

CALL TO ORDER - 2:00 PM

Mr. Pagán

Executive Session | Facility Governing Body Report

➤ NYC Health + Hospitals | Elmhurst

2020 Performance Improvement Plan and Evaluation (Written Submission Only)

➤ NYC Health + Hospitals | Morrisania Diagnostic & Treatment Center- Gotham

Semi-Annual Governing Body Report (Written Submission Only)

➤ NYC Health + Hospitals | Bellevue

OPEN PUBLIC SESSION - 3:00 PM

1. Adoption of Minutes: May 27, 2021

Chair's Report

Mr. Pagán

President's Report

Dr. Katz

2. Appointing **Mark Power to replace Nella Lewis as a member of the Board of Directors of MetroPlus Health Plan, Inc.** ("MetroPlus"), a public benefit corporation formed pursuant to Section 7385(20) of the Unconsolidated Laws of New York, to serve in such capacity until his successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus)

Ms. Hernandez- Piñero

VENDEX: Approved / EEO: NA

3. Authorizing New York City Health and Hospitals Corporation (the "System") to sign a three-year best interest renewal contract with **Cardinal Health 200, LLC (the "Vendor") for distribution of Medical, Surgical and Laboratory products for the System, providing forward purchasing of products, warehousing, and shipping** with two one-year options to renew the contract exercisable only by the System and with the total cost of the contract over its full potential five-year term not to exceed \$608,800,000.00.

Ms. Wang

(Presented to the Finance Committee: 06/07/2021)

VENDEX: Approved / EEO: Approved

4. Authorizing New York City Health and Hospitals Corporation (the "System") to amend its contracts for school and mobile Covid-19 testing with each of **Rapid Reliable Testing, Inc. ("RRT"), Bio Reference Laboratories, Inc. ("BRL"), Fulgent Genetics, Inc. ("Fulgent"), Somos Healthcare Inc. D/B/A Somos Community Care ("Somos"), MedRite LLC ("Medrite") and Premier Assist LLC ("Premier")** (together, the "Vendors") to increase the not-to-exceed limit on the five by \$17M from \$189M to a total amount not to exceed \$206M

Ms. Wang

(Presented to the Finance Committee: 06/07/2021)

VENDEX: All Approved / EEO: All Approved

5. **AMENDED RESOLUTION – TO CORRECTLY LIST THE NOT TO EXCEED AMOUNT FROM \$27.5M AS STATED AT THE COMMITTEE MEETING TO \$26.55M**

Ms. Wang

Authorizing New York City Health and Hospitals Corporation (the "System") to sign contract renewals through December 31, 2021 **with the 36 not-for-profit, community-based organizations listed on Attachment 1 to this Resolution (the "CBOs") to continue their community outreach work promoting COVID-19 prevention, testing and vaccination messaging with an option**, exercisable solely by the System for an additional six months for a total amount not to exceed \$26.55M for the entire group and with sub-limits by tier of CBO as indicated in Attachment 1.

(Presented to the Finance Committee: 06/07/2021)

VENDEX: 19 of the 25 Applicable Vendors Approved / EEO: 25 Applicable Vendors Pending

6. Authorizing the New York City Health and Hospitals Corporation (the “System”) to sign a three year lease extension with **SDM of Stanley LLC** (the “Landlord”) for the use of approximately 8,000 square feet of space at 840 Alabama Avenue, Borough of Brooklyn to **operate a Commodity Supplemental Food Program (the “CSFP”) managed by NYC Health + Hospitals/Kings County Hospital Center** (the “Facility”) at a base rent of \$136,000.00 per year, or \$17.00 per square foot to be escalated by 2.5% per year, for a total of \$418,285.00 for the three year extension; provided the System will hold an option to extend for an additional five years with the rent for the three year extension and five year option totaling \$1,188,111.76 (Presented to the Capital Committee: 06/07/2021)
VENDEX: NA / EEO: NA

Mr. Peña-Mora

7. Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a five-year revocable license agreement with **Tasty Picks II** (“Tasty Picks”) for a license for the use and occupancy of approximately 1,956 square feet on the first floor of **North Central Bronx Hospital, a Division of NYC Health + Hospitals/Jacobi (“NCB”) for the operation of a restaurant** at a monthly charge of \$5,500/month with annual increases of 3% for a total revenue to the System of \$350,402.95 over the five-year term (Presented to the Capital Committee: 06/07/2021)
VENDEX: Pending / EEO: NA

Mr. Peña-Mora

8. Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a five-year revocable license agreement with **Andy’s of Kings County, Corp.** (“Andy’s”) for a license for the use and occupancy of approximately 3,336 square feet on the first floor of **NYC Health + Hospitals/Coney Island Hospital (“CIH”) for the operation of a restaurant** at a monthly charge of \$8,000/month for the first year of operation with annual increases of 3%, provided there shall be a six month 50% rent abatement at the start of the agreement, for a total revenue to the System of \$485,667 over the five-year term (Presented to the Capital Committee: 06/07/2021)
VENDEX: Pending / EEO: NA

Mr. Peña-Mora

9. **AMENDED FROM COMMITTEE APPROVAL TO CHANGE ENTITY NAME FROM NEW YORK UNIVERSITY MEDICAL CENTER TO NEW YORK UNIVERSITY GROSSMAN SCHOOL OF MEDICINE**
 Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a five-year revocable license agreement with **New York University Grossman School of Medicine (“NYUSM”) for its use and occupancy of 42,880 square feet of office space and 15,691 square feet of laboratory space in the C&D and Administration Buildings at NYC Health + Hospitals/Bellevue Hospital Center** (the “Facility”) for administrative offices and in connection with its residency and research programs at \$52.80/sf for office space and \$58.50/sf for laboratory space to be escalated annually by 2.5% with the price per square foot to be reset to market after two years (Presented to the Capital Committee: 06/07/2021)
VENDEX: Approved / EEO: Approved

Mr. Peña-Mora

Committee and Subsidiary Reports

- Equity Diversity and Inclusion Committee
- Capital Committee
- Finance Committee
- MetroPlus Health Subsidiary

Mr. Peña-Mora
 Mr. Peña-Mora
 Ms. Wang
 Ms. Hernandez- Piñero

>>Old Business<<
 >>New Business<<
 >>Adjournment<<

Mr. Pagán

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of New York City Health + Hospitals Corporation was held via teleconference/videoconference on the 27th day of May, 2021, at 2:00 P.M., pursuant to a notice, which was sent to all of the Directors of New York City Health and Hospitals Corporation and which was provided to the public by the Secretary. The following Directors participated via teleconference/videoconference:

Mr. José Pagán
Dr. Mitchell Katz
Dr. Vincent Calamia
Dr. Myla Harrison
Dr. Michelle Morse
Mr. Phillip Wadle - Left at 2:57 - Re-joined at 3:18
Ms. Barbara Lowe
Mr. Robert Nolan
Ms. Sally Hernandez-Piñero
Ms. Freda Wang - Left at 2:57
Mr. Feniosky Peña-Mora
Ms. Anita Kawatra

Mr. Pagán, Chair of the Board, called the meeting to order at 2:04 p.m. Mr. Pagán chaired the meeting and Colicia Hercules, Corporate Secretary, kept the minutes thereof.

Mr. Pagán notified the Board that Dr. Michelle Morse would be representing Dr. Dave Chokshi and Phillip Wadle would be representing Deputy Mayor Melanie Hartzog - both in a voting capacity during the executive session.

Upon motion made and duly seconded, the members voted to convene in executive session because the matters to be discussed involved confidential and privileged information involving personnel, patient medical information and collective bargaining matters.

The Board reconvened in public session at 3:08

Mr. Pagán gave notice that Dr. Michelle Morse would be representing Dr. Chokshi and Mr. Wadle would be representing Deputy Mayor Hartzog for this portion of the meeting, all in a voting capacity.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on April 29, 2021 were presented to the Board. Then on motion made and duly

seconded, the Board adopted the minutes, with one abstention.

RESOLVED, that the minutes of the meeting of the Board of Directors held on April 29, 2021, copies of which have been presented to the Board be, and hereby are, adopted.

CHAIR'S REPORT

Mr. Pagán advised that during the Executive Session, the Board received and approved governing body oral and written reports from NYC Health + Hospitals/Jacobi and North Central Bronx.

The Board received and approved the 2020 Performance Improvement and Evaluation written governing body reports from NYC Health + Hospitals/Gouverneur Diagnostic and Treatment Center - Gotham.

The Board also received and approved semi-annual written governing body reports from NYC Health + Hospitals/Harlem.

Standing Committee Appointment:

Mr. Pagán called for a motion in accordance with Article VI - section (C) of the By-Laws - "The Chair of the Board shall annually appoint, with the approval of the majority of the Board, members of the Board to the standing committees." He proposed a motion to appoint Dr. Dave Chokshi to the Equity Diversity and Inclusion Committee.

Upon motion made and duly seconded, the Board unanimously approved the motion.

Fiscal Year 2020 Annual Public Meetings:

Mr. Pagán advised that the third of five 2021 Annual Public meetings for each Borough was held virtually on Tuesday, May 25, 2021 for Queens. The remaining scheduled meetings are noted below subject to a determination to be posted on the public web site in the future whether they will be convened virtually or in-person.

Bronx	-	Tuesday, June 8
Brooklyn	-	Tuesday, June 15

Mr. Pagán noted that Sally Hernandez-Piñero, Freda Wang and he visited NYC Health + Hospitals/Jacobi on May 19th and asked Ms. Hernandez-Piñero to provide feedback. Ms. Hernandez-Piñero reported that the visit was very informative and positive highlighting the PlaneTree patient focus initiative that was implemented about a year ago.

VENDEX APPROVALS

Mr. Pagán noted that NYC Health + Hospitals approves contracts prior to Vendex approval. There are six new items on the agenda requiring Vendex approval, all of which have already been received. There are seven items from previous Board meetings pending Vendex approval. Since the last Board meeting, two Vendex approvals were received. The Board will be notified as outstanding Vendex approvals are received.

In the interest of time the meeting advanced to the presentation of the action items.

ACTION ITEM 2:

Mr. Peña-Mora read the 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

Presented to the Capital Committee: 05/10/2021)

Christina Flaherty, Senior Vice President - Office of Facilities Development, Vincent Mulvihill, Deputy Executive Director - NYC Health + Hospitals/Kings County Hospital and Leora Jontef, Assistant Vice President for Real Estate, presented the background, program description, lease terms, rent schedule, and a map showing the distance from the facility to the center.

After discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 3:

Mr. Peña-Mora read the 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.

(Presented to the Capital Committee: 05/10/2021)

Ms. Flaherty and Svetlana Lipyanskaya - Chief Executive Officer, NYC Health + Hospitals/Coney Island Hospital presented the background, services being offered and new agreement for the center.

After discussion and upon motion made and duly seconded, the Board unanimously approved the resolution.

ACTION ITEM 4:

Mr. Peña-Mora read the resolution

AMENDED FROM COMMITTEE APPROVAL TO CHANGE ENTITY NAME FROM T-MOBILE NORTHEAST LLC TO T-MOBILE USA, INC.

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a three-month revocable license agreement with **T-Mobile USA, INC.** (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.

(Presented Directly to the Board: 05/27/2021)

Ms. Flaherty presented the background and occupancy fee for the use of the site.

Upon motion made and duly seconded, the Board unanimously approved the resolution

ACTION ITEM 5:

Mr. Peña-Mora read the 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.

(Presented to the Capital Committee: 05/10/2021)

Ms. Flaherty and Manuel Saez, Assistant Vice President - Office of Facilities Development presented background on the System's plant maintenance operations, the scope of services, current state, vendor performance evaluation, purchase orders and historical spend, justification for bridge contract renewal, current MWBE spend, MWBE utilization plan, and current MWBE suppliers.

Upon motion made and duly seconded, the Board unanimously approved the resolution

ACTION ITEM 6:

Mr. Pagán read the resolution

Authorizing New York City Health and Hospitals Corporation (the "System") to sign a one-year agreements with each of **Venus Media Group LLC ("Venus")**, **Sherry Mathews Group ("Mathews")**, **Barfield Public Relations, Inc. ("Barfield")** and **D Expósito & Partners, LLC ("Expósito")** for the four firms (together, the "Vendors") to perform assignments given by the System to purchase media placements for the promotion of COVID-19 testing and vaccination for a total amount not to exceed \$25M

(Presented Directly to the Board: 05/27/2021)

Dr. Theodore Long, Senior Vice President for Ambulatory Care and Executive Director for Test and Trace Corps and Julie Bolcer, Senior Director of Communications, Test and Trace Corps presented the background and current state of Test + Trace, an overview of the procurement process, and contract goals.

Follow-Up- the Board requested information on the reach and impact in the communities. Ana Marengo, Senior Vice President for Communication and Marketing will provide the information.

Upon motion made and duly seconded, the Board unanimously approved the resolution.

PRESIDENT'S REPORT

Dr. Katz commenced his remarks by noting that his written report was included in the materials provided to the Members, however he highlighted the following points:

VACCINATION PROGRAM - As of May 23rd, the System has administered nearly 900,000 total doses and more than 480,000 first doses. The System continue to do outreach and education to promote vaccine to all our staff and patients 12 years of age and older.

NYC TEST & TRACE CORPS - With cases coming down, our NYC Test & Trace Corps has continued to provide a strong layer of protection for the City. NYC Health + Hospitals is currently reaching 97% of all new cases, and completing interviews with 86% of all new cases. To date, it has reached more than 700,000 cases and more than 600,000 contacts.

ADDRESSING UNCONSCIOUS BIAS - The System would like to get rid of race-based medical assessments. It is known that race is not a homogeneous genetic characteristic, but is a socially determined, multifactorial concept and has no place in deciding the health of people. The System would like to eliminate race-based calculations. Everyone should be treated as an individual, and NYC Health + Hospitals has taken the steps of eliminating, the use of race-based determinations for kidney disease, and for vaginal birth after caesarian section. The System is looking at other issues that have been traditionally had a race-based metric and seeing how those can be eliminated.

NEW CAPITAL FUNDING FROM QUEENS BOROUGH PRESIDENT AND NY STATE ASSEMBLY TO SUPPORT NYC HEALTH + HOSPITALS - NYC Health + Hospitals/Elmhurst received \$5.5 million in funding from Queens Borough President Donovan Richards Jr. in FY-22 Capital Funding. Among many external affairs updates that might be made, , Dr. Katz mentioned the State hospital bill, that has not yet been signed but, would impact the System's work with its partners, New York State Nurses Association. NYC Health + Hospitals already has a positive relationship with them. The bill would just extend that work. There are also, requirements in terms of daily averages of nursing care services at skilled nursing facilities that the System already meets.

CITY COUNCIL HEARING - There was a successful City Council financial committee meeting hearing. They were extremely complimentary recognizing that Health + Hospitals played such a huge role in healing the City from COVID. NYC Health + Hospitals has done a pretty amazing job of billing insurance and that is what's keeping the System going. The System had a positive net budget variance through March of \$65 million, insurance related receipts are \$331 million better than the same period last year.

Dr. Katz responded to questions from the Board as to the State nurse staffing legislature, its impact on Health + Hospitals and the need for a look back on patient care to eliminate of biased, race-based assessment use to influence medical decisions.

Follow-Up - is the System considering looking or thinking about engaging patients especially those for kidney function/disease and end

stage renal disease who had delayed care or suffered harm due to delayed care from race-based assessments and engaging them in a remedial way? Dr. Katz responded that he will ask the renal group to look at this issue.

Committee and Subsidiary Reports

Mr. Pagán noted that the Committee and Subsidiary reports were e-mailed for review and were submitted into the record. He welcomed questions or comments regarding the reports.

OLD BUSINESS/NEW BUSINESS

ADJOURNMENT

Hearing no old business or new business to bring before the New York City Health + Hospitals Corporation Board of Directors, the meeting was adjourned at 4:13 P.M.



