \$50,000 or \$125 per square foot. T-Mobile's cellular communications system complies with applicable federal statutes governing the emission of radio frequency signals, and therefore poses no health risk.

T-Mobile will indemnify and hold harmless the System and the City of New York from any and all claims arising out of its use of the licensed space, and shall provide appropriate insurance naming the System and the City of New York as additional insureds.

The term of this agreement shall not exceed approximately three months without further authorization by the Board of Directors and shall be revocable by either party upon fifteen days written notice.

The Former Neponsit Health Care Center License Agreement – T-Mobile Northeast LLC

Capital Committee Meeting

May 10, 2021

Helen Arteago, Elmhurst Hospital Center
Christine Flaherty, Senior Vice President, OFD



Background

- The vacant former Neponsit Health Care Center is located at 67 Far Rockaway Blvd. Queens, NY
- In May 2019 the Board of Directors authorized a three month license agreement with T-Mobile for the installation and operation of a mobile cellular communications system designed to enhance cellular communications.
- Under the proposed agreement the same type of equipment will be installed and operated at the site
- The equipment will be installed for three months from Memorial Day to Labor Day.
- T-Mobile will occupy 1,600 square feet and pay an occupancy fee of \$50,000.



H+H is planning the demolition of these existing unsafe structures and will be starting design for demolition this summer. We are working with the Parks Department on site disposition.

Capital Committee Approval Request

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a three-month revocable license agreement with T-Mobile Northeast LLC to operate a mobile cellular communications system on an approximately 1,600 square foot parcel of land on the campus of the former Neponsit Health Care Center (the “Facility”) located at 67 Rockaway Beach Boulevard, Queens, N.Y. at an occupancy fee of \$50,000 or \$125 per square foot





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

Vendor: T-Mobile USA, Inc.

Date: May 6, 2021

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	NA	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.

RENEWAL – CONTRACT EXTENSION

**CBRE: FACILITIES MAINTENANCE SUPPORT
SERVICES**

SYSTEM-WIDE

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a one-year extension of its agreement with CBRE, Inc. ("CBRE") for various facility management support services for an amount not to exceed \$17,750,000.

WHEREAS, the System contracted with Johnson Controls, Inc. ("JCI") on March 16, 2012 for JCI to take responsibility for the management of the physical plant of all of the System's facilities over a nine-year term including all repairs, maintenance staffing of on-site management positions and the procurement of all supplies and materials required the "JCI Contract"); and

WHEREAS, in early 2015 JCI purported to assign the JCI Contract to CBRE; and

WHEREAS, the System protested the purported assignment and to resolve the dispute the System, JCI and CBRE agreed that the assignment would be permitted but that the System and CBRE would enter into a much smaller limited contract to replace the JCI Contract; and

WHEREAS, the successor contract with CBRE was made on July 1, 2016 pursuant to which CBRE furnished to the System the services of six Directors of Engineering assigned to six of the System's hospitals and dedicated a small group of staff to purchase for the System a narrow class of urgently needed maintenance and repair supplies and services (the "CBRE Agreement"); and

WHEREAS, the System has reduced its reliance on CBRE for the six Directors of Engineering and is working with Supply Chain to determine if the CBRE purchasing function can be entirely brought back in-house; and

WHEREAS, the process determining if it is possible to insource all of CBRE's functions has been delayed by the need over the last year to focus on the System's COVID response; and

WHEREAS, the System wishes to extend the CBRE Agreement for only one year during which either the System will be able to insource all of CBRE's functions or it will complete an RFP process to find a vendor to perform CBRE's limited functions; and

WHEREAS, the management of the proposed renewed agreement will be under the direction of the Sr. Vice President – Office of Facilities Development

NOW THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation is hereby authorized to execute a one-year extension of its agreement with CBRE, Inc. for various facility management support services for an amount not to exceed \$17,750,000.