Colicia Hercules
Corporate Secretary

COMMITTEE REPORTS

GOVERNANCE COMMITTEE - Meeting Date: Monday, April 12, 2021
As Reported by: José Pagán
Committee Members Present - José Pagán; Vincent Calamia; Freda Wang;
Sally Hernandez-Piñero
Staff - Colicia Hercules

The meeting was called to order at 11:08 pm by José Pagán.

Mr. Pagán called a motion to accept the minutes of the Governance Committee meeting held on March 25, 2021. The motion was seconded and the minutes were unanimously approved.

On motion duly made, seconded and unanimously approved by all the meeting of the Governance Committee convened in executive session to deliberate on personnel actions.

Open Session

During the Executive Session, in accordance with the By-Laws (section 13 (D) the Governance Committee evaluated the President's performance for calendar year 2020.

There being no further business, the meeting adjourned at 11:52 a.m.

Community Relations Committee Virtual Meeting - May 4, 2021
As Reported by Robert Nolan
Committee Members Present: Robert Nolan, Mitchell Katz, M.D., Jose Pagan, Anita Kawatra - jointed at 5:14

Mr. Nolan called the meeting of the Community Relations Committee to order at 5:08 p.m.

Quorum was established - the minutes of the Community Relations Committee meeting held on March 2, 2021 was reviewed and upon motion made, and duly seconded the minutes was unanimously approved.

CHAIRPERSON REMARKS:

Mr. Nolan took a moment to acknowledge the passing of Sylvia Lask, the President of the Jacobi Hospital CAB. Mr. Nolan informed the CAB members to mark their calendars for the Board of Director's Annual Public Meetings for Fiscal Year 2021. He encouraged CAB members to attend and provide testimony. These meetings will begin at 6pm on the following dates and locations:

- For Queens: Tuesday **May 25, 2021** at Elmhurst Hospital
- For the Bronx: **Tuesday, June 8, 2021** at Jacobi
- For Brooklyn: **Tuesday, June 15, 2021** at Kings County

Speakers are asked to register in advance by writing or calling:

Ms. Colicia Hercules, Secretary to the Corporation, at 212-788-3360

PRESIDENT'S REMARKS:

NYC Health + Hospitals has administered more than a half a million vaccinations. The City of New York's infection rate are low and dropping, as well as hospitalization rates. We must also keep in mind that the pandemic is not over, and acknowledge the pain of the people of India, parts of South America, and elsewhere on the frontlines of the ongoing pandemic. I want to acknowledge the generous donation of \$1 million to NYC Health + Hospitals, Queens by Hari Hariharan to fund a new diabetes management service and update related equipment for the Ophthalmology Clinic. He had been vaccinated at the hospital and received critical care which inspired his generosity.

NYC Health + Hospitals resumed using the Johnson and Johnson vaccine as permitted by the FDA, which is particularly helpful for certain populations of elderly persons or persons with serious disabilities who cannot leave their home. Our mobile vans have also been a huge success, with three mobile vans providing vaccinations to the homeless. The vans also provide wound care, food/ snacks and referrals for health and substance abuse treatment. Next week, NYC Health + Hospitals will begin offering vaccinations to 12 through 15-year old New Yorkers. NYC Test & Trace will also begin offering at-home testing and will begin offering aftercare to COVID patients.

PRESENTERS:

Hear from the (3) facilities presenting their verbal annual reports. Each presentation is allotted 5 minutes of speaking time:

1. Cumberland - Jacqueline Narine, President of CAB
2. Elmhurst - Carlos Cortes, President of CAB
3. Lincoln - Annette Gonzalez, CAB Liaison/ Staff

Mr. Nolan moved the agenda and asked Jacqueline Narine, the CAB Chair of Gotham Health/ Cumberland, to present her report.

NYC Health + Hospitals/Cumberland

Cumberland has led COVID-19 testing for Gotham patients since the beginning of the pandemic average 260 day with a high of 500 tests a day during the holiday seasons. We have successfully transitioned from testing tents to testing trailers to facilitate testing during the winter months. Mobile testing vans and pop-up testing at NYCHA Recreation Centers help expand testing in underserved communities, including Long Island City.

Integration of the Behavioral Health into Primary Care helped to reduce barriers for Behavioral Health patients. We also began putting in custom registration desks in the waiting room area, sponsored by our Cumberland Auxiliary Board. The most frequent complain is the wait-time for care as well as the ongoing issue of chronic illness, diabetes, hypertension and obesity. Lastly, the Gotham Health Community Outreach team also distributed 7,000 flyers to NYCHA residents, small businesses, and community partners regarding vaccine availability in the community.

Dr. Katz clarify the meaning of "cycle-time" - which is the length of time from arrival to an encounter with the physician. He also clarify that Gotham is working to address this issue System-wide.

NYC Health + Hospitals/Elmhurst

Carlos Cortes, the President of Elmhurst CAB, presented for the facility. Elmhurst has given out nearly 40,000 vaccinations to patients in the community with distribution occurring seven days a week, while supplies last. Shipments are now more predictable, allowing us to steadily vaccinate about 700 or more people per day. COVID testing continues seven days a week as well. Elmhurst has provided over 100,000 tests since March 2020. This is all thanks in large part to our partnerships with Voices Latina, NICE and Adhikaar. Our new CEO, Helen, has been working to secure government funding for the Neuro and Pediatric ICU, which would cost \$12 million and \$3 million respectively. We have also requested support for our \$7.4 million renovation of our Labor and Delivery Unit, to create a new birthing center to serve mothers and babies in Queens.

Our Patient Experience Team is working on a number of initiatives related to improving care at Elmhurst, including promoting a culture of safety, and improving grievance closure rates. Maintaining high HCAHPS scores and of course, always trying to increase access to care for the underserved communities. Some complaints have been reported about the wait-time for vaccinations and visiting hour restrictions, as we follow New York State guidelines.

The Elmhurst community still struggles to deal with risk factors for chronic disease, like alcohol and substance abuse, smoking, poor diet, lack of exercise, and of course, obesity.

Ms. Arteaga responded that Labor and Delivery is the top priority since funding has been secured for better delivery of care. The other projects was placed on hold due to COVID, there is a refocusing on these projects at this time so that they can be completed.

Ms. Arteaga also clarified that currently there are two companions allowed for maternity, and are slowing increasing visiting hours on the in-patient floors to ensure safety.

NYC Health + Hospitals/Lincoln

Annette Gonzalez, the CAB Liaison for the Lincoln Hospital, presented on behalf of Mr. Roland Lopez. Lincoln has administered about 30,000 COVID vaccines to patients to date, and averages 150 to 200 first doses per day. The Lincoln Community Advisory Board has been brought in to share their perspective on the ambulatory care expansion plan, a multi-year project currently in the vendor selection stage to perform a feasibility study.

A fuel tank replacement project is replacing fifty-year-old tanks that are throughout the campus for code compliance. Lincoln is also having its elevators and imaging units upgraded. Construction is underway on two CT scanners to be completed by mid-June, and two x-ray machines are being installed in the coming weeks. Linus, a linear accelerator, is also receiving a full replacement, as well as two MRI machines. All

projects are still on schedule. Lincoln is also repairing its sidewalk along Morris Avenue over the coming weeks.

Lincoln is implementing several initiatives focused on patient safety concerns and a general lack of empathy from staff. A lot of work is going on behind the scenes in having discussions with staff and the new CEO. We are happy to report Care for the Homeless is opening an 80-bed facility, with an on-site federally qualified health center that will be offering primary care and homeless services by the end of this month. The facility will be located across the street from the hospital with a commitment for Lincoln patients being priority.

The new CEO of Lincoln, Chris Roker, also spoke briefly about his governing philosophy to addressing some of the issues at Lincoln, such as prioritizing and empowering front-line workers at the hospital.

ADJOURNMENT:

Meeting adjourned at 5:52 P.M

AUDIT COMMITTEE VIRTUAL MEETING - MAY 10, 2021

As Reported by: Sally Hernandez-Piñero

Committee Members Present: Sally Hernandez-Piñero, Mitchell Katz - left at 10:19, José Pagán, Feniosky Peña-Mora, Freda Wang

The meeting was called to order by Ms. Ms. Sally Hernandez-Piñero, Committee Chair at 10:13 A.M.

Ms. Sally Hernandez-Piñero requested for a motion to adopt the minutes of the Audit Committee meeting held on March 15, 2021. A motion was made and seconded with all in favor to adopt the minutes.

Grant Thornton LLC was represented by Tami Radinsky, Lead Engagement Partner; Lou Feuerstein, Relationship Partner and Steven Dioguardi, Senior Manager and Dana Wilson, Insurance Partner to present the 2021 audit plan.

Ms. Radinsky began the presentation by providing an overview of the responsibilities of Grant Thornton and Health and Hospitals during the auditing process, planning and deliverables.

Ms. Radinsky presented the Audit Timeline and then turned the meeting over to Mr. Dioguardi who explained the audit approach, planning, risk assessment, evaluation and testing of controls, substantive testing, conclusion and reporting. Mr. Dioguardi concluded his presentation by noting the other areas of focus will be the performance of substantive testing on key account balances as of June 30, 2021, EITS systems review, and COVID-19 pandemic accounting considerations.

Mr. Feuerstein outlined the six GASBs technical updates that will impact the Health + Hospitals over next two to three years.

Ms. Radinsky thanked Health and Hospitals Finance team for their work and cooperation. She further assured the committee that the work was

never impacted by the COVID-19 restriction, therefore the audit will be presented on-time, with any issues and findings presented before the Committee in October.

Grant Thornton responded to questions from the Committee regarding risk assessments and GASB updates.

Mr. Telano, Senior Assistant Vice President, Internal Audits, reported on external audits currently being conducted by outside agencies:

- Oversight of Auxiliaries Audit is being audited by the New York City Comptroller's Office, which started in March 2020. This audit is ending as the fieldwork has been completed and a preliminary draft report was issued on April 19, 2021. An exit conference was held on May 4th. Subsequent to this meeting, a final draft report will be issued, at which time a formal response to the Auditors Findings and Recommendations are required within 10 business days.
- Controls Over Nursing Homes Audit is being audited by the New York City Comptroller's Office, which started in August 2020. This audit is on-going.

Other Internal Audits Activities - Controls Over Laptops Audit. The objective of this audit was to evaluate the internal controls and processes in place as it relates to the laptops and other similar devices provided to individuals for the purpose of conducting NYC Health + Hospitals business. Our audit tests included comparing the Central Office Enterprise Information Technology Services Department (EITS) list of employees issued laptops to the lists maintained by each facility. We also tested to ensure the names of the individuals on the lists were those of current employees.

Auxiliary Audits - Final reports for Calendar Year (CY) 2020 have been completed by the outside CPA firm (The Bonadio Group) and reviewed by the Office of Internal Audits for 9 of the 22 Auxiliaries. Eight (8) reports were Compilations as revenues were below \$250,000; one was a Review as revenues were between \$250,000 and \$750,000. For CY 2018/2019, one audit report was issued since the last Committee meeting. Four reports remain outstanding due to the lack of appropriate personnel responsible for maintaining financial records within these Auxiliaries.

Ms. Catherine Patsos, Chief Corporate Compliance Officer provided an update on the monitoring of excluded providers, privacy incidents and related reports, the Office of Civil Rights reports regarding HIPAA incidents, compliance reports, status update on OneCity Health independent assessor audit and compliance attestation, HHC ACO shared saving funds, HIPAA risk analysis and security assessment and the Aetna audit.

Ms. Deborah Brown, Senior Vice President, provided an overview of the System's COVID-19 Fundraising History, including the fundraising totals as of May 27, 2021, an explanation of recording process, showcase an example of donation accounting and on-going activities.

The Committee commended staff for all their hard work and commitment.

There being no other business, the meeting was adjourned at 11:00 A.M.

Capital Committee Meeting - May 10, 2021

As reported by Feniosky Peña-Mora

Committee Members Present: José Pagán, Feniosky Peña-Mora, Sally Hernandez-Piñero, Freda Wang, Mitchell Katz, MD

Mr. Peña-Mora called the meeting to order at 12:03 p.m.

Upon motion made and duly seconded the minutes of the Capital Committee meeting held on April 12, 2021 were unanimously approved.

Senior Vice President's Report

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

Mrs. Flaherty noted that the OFD department had a robust set of activities underway to support the System's facilities. As the COVID-19 number of cases were decreasing, Facility Management teams were supporting restoration of surge units.

Across the System there are hundreds of ongoing capital projects and the team continues to work hard to support the facilities to keep those projects moving through the design, procurement, construction and closeout process.

The new bond funded portfolio, which was less than 5% of the portfolio's value, was underway and the new design consultants were fully engaged. As of April 23rd, there is one project in construction, 5 projects completed design and in construction procurement, 19 projects in design and 12 projects going through the design selection process. Additionally, they received new capital funding from OMB during this April Executive plan, and were working with the facilities to ensure prioritization of the capital work that addressed energy savings and de-carbonization, life safety and regulatory compliance, clinical business planning initiatives and ensures equity of our care environments across the boroughs.

In the coming months we anticipate issuing an RFP for on-call master planning and assessment services to support the capital and space planning process and to aid in identifying opportunities to further streamline the real estate portfolio to enable the Housing is Health initiative to help facilitate housing for the most vulnerable high-risk homeless patients.

Mrs. Flaherty said she looked forward to arranging a more robust educational session on the capital planning and implementation process and the actions we are taking to evolve this process to provide the

industry standard tools needed to drive transparency and efficiency for the facilities.

That concluded her remarks.

Mrs. Flaherty read the 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.

Mrs. Flaherty was joined by Sheldon McCleod, Executive Director, NYC Health + Hospitals / Kings County.

Mr. McLeod narrated a power point presentation that reviewed background of the WIC, terms of the lease extension and rent schedule. Mr. McLeod stated that the facility would be replacing signage at the site in an effort to make the site more welcoming.

Ms. Wang noted that a full overview of the real estate portfolio had not surprisingly been delayed due to COVID but she looked forward to seeing that when the team had time to prioritize that. Mrs. Flaherty said the team was working on compiling a thorough report.

After discussion and upon motion duly made and seconded the resolution was approved for consideration by the Board of Directors.

Mrs. Flaherty read the 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.

Mrs. Flaherty was joined by Svetlana Lipyanskaya, Chief Executive Officer, NYC Health + Hospitals / Coney Island, who narrated a power point presentation that reviewed project background and the new agreement. Of special note the previous agreement included an annual payment of \$130,000. Staff negotiated the new agreement with no occupancy fee payable to the HPD.

Mrs. Hernandez-Piñero asked if there was concerns that HPD would want to develop the site in the near future and square footage of the o the space. Leora Jontef, Assistant Vice President, Office of Facilities Development, said she did not believe there were plans to develop any time in the near future and was unsure of the square footage.

Mr. Peña-Mora thanked Leora and her team for their successful negotiation resulting in a no fee deal.

Mrs. Flaherty thanked HPD as well.

After discussion and upon motion duly made and seconded the resolution was approved for consideration by the Board of Directors.

Mrs. Flaherty read the 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.

Mrs. Flaherty narrated a power point presentation that reviewed the background of the site, the value of increase cell service during the summer months, the occupancy fee and planned demolition for the site.

Mr. Peña-Mora asked if designers had made determinations on a sustainable approach to the demolition. Mrs. Flaherty said there would be efforts to recycling and reusing to reduce what made it into landfills. Mr. Peña-Mora asked if anything had been noted as historically significant. Mrs. Flaherty said no.

Mrs. Flaherty noted that there would be continued community involvement as the project moves forward.

After discussion and upon motion duly made and seconded the resolution was approved for consideration by the Board of Directors.

Mrs. Flaherty read the 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.

Mrs. Flaherty was joined by Manuel Saez, Assistant Vice President, Office of Facilities Development, they both narrated a power point presentation that reviewed background of the original contract, current scope of services, anticipated services under the extension, budget, procurement, vendor performance, bridge contract renewal justification, Minority and Women's Business Enterprises (MWBE)

current and future commitments, and plans for a possible future procurement.