**EXECUTIVE SUMMARY
ONE YEAR EXTENSION OF
FACILITY MANAGEMENT SUPPORT SERVICES AGREEMENT
CBRE, INC.**

- OVERVIEW:** The System seeks approval for a one-year extension of its agreement with CBRE to provide facility management support services. The CBRE Agreement is a vestige of a much larger predecessor agreement with JCI. To resolve a dispute, the System agreed to allow CBRE to take over the JCI Contract but at a fraction of the original size. Under the CBRE Agreement, CBRE furnished to H+H the services of 6 Directors of Engineering all of whom were employees of the System prior to the implementation of the JCI Contract in 2012 and CBRE also handles urgent purchases of goods and services needed in the maintenance and repair of the System's facilities.
- NEED:** CBRE has performed useful services for the System which will require considerable planning to replace. First, the Directors of Engineering furnished to the System are veterans of the System with extensive knowledge of the hospitals to which they are assigned. Currently through attrition, the System has reduced the number of CRBR-supplied Directors of Engineering to just three. But these are hard to fill positions and ones where experience is critical. Second, CBRE is able to source goods and services needed urgently by the System because they tap into CBRE's extensive relationships and contracts and they are able to pay suppliers very quickly. For the System to take over this purchasing function, it will need to add staff to Supply Chain and develop a rapid pay capacity to motivate vendors and suppliers to act immediately.
- TERMS:** The System reimburses CBRE for its personnel costs for its employees dedicated to the System and for its purchases of goods and services required by the System plus a 7% management fee. Of the projected \$17,750,000 expenses of the contract, approximately \$16M is expected to be reimbursement for CBRE's expenses for the goods and services the System purchases through CBRE and \$1,750,000 is expected to be reimbursement for personnel costs.
- MWBE:** The JCI Contract was issued with a complete MWBE waiver. The System has worked with CBRE to obtain a commitment to bring its MWBE spend to 30% for the 12 month extension term.

CBRE: Facilities Maintenance Support Services

**Best Interest Renewal –
Application for 12 Month
Bridge Contract Extension**

**Capital Committee
May 10th, 2021**

**Christine Flaherty, SVP OFD
Manuel Saez, AVP OFD**



Background

- In 2012 NYC Health + Hospitals and JCI made 9-year agreement to manage the system's plant maintenance operations at a total cost of more than \$362M
 - 42-50 JCI staff supported the work consisting of management, finance and procurement
 - A total MWBE waiver was granted to JCI at the time
- JCI sold to CBRE its facilities management business in 2016
- H+H negotiated with CBRE a significantly reduced scope and brought most of the services in-house.
 - The Board was informed of the renegotiation
 - The new agreement stayed within the initial term of the agreement with a much reduced cost and scope



Background Continued

- The reduced scope contract was to expire March 15, 2021
- As the height of the pandemic was winding down we entered into a three month extension of the agreement to allow time to establish an MWBE plan with CBRE for a proposed best interest renewal
- The agreement is now set to expire June 15, 2021
- The annual expenditure is \$17.75M for urgent supplies, repairs and facility support
 - \$1.75M: staffing consisting of facility management operations, finance and procurement
 - \$16M: goods and urgent repairs
- H+H needs to competitively procure or in-source this scope of services in order to ensure continuity of facility operations and regulatory compliance.

CBRE Scope of Services

- Supplemental staff which support urgent and ongoing physical space needs
 - Payment
 - CBRE is pre-funded monthly which allows immediate just in time payment when required in order to mobilize vendors for this urgent work
 - Urgent Purchasing
 - 24-hour turn around of PO's to support urgent facility based requests for physical plant needs
 - Repairs of systems & infrastructure
 - Parts and supplies to repair and replace systems & infrastructure
 - Regulatory Urgent assessments of unanticipated facility, life safety & regulatory concerns
 - Joint Commission related urgent supplies/repairs required during regulatory review of Environment of Care
 - Directors of Engineering
 - Regulatory Environment of Care compliance
 - Oversight of in-house trades
 - Responsible for preventative maintenance program
 - Responsible for facilities based documentation
 - Responsible for ongoing facility operations
- Expert Troubleshooting of complex infrastructure issues
- Support Joint Commission and regulatory compliance