After discussion and upon motion duly made and seconded the resolution was approved for consideration by the Board of Directors.

There being no further business, the Committee Meeting was adjourned at 12:56 p.m.

Finance Committee Virtual Meeting - May 10, 2021

As Reported By: Freda Wang

Committee Members Present: Freda Wang, José Pagán, Mitchell Katz, Sally Hernandez-Piñero, Feniosky Peña-Mora, Barbara Lowe

H+H Attendees: John Ulberg, Krista Olson, James Cassidy, Michline Farag, Linda DeHart, Marji Karlin, Tasha Philogene, Megan Thompson, Salema Tyler, Colicia Hercules, Sarah Lum, Matthew Siegler, Jay Weinman, Nina Lauro

CALL TO ORDER

Ms. Wang called the meeting to of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 11:08 a.m. Upon motion passed and duly seconded the minutes of Finance Committee meeting held on March 15, 2021 was adopted.

Ms. Wang then deferred to John Ulberg, Senior Vice President, Chief Financial Officer to begin the financial report.

FINANCIAL REPORT

Mr. Ulberg began the financial report for FY-21 Q3 by reviewing the March closing cash balance of \$350M. We are beating the budget by \$65M or 1%. This is slightly lower than last quarter because we have reached an inflection point where our COVID spending has surpassed the amount we have received from Provider Relief Fund. We have taken the T-2 revenue out of the budget picture. Patient care receipts came in \$331M higher than Q3 FY-20. Volume is returning to the pre-COVID levels in Q3 FY-21, but is still below Q3 FY-20. Despite COVID, we maintain our focus on our strategic initiatives, which are generating \$431M with a line of sight of \$530M. Staffing investments are still in focus - we have developed an inpatient nursing model and are working on an ED model. We continue to work on developing models for EVS and environmental services as well as revenue cycle.

Mr. James Cassidy reported, that we closed March with \$350M cash-on-hand (16 days). This includes \$109M in DSH funds. The system is expected to close April with approximately \$300M cash-on-hand (13 days). The April balance is lower due to three payrolls and a delay in receiving the DSH payments; however, we received one DSH payment just this morning which will help us to end May with a strong cash balance of around \$550M cash-on-hand (26 days). Even with the receipt of the DSH funds, we will continue to face cash-flow challenges by the end of the fiscal year. To mitigate these challenges we have written a letter

to FEMA requesting expedited processing of our next reimbursement package.

Ms. Michline Farag provided a summary of our cash receipts. Compared to FY20 Q3, FY-21 Q3 cash receipts are 11% higher despite service volume being lower. This includes enhanced COVID reimbursement, revenue and other initiatives, case mix index, Medicare rate increases, and volume variances.

Ms. Nina Lauro reported on volume changes: Outpatient volume in Q3 has reached pre-COVID volume. ED treat and release volume reduction has resulted in smaller proportion of lower intensity visits. Although inpatient volume is down, average daily census remains steady due to longer lengths of stay.

Mr. Ulberg reported on managing external risks - the check mark on the slide means the risk has been averted. The State budget had numerous cuts proposed that have all been restored. There is a benefit within the State budget for us, including increases in the Essential Plan program. The City budget included increases to the Capital budget. Finally, we are focused on FEMA reimbursement over the next 6 weeks.

Ms. Farag reported on FY-21 thru March net budget variance compared to prior period. March FY-TD closed with a positive net budget variance of \$65M where receipts exceeded budget by \$447M due to COVID patients, Medicare rates, and risk payment catch-up and better performance. Year over year patient care revenue is up \$646M due to increased patient acuity including COVID patients, increased rates, higher Medicare advance, as well as revenue cycle, managed care, and other revenue improvement initiatives. Case mix index is up by 25% from 1.18 in FY-20 to 1.47 in FY-21. Disbursements overall are \$378M higher mainly due to \$368M COVID spending that was not offset in FY-TD. Ms. Farag elaborated on the FY-21 Q3 revenue.

Ms. Tasha Philogene reported on the progress of the strategic initiatives in Q3. All of our initiative categories are on track to achieve the FY-21 revenue targets and have a line of sight to exceed the targets. Our stronger performers for revenue cycle and managed care initiatives include our high-cost outliers, enrolling the uninsured, and one-time settlements. Our growth and other service line improvements includes strong performance in 340b contract pharmacies, system efficiencies around EITS initiatives. VBP initiatives are strongly performing as well, especially our HARP membership conversions. The line of sight has slightly decreased from our previous quarter by \$2.8M, which is due to COVID testing revenue.

Mr. Matt Siegler reported on the FY-22 budget development strategy. FY-21 budget was developed with limited clarity on the COVID financial impact and the City/State/Federal policy direction. It also focused on executing on the basics and improvement system/facility budget accountability, which helped to limit the risk and preserve flexibility given COVID and the policy environment. Our FY-21 strategic priorities were very successful even in the midst of the second surge, T-2, and vaccinations. FY-22 budget includes clearer

assumptions around the COVID financial impact and a more positive City/State/Federal policy picture. We are also seeing post-vaccine utilization trends evolve. The FY-22 budget is seeking to build on the successes from FY-21 and learn from opportunities and initiatives that were delayed due to COVID. We will continue to support the City-wide COVID recovery and advance the overall H+H Vision, Mission, and Values.

Ms. Siegler continued by detailing our FY-21 strategic focus areas, the result of them, and how we are building on those for FY-22 initiatives. The first area of focus was to improve our surgical efficiency and margin to grow surgical volume. This resulted in system-wide performance improvement and accountability, meaningful revenue even despite COVID surge and OR reductions, and improved incoming referral processing and scheduling.

For FY-22, we will continue operating room efforts with updated targets and facility-level outpatient specialty and radiology performance improvement and growth targets. The second area of focus was a success in value-based payment. This resulted in growing attributed membership, increases HARP and HIV SNP enrollment, and better managing our performance in our quality programs. For FY-22, we will focus more on panel management, growing primary care patient panel sizes, retaining substantial membership growth, and building on other efforts and incorporate into standard work.

The third area of focus in FY-21 was revenue cycle and managed care. The result was continued improvement in operations and contracting as well as more closely focusing on denials. In FY-22 multi-disciplinary teams will form to focus on key denial types and insurance enrollment. In addition we will continue to work on contract renegotiations and additional oversight on contracts.

The fourth FY-21 area of focus was on ambulatory care and telehealth. The result was increases to MyChart enrollment, successes in testing and vaccinations, improvement to the Gotham margin, and improvement in ambulatory care efficiency. For FY-22 we will continue to focus on optimizing in-person vs. video vs. phone visit mix, growing virtual express care, and improving our MyChart enrollment, engagement, and overall performance.

Our fifth area of focus for FY-21 was to be great at the basics, which resulted in post-acute care margin improvement, IT savings, lab efficiencies, and achieving our pharmacy revenue target. For FY-22 we will focus on developing a strategic plan for Community Care and continue improvements to pharmacy and supply chain.

Finally, the last area of focus for FY-21 was on MRTII and special populations' opportunities, which resulted in the UPL conversion being signed. For FY-22 we will focus on advancing our special populations proposal.

Ms. Farag walked through the FY-22 budget phases. The budget development is a collaboration between Finance, Growth, Executive

Leadership, and Hospital leadership. Phase I budget includes developing the base-level budget, which includes base assumptions, approved facility growth and business plans, and approved strategic initiatives. Phase II budget includes the financial impact of externalities from City, State, or Federal policy or executive budgets or financial plans. Phase III budget includes FY-22 post-COVID recovery plans, FY-22 new service and strategic opportunities, and finally the budget roll-out.

Mr. Cassidy review COVID-19 Federal relief. H+H has paid out approximately \$1.7B on COVID-19 through March 2021. Current commitments are about \$2.0B. We have received \$266M in FEMA advances to-date. A second drawdown package is under FEMA review and we have submitted a letter requesting an expedited payment. To date, H+H has received \$1.2B thus far, largely from the High Impact (\$754M), Safety-Net (\$359M), and General Allocation Provider Relief Fund (\$69M). Unallocated Provider Relief Funds from the \$175B CARES Act Allocation remain. We continue to advocate for any unallocated funds to prioritize and any new funds should prioritize high-Medicaid and safety-net hospitals.

Ms. Sarah Lum reviewed the Test and Trace financial update. Through March, H+H paid out approximately \$745 million of \$1.5 billion estimated expenses. The City has provided H+H with sufficient funding to cover expenses to date. Additional Federal funds for New York City have been announced for Test and Trace Corps. H+H was awarded \$270 million for a CDC ELC Expansion Grant to cover testing and tracing. H+H was awarded \$251 million for a CDC ELC School Testing Grant. FEMA is expected to reimburse eligible T-2 testing and vaccine costs at 100%. OMB expects there will be additional Federal funding allocated for the American Rescue Plan.

Ms. Wang commended the team on their work and opened up to the committee members for questions.

Ms. Barbara Lowe asked about the impact on long-term care.

Mr. Siegler replied that overall our post-acute facilities are well-run and well-staffed. They are 4 and 5 Star facilities with CMS and even throughout the pandemic have continued to perform well. They are adapting to the new testing and vaccination requirements, which is some additional expenses that are manageable. We are in compliance with the required staffing ratios from the State and staff retention is strong.

Ms. Lowe asked if long-term care admissions requirements are concerns for the budget.

Mr. Siegler replied that patient satisfaction is one we are carefully monitoring but at this stage there are no budget concerns.

Ms. Sally Hernandez-Piñero asked what our cash balance will look like if we do not achieve FEMA relief by the end of the fiscal year.

Mr. Ulberg replied that we need to achieve at least one of the external risks we listed in the managed external risks slide, and that our financial plan assumes we achieve all of them.

Ms. Wang followed-up on this question by asking Mr. Ulberg if the UPL conversion will be a stabilizing factor for our cash flow.

Mr. Ulberg replied that yes, the UPL conversion will be an ongoing stabilizing force for our revenue stream.

Ms. Hernandez-Piñero asked if our T-2 vendors are getting paid on time for the services they are delivering.

Mr. Ulberg replied that we do not hold payments to vendors.

Ms. Hernandez-Piñero commended the team for their efforts.

Mr. Feniosky Peña-Mora asked about the lessons we have learned during the past few years that can help us as we look into the future.

Mr. Ulberg replied that turning unpredictable lump sum payments into scheduled and ongoing payments going forward is important. One example of this is the UPL payments. We are working to do this on DSH as well to have a more predictable schedule of payments. Another is that for the first time because of EPIC we can see into the data and go after the larger opportunities. For example, revenue cycle denials.

Mr. Siegler also replied to Mr. Peña-Mora's question adding that he thinks the level of transparency that we have built with the facilities on how they are performing financially is essential to our success in the future.

Mr. José Pagán commended the team on their efforts.

Dr. Mitchell Katz had no questions.

ADJOURNMENT

There being no further business the meeting was adjourn at 11:56 a.m.

Mitchell H. Katz, MD
NYC HEALTH + HOSPITALS - PRESIDENT AND CHIEF EXECUTIVE OFFICER
REPORT TO THE BOARD OF DIRECTORS
May 27, 2021

CORONAVIRUS UPDATE

Vaccination Program - NYC Health + Hospitals continues to provide vaccination services in all 11 hospitals, 7 Gotham Health centers, two Test & Trace sites and Citi Field. Vaccines are available to New Yorkers at all our locations, and we serve walk-ins without an appointment. We also offer the Pfizer vaccine for New Yorkers 12 years and older at 12 locations. As of May 23rd, we have administered nearly 900,000 total doses and more than 480,000 first doses. We continue to do outreach and education to promote vaccine to all our staff and patients 12 years of age and older. We are also offering J&J vaccine to eligible inpatients being discharged from our hospitals and emergency departments. As a thank you to all the Vax Champs, this month we began to distribute gift bags - with t-shirts, hats and PPE - to all our staff and patients who get vaccinated.

NYC Test & Trace Corps - With cases coming down, our NYC Test & Trace Corps team has continued to provide a strong layer of protection for NYC. We are currently reaching 97% of all new cases, and completing interviews with 86% of all new cases. To date, we have reached more than 700,000 cases and more than 600,000 contacts. We have also served more than 20,000 total guests in our Take Care hotel program. To date, NYC Health + Hospitals has completed more than 3.4 million COVID-19 diagnostic tests at all of our sites, including our hospitals, Gotham Health centers and Test & Trace locations.

NYC HEALTH + HOSPITALS LAUNCHES MEDICAL ERACISM PROJECT TO ELIMINATE BIASED, RACE-BASED MEDICAL ASSESSMENTS

This month, NYC Health + Hospitals announced the launch of our "Medical Eracism" initiative to eliminate biased, race-based assessments used for decades in hospitals and clinics across the country to influence medical decisions that have been found to negatively impact the quality of care patients of color receive. We have already eliminated two common diagnostic tests - for kidney disease and vaginal birth after a cesarean delivery (VBAC) - that have embedded race-based calculations for severity of illness and risk, and can lead to implicit biases and errors in diagnosis and treatment. Under the direction of our Office of Quality & Safety and the Equity & Access Council, we will identify additional areas of race-based assessments to recommend for elimination. This initiative builds on our commitment to eliminate implicit bias in health care and provide equitable, quality care to more than one million New Yorkers who choose NYC Health + Hospitals as their medical home.

Race is not a biological determinant, but a social construct. These calculations were based on racialized assumptions about biology that date back to slavery and the belief that somehow the bodies of African

descendants where different from others. We are excited to be a national leader in this effort, while we continue to acknowledge that race matters in people's health and remain cognizant of the impact of racism and social inequities affecting the health of New Yorkers under our care.

NEW CAPITAL FUNDING FROM QUEENS BOROUGH PRESIDENT AND NY STATE ASSEMBLY TO SUPPORT NYC HEALTH + HOSPITALS

NYC Health + Hospitals/Elmhurst received \$5.5 million in funding from Queens Borough President Donovan Richards Jr. in FY-22 Capital Funding. The funding will support the renovation of the hospital's intensive care units and operating suites. The team at Elmhurst proved to be a backbone of the borough of Queens during the horrible COVID-19 pandemic, and the infrastructure improvements supported by this generous allocation will make our community hospital bigger and stronger.

NYC Health + Hospitals/Coney Island this month received \$250,000 in capital funding for neurological and cardiac medical equipment. The funding was secured by New York State Assembly Member Mathylde Frontus from the State and Municipal Facilities Program to help purchase an electroencephalogram (EEG) machine and a portable echocardiogram that will allow the hospital's neurology and cardiology teams to diagnose disorders with more accuracy and speed.

We are very grateful to Borough President Richards and Assembly Member Frontus for their continued support and advocacy that helps us deliver the high-quality, state-of-the-art care our patients need and deserve.

NYC HEALTH + HOSPITALS RECOGNIZES MENTAL HEALTH AWARENESS MONTH BY ADDRESSING STIGMA AMONG HEALTH CARE PROFESSIONALS

Throughout some of the painful moments of the pandemic, many health care staff experienced stress, anxiety, depression, and emotional trauma. Several received support from the NYC Health + Hospitals Helping Healers Heal program. However, others suffered in silence, fearing their call for help would be seen as a weakness. To encourage more open discussion on mental health issues, our health system launched the "Stop Stigma, Start Healing" campaign with discussions and events to support the wellbeing of our staff. The month-long campaign, which took place during National Mental Health Awareness Month this May, was developed by our Helping Healers Heal program team in partnership with our Office of Behavioral Health. We hosted four special events each Friday of the month encouraging staff to participate by sharing their thoughts, experiences, emotions, creativity and bravery.

I participated in an interview that will be part of tomorrow's event to share how the pandemic impacted my own emotional well-being and strategies I have used to cope. We are better clinicians when we admit that we can be sad, that we can be distressed, that we can be depressed. We are not perfect and we need to go to work and do the best we can and always try to connect to each other.

In addition to this month-long effort, our Helping Healers Heal program continues to work hard to foster a culture of openness with proactive onsite support through wellness events and rounds, and emotional and psychological debriefs across the health system.

EXTERNAL AFFAIRS UPDATE

Federal - NYC Health + Hospitals is working with our New York delegation to advance proposed Community Project Requests, otherwise known as earmarks, to support our facilities. The facilities submitted proposed projects to the Congressional representative in their Districts a few weeks ago and are now making submissions to Leader Schumer and Senator Gillibrand, with the support of the Office of External and Regulatory Affairs. There is still a long and competitive road ahead in terms of the Appropriations Committees' review process, then negotiations between the House and the Senate.

As the Biden Administration and Congress consider infrastructure funding, NYC Health + Hospitals continues to reinforce the importance of including funding for hospitals and health care facilities in any funding package. The COVID-19 pandemic has brought a stark reminder how much we need infrastructure support both to continue battling COVID-19 and for the unknown future. We are grateful to the Representatives that serve our facilities and to our two New York State Senators for their support.

NYC Health + Hospitals is also advocating for the expansion of CMS-funded GME slots, including a proposed bill that would increase the number of new reimbursable Medicare residency slots nationally by 14,000.

State - The NYS Legislature is scheduled to conclude in early June. We continue to advocate for telehealth flexibilities to ensure parity of coverage and reimbursement of telehealth services as compared to in-person services. In addition, we are advocating for legislation that will fix the inequities in the distribution of the Indigent Care Pool funding by addressing the disparity between well-resourced voluntary hospitals and safety net hospitals. The pandemic has shown we need strong and viable safety net providers. We are grateful to our partners in advocacy and our Community Advisory Boards for their ongoing support for this necessary change.

Finally, we are preparing for implementation of the pending staffing bills for hospitals and nursing homes. Earlier this month, the New York State Legislature passed two bills that set staffing-related requirements in hospitals and nursing homes, respectively. These bills have not yet become law, but we expect they will shortly.

- The hospital bill was a product of negotiations between health care labor unions and hospital associations, and it requires all hospitals in NYS to create a labor/management clinical staffing committee to establish staffing plans by January 1, 2022. The resulting staffing plan must be adopted and submitted to the State Department of Health (DOH) by July 1, 2022 and implemented

by January 1, 2023. Under the bill, hospitals will also be required to publicly post unit-level staffing information on a daily basis and, over time, make quarterly reports on the total hours of nursing care provided by RNs and LPNs. At NYC Health + Hospitals, we are lucky to already have a similar staffing committee structure in place that grew out of to our 2019 collective bargaining agreement and our ongoing partnership with NYSNA, our key nursing union. We know that nurses are at the heart of our mission to deliver high quality, compassionate care for all New Yorkers. They not only offer top quality clinical care but they help patients navigate a complex health care system and support them during some of most trying times in their lives. To address the new requirements in the bill, we will work with NYSNA and other stakeholders to align our committee work and reporting practices as required by the bill, assuming it becomes law.

- The nursing home bill mandates specific hours of nursing care per resident. Beginning January 1, 2022, nursing homes will be required to meet a daily average of 3.5 hours of nursing care per resident per day by a certified nurse aide, LPN/RN, or nurse aide. Then beginning January 1, 2023 and thereafter, every nursing home shall maintain daily average staffing hours equal to 3.5 hours of care per resident per day by a certified nurse aide or a RN/LPN. Nursing homes will be required to post nurse staffing information at the facility in a form approved by DOH, and DOH will establish civil penalties for nursing homes that fail to comply. Health + Hospitals is well situated to comply with these requirements. Our internal review shows that we already meet and exceed the expected nursing care hours per patient. In fact, Staffing has been a component of the Nursing Home CMS Star Rating System for many years and the NYC Health + Hospitals Skilled Nursing Facilities have maintained 4 and 5 Stars indicating "Above Average" ratings when compared to State and National levels. We will continue to work at each of our post-acute facilities to ensure that remains the case.

City - I was joined by CFO John Ulberg, and other system leaders, to testify before the City Council about the NYC Health + Hospitals executive budget on May 21, 2021. We received significant stated support from the City Council members and are following up on any questions raised at the hearing. The City is reducing our support by \$211M for debt service reimbursement. The final City budget should be concluded ahead of the July 1 start of the new City fiscal year. The Borough Presidents have awarded 14 capital projects across our health system in their executive budgets. Though details are still evolving, we project support of nearly \$1M thanks to the generosity of our Borough Presidents. We anticipate additional projects to be awarded by the Mayor's Office, Borough Presidents and City Council in the adopted budget when it is complete.

NYC Health + Hospitals and the entire City is preparing for our first ranked choice voting primary on June 22 for all City offices. We will be hosting a nonpartisan staff webinar on June 3 to provide education to our workforce on how ranked choice voting works.

FINANCE UPDATE

Through March, NYC Health + Hospitals had a positive net budget variance of \$65 million. Direct patient care receipts are \$331 million better than the same period last year due to increased patient acuity, higher rates, and the continued success of our revenue improvement initiatives. We closed April with approximately \$300 million cash-on-hand and anticipate closing May with \$550 million cash-on-hand. Consistent with our Memorandum of Understanding, the City has transferred nearly \$750 million to support T2 spending commitments through March.

We continue to advocate for expedited FEMA approval of our subsequent reimbursement packages. The latest COVID-19 cost for our system is estimated at \$2 billion. Through March, the system has paid out \$1.7 billion. And we have received \$1.2B in CARES Act Provider Relief Funds and \$266M in FEMA reimbursement advances.

HEALTH SYSTEM NEWS

- [NYC Health + Hospitals/Coney Island Receives \\$250K in Funding for Neurological and Cardiac Medical Equipment](#)
- [NYC Health + Hospitals/Elmhurst Receives \\$5.5M Funding from Queens Borough President](#)
- [NYC Health + Hospitals Launches "Medical Eracism" Initiative to Abolish Race-Based Assessments Used for Medical Decisions](#)
- [NYC Health + Hospitals Observes National Mental Health Awareness Month](#)
- [Maternal Medical Home Program Provides Wraparound Care, Services to Pregnant Patients](#)
- [NYC Test & Trace Corps Announces One Million COVID-19 Tests Administered in NYC Schools](#)
- [Mobile Units Offer Vaccines, Other Health Care Services to New Yorkers Experiencing Homelessness](#)
- [Nearly 2,000 Nurses to Participate in Nursing Clinical Ladder Program](#)
- [Local Businessman Donates \\$1M to Queens Hospital](#)
- [NYC Test & Trace Corps Now Connecting Patients at Highest Risk With Life-Saving COVID-19 Treatment](#)
- [NYC Test & Trace Corps Now Offering At-Home Testing for All Contacts of COVID-19 Cases](#)

RESOLUTION - 02

Appointing **Mark Power to replace Nella Lewis as a member of the Board of Directors of MetroPlus Health Plan, Inc.** (“MetroPlus”), a public benefit corporation formed pursuant to Section 7385(20) of the Unconsolidated Laws of New York, to serve in such capacity until his successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.

WHEREAS, a resolution approved by the Board of Directors of the NYC Health + Hospitals on October 29, 1998, authorized the conversion of MetroPlus from an operating division to a wholly owned subsidiary of the NYC Health + Hospitals; and

WHEREAS, the Certificate of Incorporation designates the NYC Health + Hospitals as the sole member of MetroPlus; and

WHEREAS, the Bylaws of MetroPlus authorize the President of MetroPlus to select a Director who is a member of the MetroPlus Health Plan, subject to approval by the Board of Directors of NYC Health + Hospitals; and

WHEREAS, the Bylaws of MetroPlus authorize the removal of any Director, subject to the approval of the Board of Directors of NYC Health + Hospitals; and

WHEREAS, Ms. Lewis has asked to be released of her duties as a member of the Board of Directors of MetroPlus; and

WHEREAS, the President of MetroPlus has selected Mr. Power to serve as a member of the Board of Directors; and

WHEREAS, said appointment was approved at the MetroPlus Board of Directors meeting on June 1st, 2021;

NOW, THEREFORE, be it

RESOLVED, that the NYC Health + Hospitals Board of Directors hereby appoint Mr. Mark Power to replace Ms. Nella Lewis to the MetroPlus Board of Directors to serve in such capacity until his successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.

EXECUTIVE SUMMARY

Pursuant to the Certificate of Incorporation of MetroPlus, NYC Health + Hospitals has the sole power with respect to electing members of the Board of Directors of MetroPlus. The Bylaws of MetroPlus authorize its Executive Director to select a Director who is a member of the MetroPlus Health Plan, subject to approval by the Board of Directors of NYC Health + Hospitals.

The Bylaws of MetroPlus authorize the removal of any director, subject to the approval of the Board of Directors of NYC Health + Hospitals. Ms. Nella Lewis has asked to be released of her duties as a member of the Board of Directors of MetroPlus. The President of MetroPlus has nominated Mr. Mark Power to replace Ms. Lewis to serve as a member of the MetroPlus Board.

Mr. Power has been a MetroPlus member since 2014. Mr. Power has actively served on several committees, work groups, and is a founding Board Member and recent Chair of Artists Alliance, Inc (AAI). During his tenure as Chair of AAI, Mr. Power attended the NYC Department of Cultural Affairs and Libraries (DCLA) series on Community Arts Leadership programming.

MetroPlus is very pleased that he has agreed to serve on the Board, and is particularly interested in the perspective that he, as a member, will bring to the Board.

Mark Power Bio

Mark Power is an artist living and working in the Lower East Side for the past 25 years. Mark holds an MFA from the School of Visual Arts, and a BFA from Virginia Commonwealth University. Mark attended the Skowhegan School of Painting and Sculpture, the Johnson Atelier Technical Institute of Sculpture and was awarded a residency at the Edward Albee Foundation. Mark has been a visiting artist/critic at the University of Wisconsin, College of Creative Studies, Saint John University, Princeton University, and is a member of the College Art Association.

At his studio building, The Clemente, Mark has actively served on several committees and working groups, is a member of the College Art Association, and a founding Board Member and recent Chair of Artists Alliance, Inc (AAI). During his tenure as Chair of AAI, Mark attended the NYC Department of Cultural Affairs and Libraries (DCLA) series on Community Arts Leadership programming.

Prior to moving to NYC in 1991, Mark grew up in Virginia, racing motocross from age 9 until starting college. Inspired by the work of conceptual artist and composer John Cage, issues of perception and representation are paramount in his work, which he exhibits extensively. Mark's sculpture is represented by Frosch & Co.

RESOLUTION - 03

Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a three-year best interest renewal contract with **Cardinal Health 200, LLC (the “Vendor”)** for **distribution of Medical, Surgical and Laboratory products for the System, providing forward purchasing of products, warehousing, and shipping** with two one-year options to renew the contract exercisable only by the System and with the total cost of the contract over its full potential five-year term not to exceed \$608,800,000.00.

WHEREAS, the System benefits from having a prime distributor of Medical, Surgical and Laboratory products for the System, providing forward purchasing of products, warehousing, and shipping that permits them to provide customers with one comprehensive supply delivery platform; and

WHEREAS, in 2020 the System extended its contract with the Vendor to provide distribution of Medical, Surgical and Laboratory products for one additional year, with a term to expire July 31, 2021;

WHEREAS, under OP 100-5, the System can renew an agreement where it is in the System’s best interest provided it performed a cost benefit analysis and has received the approval of the Contract Review Committee; and

WHEREAS, the System has built a significant investment in the partnership through the Vendor’s existing agreement, and switching to another vendor would involve abandoning such investment, where no additional value would be realized.

WHEREAS, the Vice President of Supply Chain will manage the proposed contract.

NOW THEREFORE, BE IT RESOLVED, that New York City Health and Hospitals Corporation be and it hereby is authorized to sign a three-year best interest renewal contract with Cardinal Health 200, LLC to provide services of prime distributor of Medical, Surgical and Laboratory products for the System, providing forward purchasing of products, warehousing, and shipping that permits them to provide customers with one comprehensive supply delivery platform, with two one-year options to renew the contract exercisable only by the System and with the total cost of the contract over its full potential five-year term not to exceed \$608,800,000.

EXECUTIVE SUMMARY
AWARD OF CONTRACT TO
CARDINAL HEALTH 200, LLC FOR
ENTERPRISE WIDE MEDICAL SURGICAL DISTRIBUTION

- BACK-GROUND:** In May 2020, the Board of Directors approved a contract extension between NYC Health and Hospitals Corporation and Cardinal Health 200, LLC. The Vendor has been the prime distributor for Medical Surgical products since 2008, with a core competency in support of the pre-purchase, warehousing, and shipment of daily use medical items to all facilities. Cardinal Health 200, LLC has played an essential role in managing supplies during multiple pandemics and natural disasters by utilizing world class sourcing efforts to procure products from various parts of the world, setting up temporary storage locations, and expediting shipping. They have also played a pivotal role in supporting efforts to move to Logical Unit of Measure inventory planning in support of the two-bin inventory system implementation.
- PROCUREMENT:** Proposed renewal is on the basis of its being in the System's best interest. The best interest case was presented, including a cost benefit analysis, to the Contract Review Committee which approved of the renewal.
- TERMS:** The Vendor will provide prime distribution of Medical, Surgical and Laboratory products for the System, providing forward purchasing of products, warehousing, and shipping that permits them to provide customers with one comprehensive supply delivery platform. The Vendor will also provide a 3rd Party Logistics (3PL) program to support the storage and management of medical products essential to pandemic response. The total cost for Medical Surgical Distribution and 3PL is not to exceed \$608,800,000. Medical Surgical Distribution spend is contracted directly between NYC Health and Hospitals Corporation and the manufacturer of each product, whereby Cardinal Health 200, LLC charges a markup of 1.1% per item. The 3PL component is charged monthly based on number of pallets utilized for storage.
- FUNDING:** All expenses are OTPS and will be paid from operating funds.
- MWBE:** The Vendor is self-performing through employees for 91.5% of the work under this agreement. The Vendor has committed the remaining 8.5% (\$52,040,160) in the first year, increasing to 17.04% (\$20,747,904) by year five of the agreement to MWBE vendors and has implemented a program dedicated to growth in this space.



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

From: Keith Tallbe Tallbe, Digitally signed by
Tallbe, Keith
Date: 2021.06.08
13:13:28 -0400
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: Cardinal Health 200, LLC

Date: June 8, 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	Approved	8.52% Utilization Plan Year 1 17.04% Utilization Plan by Year 5

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.