Current State

- Last year OFD began working closely with Supply Chain to determine in-sourcing this work or a RFP to ensure continuity of facility operations. This work was paused due to COVID-19.
- Majority of procurements performed by CBRE are small dollar purchases (< \$6,000 requiring same day or next day delivery of goods).
- CBRE leverages their nationwide global network to procure urgent supplies – this was essential during COVID
- Facilities Management has overseen and diligently reviewed the annual OTPS budget and these urgent purchases were approved and within annual budgets set with finance
- Cumulative MWBE spend in past 2.5 years was 5.23%
- OFD & Supply Chain have been working with CBRE to increase their MWBE participation by replacing vendors with MWBE firms
- CBRE provides dedicated onsite procurement and finance staff to source emergency facilities items
- CBRE follows OP 100-5 in all procurements executed on behalf of NYC Health + Hospitals

Position Summary FY21	Quantity
Operations Leader	1
Senior Financial Analyst	1
Supply Chain Sourcing Specialist	1
Purchasing Agent	2
Director of Engineering	3
Elevator Starter	1
TOTAL	9

Vendor Performance Evaluation

Department of Supply Chain Vendor Performance Evaluation CBRE Evaluations collected from all Acute Care sites, Long Term Care sites, and Gotham	
DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
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?	Yes
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?	N/A
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?	N/A
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 affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating Satisfactory	Excellent



Procurement Services

Purchase Order (PO) Information

FISCAL YEAR	# of POs Issued	Average PO Value
FY17	3498	\$4,319.45
FY18	2980	\$5,107.07
FY19	2508	\$5,203.64
FY 20	2714	\$5,077.00
FY 21 (Q1-Q3)	2003	\$5,597.85

HISTORICAL SPEND (H+H and JCI/CBRE)

	FY14*	FY15*	FY16*	FY17**	FY18**	FY19**	FY20**	FY21**
JCI/CBRE OTPS Spend	\$ 29,419,073.00	\$ 29,524,631.00	\$ 29,503,828.00	\$ 13,719,051.00	\$ 14,426,571.00	\$ 12,316,761.00	\$ 13,390,091.00	\$ 12,653,329.80
6400 Cost Centers (H+H Spend)	\$ 16,110,659.00	\$ 16,800,000.00	\$ 22,592,660.00	\$ 19,279,781.00	\$ 20,346,449.00	\$ 23,034,983.00	\$ 20,831,170.16	\$ 15,577,241.41
Maintenance Contracts (H+H Spend)				\$ 17,459,219.65	\$ 17,459,219.65	\$ 18,646,365.47	\$ 19,189,463.50	\$ 19,765,147.40
Other Facility Expense	\$ 1,804,667.00		\$ 1,188,884.00					
Out of Scope Contract Work performed by JCI (NFRs - Not Financially Responsible)	\$ 5,882,827.00	\$ 5,482,826.50	\$ 5,960,379.00			\$ -	\$ -	\$ -
Additional Sq. Footage	\$ 1,200,000.00	\$ 1,900,000.00	\$ 1,767,110.00	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 54,417,226.00	\$ 53,707,457.50	\$ 61,012,861.00	\$ 50,458,051.65	\$ 52,232,239.65	\$ 53,998,109.47	\$ 53,410,724.66	\$ 47,995,718.61
* JCI/CBRE OTPS Markup at 9.5%								
** JCI/CBRE Markup at 7%								
Payments for NFRs made after FY16, but work was performed in FY14-FY16								
FY21 YTD through Q3								