Medical Surgical Distribution

Application for Best Interest Contract Renewal Cardinal Health 200, LLC

**Board of Directors Meeting
June 24, 2021**

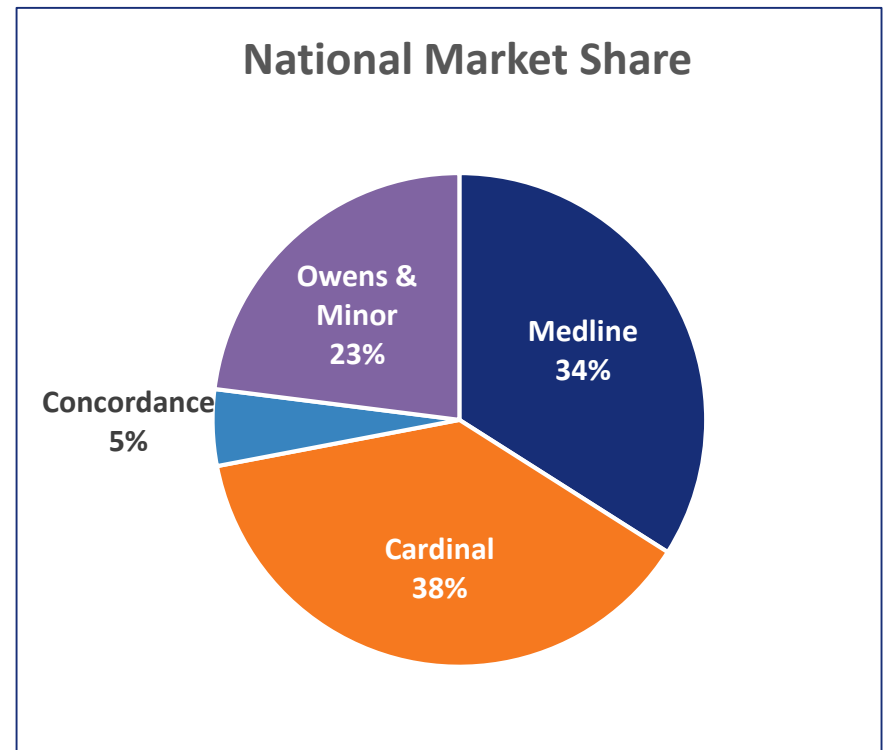
**Paul Albertson – Vice President Supply Chain
Joe Wilson – Senior AVP Strategic Sourcing**

Background

- The standard practice of all health systems is to utilize a distribution partner to warehouse and distribute Medical Surgical products.
- Cardinal Health is the prime distributor of Medical, Surgical and Laboratory products for the System, providing forward purchasing of products, warehousing, and shipping that permits them to provide customers with one comprehensive supply delivery platform.
- The services are provided to Acute, Post-Acute, Gotham, and Correctional Health
- The original agreement was awarded by RFP in 2008, and a 3-year best interest extension was executed in August 2017
 - Subsequent one-year renewal was executed on August 1, 2020
- Estimated Annual Spend: \$110,000,000
 - Current Spend: \$154,146,881
 - 1.1% Markup on National Brand products
 - 0% Markup on Cardinal brand products
 - All products are selected and sourced directly by the System
 - \$1,168,860 of the \$154,146,881 is the Cardinal annual distribution fee
- Contract Expiration: July 31, 2021

Highlights

- Three Suppliers represent 95% of Distribution Market
- Cardinal is only supplier that can provide Medical Surgical, Lab, and Pharmacy Distribution
- Cardinal provides dedicated on-site resources as part of support model
- Owens & Minor has been for sale since 2019
- Medline was sold to private equity firm on June 7, 2021



Distribution

- Pre-purchase, warehousing/3PL of products contracted/ordered by the system
- Deliveries five days per week, weekend courier service available
- Dedicated full time employees for daily support of facilities

COVID Support

- Preferred allocation of difficult to source stock, e.g. PPE, Critical Care, Vent supplies
- 24/7 access to warehouse and logistics support, moved product overnight to ensure availability, performed courier service between facilities so limited product could be shared
- Cardinal worked with manufacturers to review H+H sourced product to ensure authenticity
- On-site clinical support team to build custom kits from alternate sourced products to ensure OR procedures were not interrupted

Operations

- Transition from bulk ordering to just-in-time ordering
- ValueLink Program
- Essential to daily operations and implementation of the BlueBin inventory system
- 3,300 items ordered through the ValueLink Logical Unit of Measure (LUM) program
- Reduces inventory on the shelves and streamlines ordering processes
- Utilizes barcode reading/touchless ordering, and unit-based deliveries of supplies

Financial

- Estimated \$2,000,000 in rebates on Cardinal brand products, realized annually against an estimated annual \$1,100,000 in fees provides a net negative cost of goods for distribution of products
- \$13,201,830 savings since August 2017
- Continuation of industry low cost-plus markups of 1.1% National Brand and 0% Cardinal Brand products

Partnership

- Impactful Investments
 - Emergency Response
 - BlueBin/ValueLink Implementation
 - Inventory Management Support
 - Seven dedicated resources providing daily support

Additional Synergies

- Pharmacy Distribution
- Lab Distribution
- 3rd Party Logistics (COVID Medical and PPE Supply Warehouses)
- Optifreight-Freight Management
- Surgical Custom Pack Program

Operational Continuity

- Pandemic Response
 - Supply stabilization and future readiness
 - Greater access to global manufacturing related to essential supplies
 - Pandemic reserve supply managed in Cardinal warehouses
- BlueBin Implementation in process
 - ValueLink LUM essential to success of program
 - Ensures product readiness
 - Drives operational efficiency
 - Current processes are designed to function with current program with Cardinal
- Supplier Transition Considerations
 - Potential supply disruptions influencing patient care
 - Temporary staff necessary to support a conversion
 - Custom Surgical Pack disruptions

Contract Renewal Justification

A 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 the renewal below shows that there would be a significant negative value in terms of dollars and services were we to switch to another vendor. We conservatively estimate the total additional hard dollar costs to switch to a new vendor would be a minimum of ~\$18.13 million. It would take about twelve months to switch to another vendor.

<u>Benefits of Renewing</u>	<u>Costs of Switching</u>
Multi-faceted relationship with Distribution and 3PL Program in addition to Pharmacy Program, Optifreight, etc.	Temporary Staff required to support transition at facilities 22 FTE – 8 months ~\$733,000
Industry low cost-plus markups of 1.1% National Brand and 0% Cardinal Brand products	Clinical Temporary Staff to support OR Custom Packs transition and Med Surg product transition review 4 RN FTE – 12 months ~\$600,000
Net neutral cost with annual rebate agreement compared to cost-plus markup. ~\$7 million	Temporary Resource – Contract re-work ~\$400,000
The Vendor is currently providing substantial benefits through its commitment of resources	Optifreight Program Removal ~\$6.5 million
3PL program for Pandemic Supply to support essential products	3PL Program Conversion Freight ~\$2 million Data Support ~\$400,000
	Clinical staff time (Product approval) ~\$1.5 million
	Lost opportunity cost ~\$6 million

Premier Group Purchasing Organization

Premier is the Group Purchasing Organization (GPO) used by the System. GPOs use aggregated spend across their members to negotiate best pricing for goods and services.

- Premier has 3,600 member hospitals, including NYU, Mt Sinai, and Northwell
- Premier conducted an RFP for Medical Surgical Distribution in 2017
- Committee made up of 19 members of hospital and GPO executives from across the country
- Service considerations were used to determine suppliers who participated in the final negotiation process
 - Minimum qualifications were established based on fee transparency, class of trade inclusions, price protection against manufacturer cost increases, etc.
- Final awards were based on offering value and savings opportunities to membership
- Acute Care RFP Awarded 4 Suppliers
- NYC Health and Hospitals' Cardinal markup of 1.1%, 60% greater discount than the best negotiated GPO tier for all suppliers
- Premier's contract with Cardinal Health contains a markup of 3.75% with a minimum annual spend commitment of \$15,000,000.

Vendor Diversity

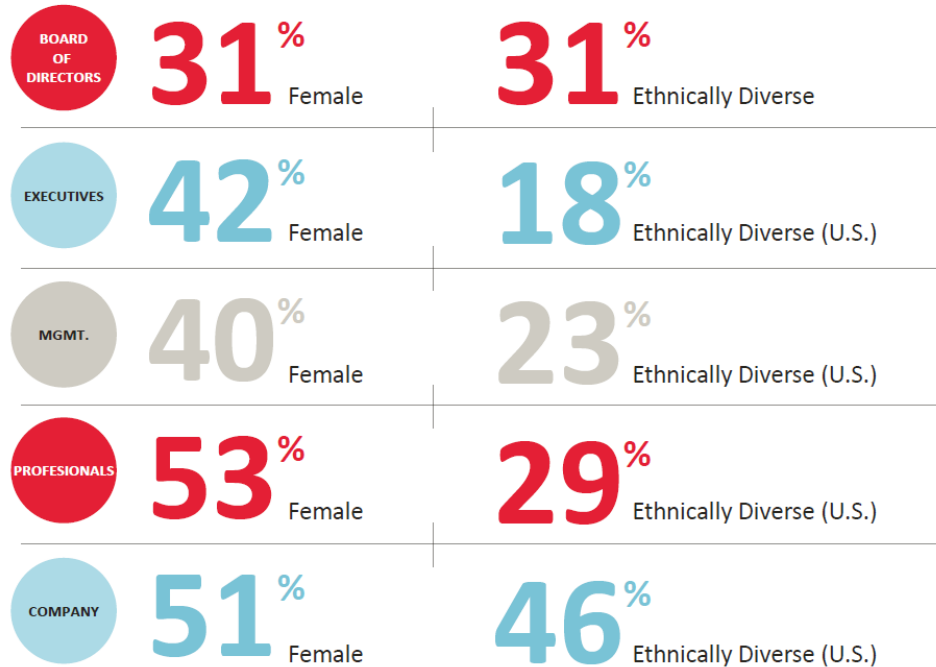
- Goods account for 99% of costs with this agreement
 - 74% of products are contracted through third parties
 - Clinical regulation impacts quantity of diverse suppliers available
 - Historically, NYC Health + Hospitals has excluded this contract from MWBE participation based on the lack of availability of diverse vendors able to provide clinical goods.
- Opportunity Review
 - Cardinal has worked to increase MWBE participation for NYS/NYC certified firms by adding 18 vendors since July 2020
 - Additional 10 vendors in process for certification
 - Total annual MWBE spend is \$957,762 combining H+H purchases and Cardinal subcontracted spend
 - In addition, 5% of the annual contract spend is with certified diverse vendors other than NYC or NYS – approximately \$5,500,000
- Based on the 8.12% currently achieved, and additional open opportunities, we recommend an MWBE goal of 8.52% for the first year. Cardinal has committed to a 17.04% MWBE goal by year five of the agreement.

Cardinal Commitment

- MWBE Growth – Vendor Purchases/Subcontracting
 - Since Extension in August 2020 Cardinal has grown MWBE spend with the system by 78.6%
- Global Presence
 - 2,700+ Diverse Supplier Partner Relationships Inclusive of small businesses, HUB zone-based businesses and businesses owned by minorities, women, veterans, service-disabled veterans, lesbian, gay, bisexual or transgender individuals
 - \$847 million annual spend with diverse suppliers across Medical, Pharmacy, and Corporate
 - Minority Spend: \$178,882,556
 - Women-Owned Spend: \$220,047,333
- Supplier Engagement
 - Relationship driven
 - National Minority Supplier Development Council
 - Inner City Capital Connections
 - Marketing realignment
 - Education and Training programs
 - Investment of **\$36,000,000** over five years in MWBE supplier development and outreach

Corporate Structure

- Workforce Diversity Commitment – United States



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- NYC Health + Hospitals Direct Support
 - 57% Female
 - 50% Ethnically Diverse

Board of Directors Approval Request

- We are seeking approval to enter into contract under the Best Interest Renewal provision in OP 100-05, with Cardinal Health 200, LLC for Medical Surgical Distribution services:
 - Three-year contract with two one-year options exercisable at the discretion of NYC Health and Hospitals
 - Effective 8/1/21
 - Not-to-exceed: \$608,800,000
 - MWBE Goal of 8.52% (\$10,373,952) for the first year, increasing to 17.04% (\$20,747,904) by year five of the agreement

RESOLUTION - 04

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to amend its contracts for school and mobile Covid-19 testing with each of Rapid Reliable Testing, Inc. (“**RRT**”), Bio Reference Laboratories, Inc. (“**BRL**”), Fulgent Genetics, Inc. (“**Fulgent**”), Somos Healthcare Inc. D/B/A Somos Community Care (“**Somos**”), MedRite LLC (“**Medrite**”) and Premier Assist LLC (“**Premier**”) (together, the “**Vendors**”) to increase the not-to-exceed limit on the five by \$17M from \$189M to a total amount not to exceed \$206M.

WHEREAS, the System manages Covid-19 testing in all of the City of New York (the “**City**”) schools and in City communities at various temporary locations and mobile units; and

WHEREAS, on December 10, 2020 the System’s Board of Directors approved contracts with the Vendors with a collective not-to-exceed limit of \$189M with BRL, Fulgent, Somos and Medrite doing school testing and RRT, Medrite and Premier doing community testing; and

WHEREAS, the contracts with the Vendors will expire December 31, 2021; and

WHEREAS, the System has issued an RFP for the award of a new set of contracts for the work now being performed by the Vendors with the expectation that new contracts will be in place as of October 1, 2021; and

WHEREAS, \$17M of additional funding for the work of the Vendors is needed through the expiration of the current contracts to raise the not-to-exceed limit on the five Vendors from \$189M to a total amount not to exceed \$206M; and

WHEREAS, the Sr. Vice President of Ambulatory Care will manage the proposed contracts.

NOW THEREFOR, BE IT RESOLVED, that New York City Health and Hospitals Corporation be and it hereby is authorized to amend its contracts for school and mobile Covid-19 testing with each of Rapid Reliable Testing, Inc. (“**RRT**”), Bio Reference Laboratories, Inc. (“**BRL**”), Fulgent Genetics, Inc. (“**Fulgent**”), Somos Healthcare Inc. D/B/A Somos Community Care (“**Somos**”), MedRite LLC (“**Medrite**”) and Premier Assist LLC (“**Premier**”) (together, the “**Vendors**”) to increase the not-to-exceed limit on the five by \$17M from \$189M to a total amount not to exceed \$206M.

EXECUTIVE SUMMARY
AWARD OF CONTRACTS TO
FIVE VENDORS TO PERFORM COVID-19 TESTING

BACK-GROUND: The System manages Covid-19 testing in all of the City schools and in City communities at various temporary locations and mobile units. In November, 2020 the System's Board of Directors approved contracts with the Vendors with a collective not-to-exceed limit of \$189M with BRL, Fulgent, Somos and Medrite doing school testing and RRT, Medrite and Premier doing community testing.

School testing is performed on a regular cycle at all schools and has cost approximately \$16M/month. Community testing is performed at a variety of locations including large operations at CitiField, the Brooklyn Army Terminal and at the Bathgate Industrial Center as well as at many smaller sites. Testing is also performed at 40 mobile units with the Community testing represents 10,000-20,000 tests weekly costing approximately \$8M/month.

At the above rate of spending, the authorized funding will be exhausted by the end of June 2021.

PERFORM: The Vendors have all performed satisfactorily and the over-all initiative has been hugely successful. T2's testing regimen has allowed NYC's public school system, the largest in the Country to remain open throughout the 2020-2021 school year. More than 1.2M tests conducted since October 2020. The mobile units have been effective in reaching areas with high positivity rates.

MWBE: Somos, Medrite, Premier and RTR each had 30% MWBE subcontracting goals. Somos has met or exceeded this goal Each of these other has been working to raise their MWBE levels.

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

From: Keith Tallbe Tallbe,
Senior Counsel Keith Digitally signed by
Office of Legal Affairs Tallbe, Keith
Date: 2021.05.26
13:03:50 -04'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Rapid Reliable Testing NY, LLC (Ambulnz)

Date: May 26, 2021

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

Vendor Responsibility

Approved

EEO

Approved

MWBE

30% MWBE 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.

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

From: Keith Tallbe Tallbe,
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: BioReference Laboratories, Inc.

Date: May 26, 2021

Digitally signed by
Tallbe, Keith
Date: 2021.05.26
13:05:35 -04'00'

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

Vendor Responsibility

Approved

EEO

Approved

MWBE

30% MWBE 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.

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

From: Keith Tallbe Tallbe, Keith
Senior Counsel Office of Legal Affairs
Digitally signed by
Tallbe, Keith
Date: 2021.05.26
13:10:04 -04'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Fulgent Genetics. Inc.

Date: May 26, 2021

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

Vendor Responsibility

Approved

EEO

Approved

MWBE

15% MWBE 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.

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

From: Keith Tallbe Tallbe,
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: SOMOS Healthcare, Inc.

Date: May 26, 2021

Digitally signed by
Tallbe, Keith
Date: 2021.05.26
13:08:22 -04'00'

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

Vendor Responsibility

Approved

EEO

Approved

MWBE

30% MWBE 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.