Bridge Contract Renewal Justification

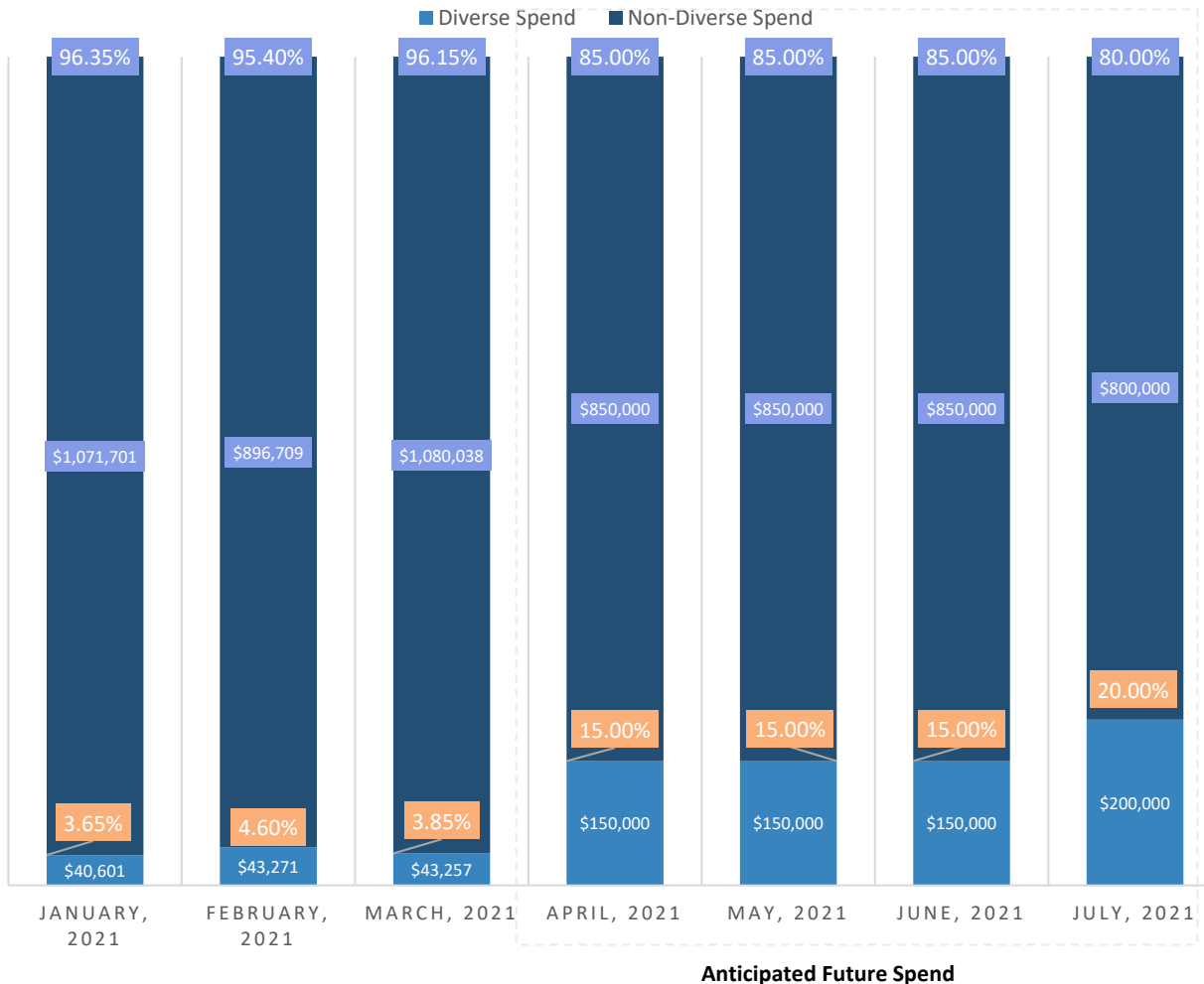
Any best interest renewal under the system's procurement operating procedure, OP 100-05, is where the system determines it is in its best interest to renew a contract rather than re-procure it. This is permissible under OP 100-05 when the best interest determination is supported by a cost-benefit analysis.

The cost-benefit analysis to support this bridge short term renewal below shows that there would be a significant negative value in terms of dollars and services were we to switch to another vendor to provide these services within the next 45 days. We conservatively estimate the total additional hard dollar costs to switch to a new vendor immediately would be a minimum of **~\$1,330,030 this coming fiscal year.**