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

From: Keith Tallbe Tallbe,
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: MedRite, LLC

Date: May 26, 2021

Digitally signed by
Tallbe, Keith
Date: 2021.05.26
13:07:00 -04'00'

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

Vendor Responsibility

Approved

EEO

Approved

MWBE

30% MWBE 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.

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

From: Keith Tallbe Tallbe, Keith
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: Premier Assist, LLC

Date: May 26, 2021

Digitally signed by
Tallbe, Keith
Date: 2021.05.26
13:11:18 -04'00'

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

Vendor Responsibility

Approved

EEO

Approved

MWBE

30% MWBE 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.

Citywide Testing Capability Expansion: DOE and Mobile Unit Testing

**Request to Increase NTE
Board of Directors Meeting
June 24, 2021**

**Chris Keeley, COO
Test & Trace Corps**

- New York City faced some of the harshest and earliest impacts of COVID-19
- To meet an expanding need of testing capacity, T2 solicited proposals and awarded contracts to conduct COVID-19 testing through two modalities:
 1. DOE Testing
 - Testing in all of NYC's public schools on a routine basis (i.e., weekly, monthly)
 - Currently performed by BioReference Labs (BRL), Fulgent Genetics, SOMOS Community Care, and MedRite at \$16M/month
 2. Community Testing
 - Testing on mobile units and other types of testing outside of public schools, such as through mobile units that can do testing on sidewalks
 - Currently executed by Rapid Reliable Testing, MedRite, and Premier Assist at \$8M/month
- Vendor performance has been satisfactory
- Based on best information/projections, the Board authorized the requested \$189M for this work on December 10, 2020, as T2 expected it would pay for all needed testing for 6 months
- We are nearing the NTE in June and are requesting an increase of \$17M to the NTE to take us through the next round of contracts
- We have issued and are finalizing a new solicitation for these services

Community Impact

- DOE testing: T2's testing regimen has allowed NYC's public school system to remain open throughout the 2020-2021 school year
 - More than 1.2M tests conducted since October 2020
 - Positivity rate has been consistently low (less than 1%)
 - Largest school district in the country has remained open
- Mobile testing: Via mobile and other community-based methods of testing, T2 has made testing accessible and widespread throughout the five boroughs and particularly in areas with high positivity rates
 - 40+ mobile units deployed daily
 - Dozens of community testing teams conducting 10,000-20,000 tests weekly
 - Community-driven model where we go to locations identified by community partners

Request to Increase NTE

- DOE and community testing are critical components of the City's COVID-19 response
- Existing approvals allow for an NTE of \$189M for DOE and community testing
- We will near the approved NTE of \$189M by the end of June 2021 due to robust DOE and community testing, although the agreements are active through December 2021
- A new solicitation for proposals was approved by the System's Contract Review Committee. Solicitations were due May 28; we received 29 applications. The evaluation committee will finalize vendor selection in early June.
- In July, we will present for approval to the Board the result of that solicitation
- To permit uninterrupted testing and not exceed the NTE, we are seeking to increase the NTE for the current contracts by \$17M, increasing it from \$189M to \$206M
- Funding will come from NYC under an existing T2-MOU with OMB, which is effective for expenses through June 30, 2022

MWBE Spend

- Vendors were required to start operations immediately upon selection in order to meet the City's COVID testing demands

- Some had existing MWBE partnerships, others committed to establishing them
 - 4 of 6 vendors have established partnerships with MWBE firms in order to make progress toward their goals
 - **MedRite, \$8M paid to date:** New subcontractor Staffing Boutique, Spend began in month 3-4, currently 8% of \$8M
 - **Fulgent, \$30M paid to date:** New subcontractor Hamilton Staffing Solutions, Spend began in month 6
 - **Premier, \$760K paid to date:** New subcontractor Admiral Staffing, Spend began in month 6
 - **Rapid Reliable Testing, \$18M paid to date:** Existing subcontractor for staffing pending certification, NYC SBS is engaged to expedite; Spend began in month 1, expects ~10% of \$20M and looking for opportunities on the mobile unit space
 - 2 of 6 vendors have exceeded target
 - **SOMOS: \$4.9M of \$5.8M, or 85%**
 - **BRL: \$16M of \$40.9M, or 39%**
 - Contract manager would have ability to adjust assignments based on MWBE commitment realization

- Overall contract MWBE spend: **\$22.5M of \$104M, or 22%**

Board of Directors Approval Request

- We are seeking approval to increase the Not-To-Exceed by \$17M for the current pool of T2 DOE and mobile testing contracts
 - BioReference (BRL) Labs
 - Fulgent Genetics
 - SOMOS Community Care
 - MedRite
 - Rapid Reliable Testing
 - Premier Assist

- This will increase the NTE from \$189M to \$206M

- The contract terms will stay unchanged

- Funding will come from NYC under an existing T2-MOU with OMB, which is effective for expenses through June 30, 2022

RESOLUTION – 05
**AMENDED RESOLUTION – TO CORRECTLY LIST THE NOT TO EXCEED AMOUNT
FROM \$27.5M AS STATED AT THE COMMITTEE MEETING TO \$26.55M**

Authorizing New York City Health and Hospitals Corporation (the “System”) to sign contract renewals through December 31, 2021 with the **36 not-for-profit, community-based organizations listed on Attachment 1 to this Resolution (the “CBOs”) to continue their community outreach work promoting COVID-19 prevention, testing and vaccination messaging with an option**, exercisable solely by the System for an additional six months for a total amount not to exceed \$26.55M for the entire group and with sub-limits by tier of CBO as indicated in Attachment 1.

WHEREAS, in the COVID response of the City of New York (the “City”), direct communication with New Yorkers from trusted messengers such as community-based organizations have played an essential and irreplaceable role; and

WHEREAS, in July, 2020, DOHMH collaborated with the System through the Test + Trace Unit to issue an RFP targeting not-for-profit community-based organizations;

WHEREAS, out of scores of proposals, an Evaluation Committee recommended 41 CBOs to be awarded contracts not to exceed \$8.1M through October 2020 with the explicit goals, stated in the RFP, to ensure specific language and cultural competence and the ability to cover all 33 Taskforce Racial Inclusion and Equity (TRIE) priority neighborhoods using 17 languages including American Sign Language; and

WHEREAS, due to the persistence of the epidemic and with additional funding from the City’s OMB, the System renewed the contracts of 39 of the CBOs through June 2021 with increased funding of \$15.8M; and

WHEREAS, the System continues to lead the City’s effort to promote COVID-19 vaccination, testing and public health measures to contain the epidemic; and

WHEREAS, the CBOs are the System’s main avenue to reach hard to engage New Yorkers whose trust of government is low but need for services high; and

WHEREAS, the CBOs have contributed to the City’s high testing rate and can now turn their attention to helping New Yorkers access the vaccine with tough one-on-one conversations to increase confidence in the vaccine; and

WHEREAS, while nearly 60% of City adults have received at least one dose of the vaccine, fewer than 35% of Black New Yorkers, and fewer than 45% of Latino New Yorkers have. These CBOs are uniquely positioned to continue their successful work to increase testing and vaccine rollout; and

WHEREAS, the Sr. Vice President of Ambulatory Care will manage the proposed contracts.

NOW THEREFOR, BE IT RESOLVED, that New York City Health and Hospitals Corporation be and it hereby is authorized to sign contract renewals through December 31, 2021 with the 36 not-for-profit, community-based organizations listed on Attachment 1 to this Resolution (the “CBOs”) to continue their community outreach work promoting COVID-19 prevention, testing and vaccination messaging through street canvassing, virtual engagements, phone and text banking and social media posts with an option, exercisable solely by the System for an additional six months for a total amount not to exceed \$26.55M for the entire group and with sub-limits by tier of CBO as indicated in Attachment 1.

ATTACHMENT 1

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION RESOLUTION PRESENTED TO BOARD OF DIRECTORS

LIST OF CBOs FOR CONTRACT EXTENSIONS

Tier 1 (6) Contract Limit \$1,125,000 For Renewal Period (\$1,125,000 for Option period)

- Community Health Action of Staten Island (CHASI)
- National Black Leadership Commission on Health
- Public Health Solutions
- SCO
- The Child Center
- The Osborne Association

Tier 2 (19) Contract Limit \$300,000 For Renewal Period (\$300,000 for Option period)

- African Communities Together
- Brooklyn Public Library
- CIANA
- Central Family Life Center
- Common Point Queens
- Community Mediation Services
- Harlem Community Justice Center
- Health People
- Housing Works
- India Home
- Jewish Community Council of Greater Coney Island
- Make the Road New York
- Maspeth Town Hall
- Mexican Coalition
- Mosholu Montefiore Community Center
- Project Hospitality
- SCAN-Harbor
- The Fortune Society
- The Hebrew Educational Society of BK

Tier 3 (11) Contract Limit \$75,000 For Renewal Period (\$75,000 for Option period)

- African Services Committee
- Fifth Avenue Committee
- Hetrick-Martin Institute
- Jacob A. Riis Neighborhood Settlement
- Korean American Family Service Center
- Mixteca Organization
- NY Immigration Coalition
- Pride Center of Staten Island
- Sure We Can
- The Institute for Family Health
- YAI

EXECUTIVE SUMMARY

- BACK-GROUND:** Throughout the epidemic direct communication with New Yorkers from messengers they trust has been an essential strategy of the City's response. Community based organizations have existing relationships in neighborhoods and serve across many areas as trusted sources of information – often far more trusted than city agencies. Because epidemic response has relied so heavily on informing New Yorkers on individual actions they need to take – like wearing masks, maintaining social distance, seeking a test often even when not symptomatic, answering the call when a tracer reaches out, and getting vaccinated – the conversations CBOs have led and continue to lead are a critical and irreplaceable piece of the City's overall response.
- SELECTION OF VENDORS:** In July 2020, Test and Trace Corps issued an RFP seeking non-profit CBOs for community outreach. 41 CBOs were awarded contracts from July-November, 2020 to conduct outreach across 167 zip codes for wider neighborhood, cultural, language, and demographic reach. \$8.1M of funding was distributed to the 41 CBOs. Total awards amounts were \$750,000 for Tier 1, \$200,000 for Tier 2, and \$50,000 for Tier 3 based on CBO size and capacity. Based on satisfactory performance and the persistence of the epidemic, renewals of agreements and continued funding were arranged for 39 CBOs from November 2020-June 2021. \$15.8M of additional funding was distributed to the 39 CBOs. Total awards amounts were \$1.3M for Tier 1, \$350,000 for Tier 2, and \$87,500 for Tier 3 based on CBO size and capacity.
- Since July 2020, the System has continuously monitored the CBOs' performance. On this proposed renewal, 36 are now proposed for contract renewals.
- TERMS:** During the term of the CBO contracts, the CBO's have been given performance metrics to meet including number of staff deployed, number of contacts made, number of events held, etc. If the CBOs meet their metrics, they receive the stated compensation at regular intervals during the term.
- MWBE:** As a requirement of the RFP all of the CBOs were required to be non-profit entities, as well as any of their subcontractors. Non-profit entities cannot be certified as MWBEs under NYS or NYC law. Therefore, this pool of non-profit CBOs agreements is exempt from MWBE goals.



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

From: Keith Tallbe Tallbe, Digitally signed by
Tallbe, Keith
Date: 2021.06.11
14:37:49 -0400
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: Renewal of 36 CBOs for community outreach related to CoVID-19

Date: June 11, 2021

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

<u>Vendor Name</u>	<u>Vendor Responsibility</u>	<u>EEO</u>	<u>MWBE</u>
Community Health Action of Staten Island (CHASI)	Approved	Pending	N/A
National Black Leadership Commission on Health	Pending	Pending	N/A
Public Health Solutions	Approved	Pending	N/A
SCO	Pending	Pending	N/A
The Child Center	Approved	Pending	N/A
The Osborne Association	Approved	Pending	N/A
African Communities Together	Approved	Pending	N/A
Brooklyn Public Library	Approved	Pending	N/A
CIANA	Approved	Pending	N/A
Central Family Life Center	Approved	Pending	N/A
Common Point Queens	Pending	Pending	N/A
Community Mediation Services	Approved	Pending	N/A
Harlem Community Justice Center	Pending	Pending	N/A
Health People	Approved	Pending	N/A
Housing Works	Approved	Pending	N/A
India Home	Approved	Pending	N/A
Jewish Community Council of Greater Coney Island	Approved	Pending	N/A
Make the Road New York	Approved	Pending	N/A
Maspeth Town Hall	Approved	Pending	N/A
Mexican Coalition	Pending	Pending	N/A
Mosholu Montefiore Community Center	Approved	Pending	N/A
Project Hospitality	Approved	Pending	N/A
SCAN-Harbor	Pending	Pending	N/A
The Fortune Society	Approved	Pending	N/A
The Hebrew Educational Society of BK	Approved	Pending	N/A

African Services Committee	N/A	N/A	N/A
Fifth Avenue Committee	N/A	N/A	N/A
Hetrick-Martin Institute	N/A	N/A	N/A
Jacob A. Riis Neighborhood Settlement	N/A	N/A	N/A
Korean American Family Service Center	N/A	N/A	N/A
Mixteca Organization	N/A	N/A	N/A
NY Immigration Coalition	N/A	N/A	N/A
Pride Center of Staten Island	N/A	N/A	N/A
Sure We Can	N/A	N/A	N/A
The Institute for Family Health	N/A	N/A	N/A
YAI	N/A	N/A	N/A

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.

COVID-19 Testing & Vaccination Outreach & Education for FY'22

**Request to Extend Agreements with
36 Community Based Organizations**

**Board of Directors Meeting
June 24, 2021**

**Dr. Theodore Long – Senior Vice President for
Ambulatory Care and Executive Director of Test and
Trace**

Background/Current State

- In the City's COVID response, direct communication with New Yorkers from trusted messengers is critical. Community Based Organizations (CBOs) have longstanding neighborhood relationships and are trusted sources of COVID related information.
- CBO Outreach involves promoting COVID-19 prevention, testing and vaccination messaging through street canvassing, virtual engagements such as town halls, phone and text banking and social media posts
- Outreach is conducted in all the 33 Taskforce Racial Inclusion and Equity (TRIE) priority neighborhoods using 17 languages including American Sign Language.
- As of the end of April, over 1,760,460 community members have been reached through City-wide in-person engagements.
- Test and Trace Corps (T2) is seeking approval to extend CBO funding through FY22 for \$26.55M.
- Funding will come from NYC under the existing T2-MOU with OMB, which is effective for expenses through June 30, 2022

Overview of Procurement

- In July 2020, Test and Trace Corps issued an RFP seeking non-profit CBOs for community outreach and issued such contracts under the President's emergency declaration.
- 41 CBOs were awarded contracts from July-November, 2020 to conduct outreach across 167 zip codes for wider neighborhood, cultural, language, and demographic reach.
 - \$8.1M of funding was distributed to the 41 CBOs.
 - Total awards amounts were \$750,000 for Tier 1, \$200,000 for Tier 2, and \$50,000 for Tier 3 based on CBO size and capacity.
- Based on satisfactory performance and the persistence of the epidemic, renewals of agreements and continued funding were arranged for 39 CBOs from November 2020-June 2021 as they met and exceeded milestones set for them.
 - \$15.8M of additional funding was distributed to the 39 CBOs.
 - Total awards amounts were \$1.3M for Tier 1, \$350,000 for Tier 2, and \$87,500 for Tier 3 based on CBO size and capacity.
- As of April 30, 2021, NYC Health + Hospitals has paid out \$13.9M to the contracted CBOs.