<u>Benefits of Bridge Renewal</u>	<u>Additional Costs of Switching Immediately</u>
Competitive rates for staff augmentation services	Hiring DOEs and Procurement team through another staff augmentation provider while solicitation is completed -12 months ~\$925,560.00
Low 7% markup on good and services	Industry standard 10-15% markup on supplies purchased – -12 months ~\$377,000 - \$1,006,590
All vendors loaded into CBRE's procurement system	Cost of initial setup of new procurement system along with work to load all vendors and facility information into new system
Seamless continuation of critically needed services	Risk to interruption of facility operation while new vendor is onboarded <ul style="list-style-type: none"> • Delayed repairs • Delayed response by vendor to emergency leading to longer than required time to resolution of issue

Current MWBE Spend

DIVERSITY SPEND



- 15% for 3 month extension (April 2021 – June 2021)
- Process of encouraging site leads to diverse vendors began in April (Note: ~\$100k in diverse spend has occurred in April)
- Goal of 15%+ MWBE spend in next 90 days and 30%+ over next 6-12 months
- Anticipate gradual “ramp-up” as new vendors identified & performance levels confirmed

MWBE Utilization Plan

- CBRE committed a 30% utilization plan for 12 month extension (July 2021 – June 2022)
- CBRE Analyzed FY20 & FY21 Spend of \$23.5M to identify MBE/WBE spend opportunities

CATEGORY	% OF TOTAL SPEND	TOTAL \$
-Spend with Diverse Suppliers -Spend with Diverse Suppliers who are pending verification of certification (see slide 11 for listing of vendors)	10%	\$2,392,000
Reallocation to diverse suppliers	16%	\$3,579,000
Non-Diverse Supplier with suitable diverse supplier opportunity (vendors being identified and onboarded)	4%+	TBD
Total Diverse Spend Identified	30%+	\$6,152,000+

- **Next Steps**
 - Continue analysis of the current ~\$17MM in “non-diverse” spend for additional opportunities
 - Continue to identify additional MBE/WBE certified vendors
 - Continue outreach to suppliers including planned “Vendor Fair” on May 15th
- **Commitment is 30%+ MBE/WBE spend with coordination/focus of joint CBRE/NYC H+H team**

CBRE Current MWBE Suppliers

VENDOR	MWBE Status	Supplies/Service
Akcel Systems Inc.	MBE	Supplies
Harold Lee & Sons Inc.	MBE	Service
MICO Cooling Corporation	WBE	Service
DVM Industries	MWBE	Service
NRM Systems	MBE	Service
Pina Solutions	MWBE	Supplies
Alport & Son Inc.	MWBE	Supplies
NRM Systems	MBE	Service

Vendor Pending MWBE Certification

Akcel Systems Inc.	MBE	Supplies/Service
Certified Safety Valve Repair Inc.	WBE	Service
KJ Sessa Inc.	WBE	Service

CBRE /H+H Identified New MWBE Vendors

VENDOR	MWBE Status	Supplies/Service
ProEdge FM	MBE	Supplies
Turtle & Hughes	WBE	Supplies
Active Fire Control	WBE	Service
American Commercial Equipment Repair	MBE	Service & Supplies
Arcos Group Incorporated	MBE	Service
Environmental Engineering Solutions PC	MBE	Service
GRR Cooling Experts Inc.	WBE	Service
Power Cooling Inc.	WBE	Service
Richards Plumbing & Heating Co. Inc.	MBE	Service
Rosewood Fire Equipment Co.	WBE	Service
Star Fire Protection Co. & Infinity Monitor	MBE	Service

Best Interest Renewal Request

- Extend contract for one year for an additional \$1.75M in professional services and \$16M in urgent supplies/repairs.
 - It is in the System's best interest to renew this agreement to ensure continuity of facility operations and ensure timely delivery of goods and certain urgent repairs
 - CBRE leverages their scale to ensure that the pricing of the purchased items are market competitive
- The plan in the next year is to either in-source this work, or conduct an RFP

Capital Committee Request

- Office of Facilities Development is requesting a one-year bridge best interest renewal of the CBRE contract for professional services valued at \$1,750,000 and urgent facility goods and services valued at \$16,000,000
 - Total not to exceed of \$17,750,000
 - MWBE Utilization Plan of 30%



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

Vendor: CBRE, Inc.

Date: April 27, 2021

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

Vendor Responsibility
Approved

EEO
Pending

MWBE
30% Utilization Plan

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.