T2 CBO Milestone Completion

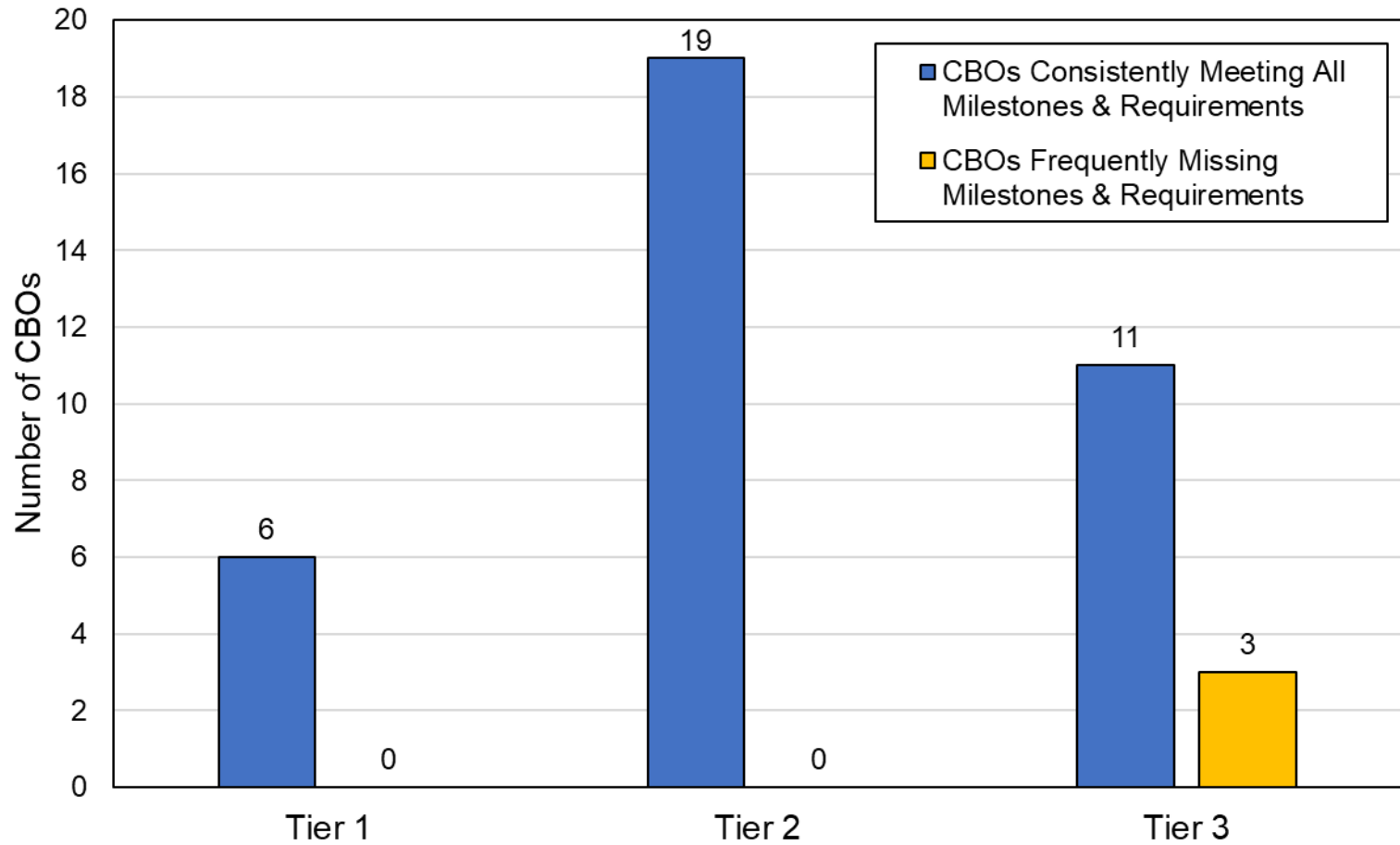
Data Notes:

- Across all 39 CBOs
- November, 20 – April '21

	Expected	Actual	% Completion
Leafleting Shifts	1,110	9,199	829%
Virtual Town Halls & Meetings	444	883	199%
Contacts from Phone & Text Bank or Call Line	95,400	1,375,423	1,442%
Regular Email Updates	774	4,856	627%
Social Media Posts	2,928	11,351	388%



T2 CBO Performance by Tier





Proposal for Next Steps

- Test and Trace Corps is seeking to renew the contracts of 36 CBOs that have consistently met all milestones.

- Over the next 12 months there is a continued need for:
 - Encouraging vaccination
 - Encouraging testing and appropriate mask wearing when needed
 - Responding to geographic hotspots and hyperlocal deployments

- Geographic focus areas for contract extension will be the 33 TRIE Neighborhoods
 - While nearly 60% of NYC adults have received at least one dose of the vaccine, fewer than 35% of Black New Yorkers, and fewer than 45% of Latino New Yorkers have.
 - These CBOs are uniquely positioned to continue their successful work to increase testing and vaccine rollout.

- Timeline: July 1, 2021 – December 31, 2021, with optional extension to June 30, 2022

- Total requested amount for extension of 36 CBOs up to \$26.55M.



36 CBOs to Extend

Tier 1 (6) – \$1.125M for Renewal Period (\$1.125M for Option Period)

- Community Health Action of Staten Island (CHASI)
- National Black Leadership Commission on Health
- Public Health Solutions
- SCO
- The Child Center
- The Osborne Association

Tier 3 (11) - \$75K for Renewal Period (\$75K for Option Period)

- African Services Committee
- Fifth Avenue Committee
- Hetrick-Martin Institute
- Jacob A. Riis Neighborhood Settlement
- Korean American Family Service Center
- Mixteca Organization
- NY Immigration Coalition
- Pride Center of Staten Island
- Sure We Can
- The Institute for Family Health
- YAI

Tier 2 (19) - \$300K for Renewal Period (\$300K for Option Period)

- African Communities Together
- Brooklyn Public Library
- CIANA
- Central Family Life Center
- Common Point Queens
- Community Mediation Services
- Harlem Community Justice Center
- Health People
- Housing Works
- India Home
- Jewish Community Council of Greater Coney Island
- Make the Road New York
- Maspeth Town Hall
- Mexican Coalition
- Mosholu Montefiore Community Center
- Project Hospitality
- SCAN-Harbor
- The Fortune Society
- The Hebrew Educational Society of BK

Diversity of the CBOs

- As a requirement of the RFP all of the CBOs were required to be non-profit entities, as well as any of their subcontractors.
- Non-profit entities cannot be certified as MWBEs under NYS or NYC law. Therefore, this pool of non-profit CBOs agreements is exempt from MWBE goals.
- As to their workforce diversity, the CBOs have, with their grant funding, hired diverse staff directly from the communities – allowing a greater trust and understanding with the communities and neighborhoods they are serving
- Staff represent a wide variety of New York Communities, including:
 - 87% of the CBOs hired staff from Latino communities
 - 72% of the CBOs hired staff from Black communities
 - 55% hired staff who are immigrants
 - 58% hired staff who Identify as part of the LGBTQI community
- The hired staff speak over 15 languages – and 87% speak Spanish
 - Languages include French, Haitian, Creole, Punjabi, Urdu, and Yiddish

Diversity of the CBOs

The Community Based Organizations by and large hire members of communities they are working in. While our contracts do not require specific hiring parameters, the CBOs each have long standing roots in the communities they are working in and represent the breadth of diversity of New York City neighborhoods.

- Total Staff Hired by CBOs: **393**
 - 71% W2 FTE
 - 29% 1099 FTE
 - Some CBOs pay staff as 1099s because many staff have unique employment situations, such as those who are undocumented, who have non-traditional work histories, people who are justice-involved, etc.
- CBOs utilizing subcontractors
 - 6/39 CBOs, or 15.4% use at least one subcontractor. All subcontractors are non-profit.
 - The CBOs with subcontractors are:
 - Child Center of NY, Inc. (CCNY)
 - Jewish Community Council of Greater Coney Island (JCCGCI)
 - National Black Leadership Commission on Health
 - Osbourne Association
 - Public Health Solutions (PHS)

2021-2022 Proposed T2 CBO Deliverables

Monthly Milestones for July 1, 2021 -June 30, 2022		Vaccine Outreach and Education			Vaccine Message and Service Delivery	
Tier	Total Funding Amount	Leafleting shifts (monthly)	Virtual town halls and meetings (monthly)	Contacts from phone/text bank or call/text line (monthly)	Regular email updates (monthly)	Social media posts (monthly)
Tier 1 (\$187,500 / month, 25 FTE)	\$1,125,000 for Renewal Period (\$1,125,000 for Option Period)	24	6	3,000	4	30
Tier 2 (\$50,000 / month, 8 FTE)	\$300,000 for Renewal Period (\$300,000 for Option Period)	12	2	1,000	12	30
Tier 3 (12,500 / month, 1.5FTE)	\$75,000 for Renewal Period (\$75,000 for Option Period)	4	1	400	4	20



- We are seeking approval to extend 36 CBO agreements through FY22
 - Contract Term: July 2021 – December 2021 with optional extension through June 2022
 - Implementation / Roll out: July 1, 2021
 - NTE: \$26.55M
 - Funding will come from NYC under the existing T2-MOU with OMB, which is effective for expenses through June 30, 2022
 - Funding is for FY22 but will re-evaluate continued need in 6 months



RESOLUTION - 06

Authorizing the New York City Health and Hospitals Corporation (the “System”) to sign a three year lease extension with **SDM of Stanley LLC** (the “Landlord”) for the use of approximately 8,000 square feet of space at 840 Alabama Avenue, Borough of Brooklyn **to operate a Commodity Supplemental Food Program (the “CSFP”) managed by NYC Health + Hospitals/Kings County Hospital Center** (the “Facility”) at a base rent of \$136,000.00 per year, or \$17.00 per square foot to be escalated by 2.5% per year, for a total of \$418,285.00 for the three year extension; provided the System will hold an option to extend for an additional five years with the rent for the three year extension and five year option totaling \$1,188,111.76.

WHEREAS, the Facility has operated a CSFP Program at this location since 1995; and

WHEREAS, the CSFP program provides nutritious food to seniors who are at least sixty years old and meet certain income eligibility requirements; and

WHEREAS, extending the lease will allow the program to continue to provide services to the population it has traditionally served; and

WHEREAS, the CSFP is fully funded by a grant provided by the New York State Child and Adult Care Food Program; and

WHEREAS, the current CSFP grant expires in September 2024, the program anticipates receiving a new five year grant in 2024 which will allow the System to exercise its option for an additional five year lease term; and

WHEREAS, while the System is optimistic a new grant will be made, the proposed three year 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 three year lease extension with **SDM of Stanley LLC** (the “Landlord”) for approximately 8,000 square feet of space at 840 Alabama Avenue, Borough of Brooklyn to operate a Commodity Supplemental Food Program (the “**CSFP Program**”) managed by NYC Health + Hospitals/Kings County Hospital Center (the “**Facility**”) at a base rent of \$136,000.00 per year, or \$17.00 per square foot, for a total of \$418,285.00 for the three year extension; provided the System will hold an option to renew the lease for an additional five years with the rent for the three year extension and five year option totaling \$1,188,111.76.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/KINGS COUNTY HOSPITAL COMMODITY SUPPLEMENTAL FOOD PROGRAM 840 ALABAMA AVENUE, BOROUGH OF BROOKLYN

OVERVIEW: New York City Health and Hospitals Corporation (the “**System**”) seeks authorization from its Board of Directors to sign a three-year lease extension with SDM of Stanley LLC (the “**Landlord**”) for the use of space at 840 Alabama Avenue, Borough of Brooklyn, to operate a Commodity Supplemental Food Program (the “**CSFP**”) managed by NYC Health + Hospitals/Kings County Hospital Center (“**Kings County**”). The CSFP is fully funded by a grant provided by the New York State Child and Adult Care Food Program. The current CSFP grant expires in September 2024, the program anticipates receiving a new five year grant in 2024 which will allow the System to exercise its option for an additional five year lease term. While the System is optimistic a new grant will be made, the proposed three year 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 the CSFP at this location since 1997. The CSFP provides nutritious meals to seniors who are at least sixty years old and meet certain income eligibility requirements. The program also provides guidance on the preparation of nutritious meals and health information prepared by nutritionists. Referrals to health care and social service organizations for other services are provided as needed. The food distributed by the program includes cheese, UHT and nonfat dry milk, canned meats and fish, canned vegetables and fruit, breakfast cereals, fruit juices, rice, spaghetti, macaroni, whole grain rotini, peanut butter and dried beans.

UTILIZATION: The program has approximately 10,000 participants.

TERMS: The System will occupy approximately 8,000 square feet of space, and will pay a base rent of \$136,000 year, or \$17.00 per square foot. The base rent will be escalated by 2.5% per year. The three-year lease extension term will commence October 1, 2021 and end September 31, 2024. The System will hold an option to renew the lease for an additional five years. The first year of the option term will commence October 1, 2024. The base rent for the option term will commence at a rate 2.5% above year three of the initial term 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:

The New York State Child Health and Adult Care Food Program (“CACFP”) funds both rent, P.S. and operating expenses.

SAVITT PARTNERS

June 9, 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
Commodity Supplemental Food Nutrition Program
840 Alabama Avenue, Brooklyn NY 11207

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 sponsored program referred to as the Commodity Supplemental Food Nutrition Program. This shall serve to comment on the unit's rent valuation going forward.

This letter confirms that I've been given the general terms of the tenancy renewal and am being asked to evaluate the economic rent terms, as presented, of the lease by and between Landlord and NYC Health + Hospitals Corporation and the intended response as Tenant comprising the following:

- The unit is currently occupied and zoned for its current use.
- The lease is up for renewal within the next 90 days. The proposal is for a three-year initial extension term and a five-year tenant option thereafter.
- The Landlord has proposed renewal terms with a base rent of \$17 per RSF along with a reset of taxes to the current tax year of 2021/2022.
- The unit collectively totals approximately 8,000 RSF of the referenced premises.
- The property is demised as approximately 3,000 RSF of office space which is exclusively used by the program and 5,000 RSF for storage and distribution.
- This evaluation is for the purpose of a lease renewal.

Landlord has proposed a starting base rent at \$17.00 RSF, which represents an increase over the existing base year. The real estate taxes will be reset to the current tax base year of 2021/2022. The former tax base year was 2007 when the Tenant first leased the premises. With the existing tax base year, the tax bill has compounded yearly and the reset represents current market conditions. This reset is not only acceptable but encouraged.

The asking rent from the Landlord at \$17.00 per SF is appropriate for the location and the property's use. It would also be appropriate for annual compounded rent increases to equal 2.5%. The lease is for three years with a five-year extension. The extension is subject to a renewal of the grant funding which is expected. The in-place funding expires October of 2023.

We are advised the utilities are separately metered and billed according to consumption. There is no on-site parking servicing this building.

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, we value the rents in the general vicinity of this location at a range of \$17.00-26.00/RSF. The proposed Landlord's rent of \$17.00 per RSF with a rest of the tax base year plus electric is consistent with the market and I would consider favorable at this time.

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 E. Dubin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael E. Dubin
Partner

Schedule A – Comparables

Address	Cross Streets	Square Feet	Price Per SF	Closed Deal (Y/N)
265 Sumpter Street	Sumpter Street & Thomas Boyland Street	11,250	\$23.92	Y
68 34 th Street	34 th Street & Gowanus Expressway	6,237	\$30.00	Y
219 Eagle Street	Eagle Street & Polaski Bridge	5,000	\$21.39	Y
820 Williams Avenue	Williams Avenue & Will Place	10,000	\$17.50	Y
1360 Ralph Avenue	Ralph Avenue & Avenue D	6,000	\$20.00	N
4312 Second Avenue	Second Avenue & 44 th Street	76,613	\$21.02	Y
645 Clinton Street	Clinton Street & Lorraine Street	108,000	\$26.92	Y

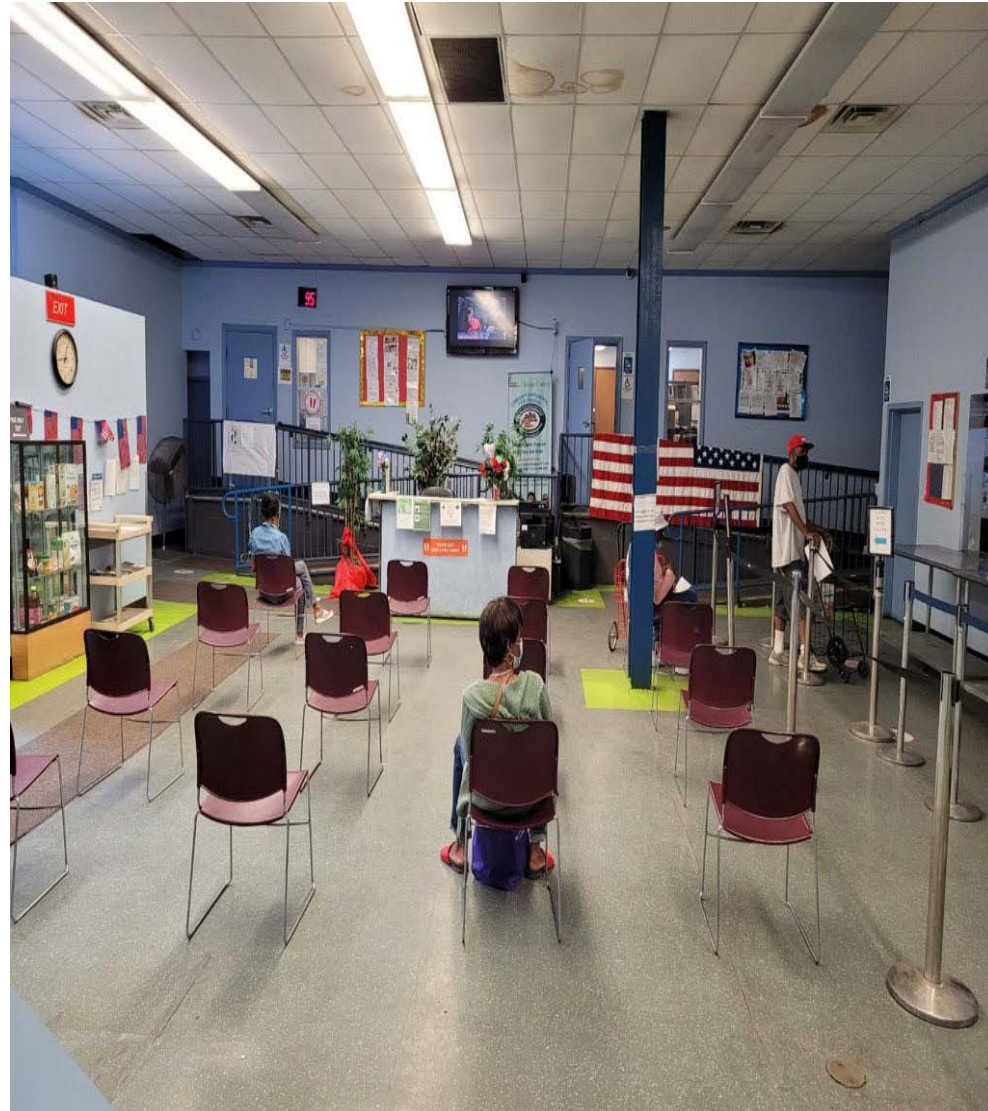
SDM of Stanley LLC
NYC Health + Hospitals/Kings County
Hospital Center
Commodity Supplemental Food Program
840 Alabama Avenue, Brooklyn

Board of Directors Meeting
June 24, 2021

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

Background

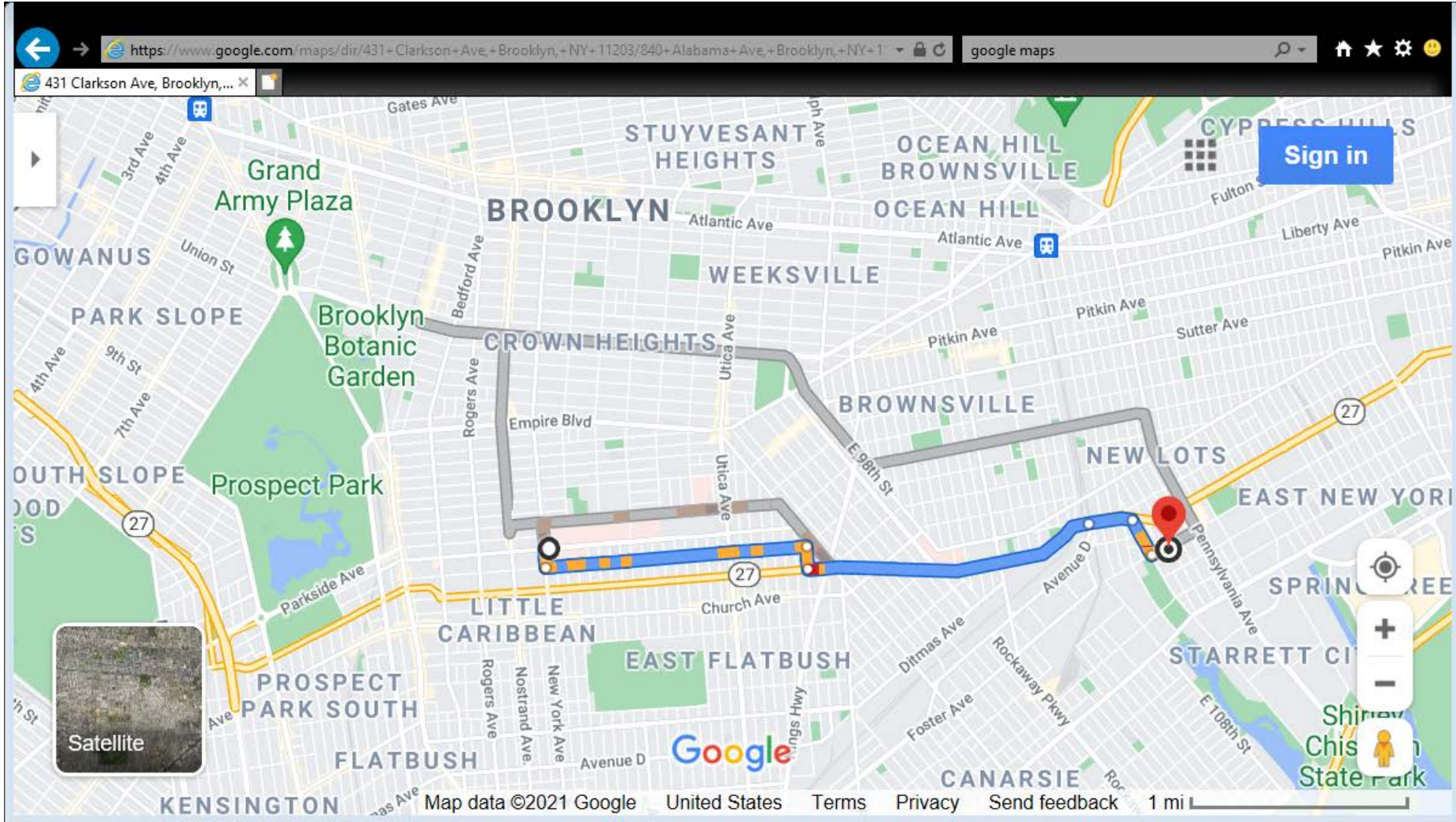
- NYC H+H/Kings has operated a Commodity Supplemental Food Program (“CSFP”) at this location since 1995.
- The program occupies 8,000 square feet of space at \$14.40/sf
- CSFP is a Federal grant funded program designed to improve the health of low-income families by supplementing their diets with nutritious United States Department of Agriculture (“USDA”) commodity foods.
- CSFP is open Tuesday – Friday and every other Monday and Saturday.



Background

- Once a month, a food package is provided to seniors 60 years of age or older who are income eligible and reside in New York City.
- The food package includes 1% low-fat milk, non-fat dry milk, canned fruits and vegetables, canned meats, fish and chicken, cheese, cold and hot cereals, fruit juices, spaghetti, macaroni, whole wheat rice and rotini, peanut butter and dried beans.
- CSFP staff pre-pack and distribute food for local participants as well as participants across the five boroughs. CSFP delivers food to approximately 30 senior centers.
- The program provides guidance on the preparation of nutritious meals and other health information prepared by nutritionists.
- The program's monthly caseload is approximately 10,000 participants.

Map



Lease Term

This resolution requests a three year extension:

- Base Rent is \$17.00/sf
- The three year term will commence October 1, 2021 and end September 30, 2024.
- H+H will hold a five year renewal option. The option term will commence October 1, 2024.
- Total per square foot occupancy cost is within the fair market value range of \$ 17.00 - \$ 26.00/sf
- A United States Department of Agriculture (“USDA”) grant provides funding for the CSFP. The program is administered at the state level by NYS Child and Adult Care Food Program. The grant covers operations including personnel and real estate expenses. Current funding expires September 2024 with future funding anticipated. The program is optimistic about receiving a new five year grant. If the grant is received, H+H will exercise the five year renewal option.

Rent Schedule

Year 1		Year 2		Year 3						
Annual	PSF	Annual	PSF	Annual	PSF	Total				
\$136,000.00	\$17.00	\$139,400.00	\$17.43	\$142,885.00	\$17.86	\$418,285.00				
(Option) 1		Year 2		Year 3		Year 4		Year 5		Total
Annual	PSF	Annual	PSF	Annual	PSF	Annual	PSF	Annual	PSF	Total
\$146,457.13	\$18.31	\$150,118.55	\$18.76	\$153,871.52	\$19.23	\$157,718.30	\$19.71	\$161,661.26	\$20.21	\$769,826.76

First option covering existing CSFD grant:

-Rent for the three year initial term: \$418,285.00

Should the new five year CSFP grant be authorized:

-Rent for the five year option term: \$769,826.76

-Escalation: 2.5% per year

Total authorization request for 8 years for \$1,188,111.76

Board of Directors Request

RESOLVED, that New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to sign a three year lease extension with **SDM of Stanley LLC** at a base rent of \$136,000.00 per year, or \$17.00 per square foot, to be escalated by 2.5% per year for a total of \$418,285.00 for the three year extension term; provided the System will hold an option to renew the lease for an additional five years for a total of \$769,826.76 for the option term with the rent for the three year extension and five year option totaling \$1,188,111.76.

RESOLUTION – 07

Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a five-year revocable license agreement with **Tasty Picks II** (“Tasty Picks”) for a license for the use and occupancy of approximately 1,956 square feet on the first floor of **North Central Bronx Hospital, a Division of NYC Health + Hospitals/Jacobi** (“NCB”) for the operation of a restaurant at a monthly charge of \$5,500/month with annual increases of 3% for a total revenue to the System of \$350,402.95 over the five-year term.

WHEREAS, the System wishes to provide access to affordable, healthy food for the System’s staff, visitors and patients at its facilities and prioritizes such goals over the goal of maximizing income for its facilities from licensing space to commercial businesses; and

WHEREAS, NCB has offered food to staff, patients and visitors since opening in 1976; and

WHEREAS, Tasty Picks, a Bronx-based business, has ten years of catering experience; and

WHEREAS, Tasty Picks has committed to a set of menus and affordable prices that may be changed only with CIH’s approval, such approval not be unreasonably withheld, thereby assuring continued affordable prices; and

WHEREAS, the Executive Director of NCB will manage the proposed contract.

NOW THEREFOR, BE IT RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to sign a five-year revocable license agreement with Tasty Picks II (“**Tasty Picks**”) for a license for the use and occupancy of approximately 1,956 square feet on the first floor of North Central Bronx Hospital, a Division of NYC Health + Hospitals/Jacobi (“**NCB**”) for the operation of a restaurant at a monthly charge of \$5,500/month for a total revenue to the System of \$350,402.95 over the five-year term.

EXECUTIVE SUMMARY
AWARD OF CONTRACT TO
TASTY PICKS II
RESTAURANT AT NORTH CENTRAL BRONX HOSPITAL, A DIVISION OF NYC
HEALTH + HOSPITALS/ JACOBI

BACK-GROUND: The System has made a policy decision to install operators of affordable and healthy food service operators in its hospitals when there is an opportunity to do so and to subordinate the chance to generate higher revenue for its hospitals from such operations in the interest of offering less expensive and healthy food to its staff, visitors and patients.

SELECTION: Tasty Picks is a locally based business with its principal address at Gunhill Road, N.Y. NCB has offered food to staff, patients and visitors since the facility opened in 1976. Tasty Pick's will offer a menu of healthy foods that will include sandwiches, salads, fruit smoothies, and acai bowls. The vendor will comply with the NYC Healthy Beverage Initiative.

TERMS: Tasty Picks will pay a monthly fee of \$5,500 with annual 3% increases over the 5-year term of the agreement. On these terms, NCB will receive \$350,402.95 over the five-year term. Most important, Tasty Picks will not increase its prices without the prior consent of NCB. Similarly, the vendor will not materially change its menu from that proposed. Tasty Picks will pay for its own electricity, cleaning and maintenance.

SAVITT PARTNERS

May 24, 2021

Mr. Dion Wilson
Director of Real Estate
NYC Health + Hospitals
125 Worth Street, Rm 527
New York, NY 10013

Re: Fair Market Value/Appraisal of space within
NYC Health + Hospitals/North Central Bronx
Regarding Food Services
On behalf of NYC Health & Hospitals Corporation

Dear Dion:

Pursuant to your request, you have asked for a Fair Market Value/Appraisal report for the referenced property and location in order to assess its fair market values (FMV) at current rates. These assessments are inclusive of the value of the tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, structural repairs, etc. As the licensee is designated as a not for profit (501C3), real estate taxes are not applicable, however this should also be considered when evaluating the value of the space in order to provide a comprehensive FMV. This appraisal will assess the estimated value of proposed base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The unit will be occupied for food service prep, sales and consumption, and is or will be appropriately zoned for the use of the space.
- The proposed licensor will occupy approximately a total of 1,956 SF within the referenced building.
- This evaluation is for the purpose of establishing the current FMV to lease/license the referenced properties and considers numerous factors including but not limited to location, market conditions, market area comparables, lease terms and conditions, as well as tenant improvements.
- Space is wheelchair accessible.

There are variables that must also be considered in this evaluation. It is apparent that being part of the licensee's main campus/hospital is attractive. The location of the space provides the tenant with an immediate captured customer base. Additionally, the ability to enter into an all-inclusive transaction with no allocation for real estate taxes or other additional charges has value to the tenant/licensee. The provision of tenant services that are uncommon for non-medical facilities, i.e., 24-7 access and the provision of full time services such as HVAC and security must also be factored in this evaluation.

The referenced proposed food service space is located within the medical complex of NYC Health + Hospitals/North Central Bronx, located on Kossuth Avenue in Bronx, NY. This is a unique property within the referenced market area. The proposal offers the prospective licensee access to a population in a full-service hospital building with amenities typically only found in hospitals and full-service medical office buildings. The complex is readily accessible by surface public transit and private vehicles.

It is our experience that space within built medical facilities is valued at a premium, simply due to the fact that it is a finite resource in demand. It is apparent that proximity within the medical facility complex is attractive to the licensee and benefits the facility's patients, staff and visitors. The provision of tenant services that are uncommon for retail facilities, i.e. 24/7 access, even if not fully utilized and the provision of full-time services such as HVAC, repairs and maintenance, security, etc. must also be factored into this evaluation. However, when assessing the value, the fact that the client base is limited to foot traffic within the hospital facility impacts the success of the licensee. The licensee has no opportunity to promote its presence and the average pedestrian walking by the building would not be aware of this food service operation. However, it may not be a factor to this licensee.

The proposed licensee will have access to premises consisting of approximately 1,956 sf part of which 1,500 which will be considered front of the house which will service the customers and 456 sf which will service the kitchen area. The premises will be operating as a food service vendor for staff, patients and visitors. They will operate from the hours of 5:00am to midnight, seven days per week inclusive of weekends and holidays. The licensee will provide as part of the license fee, utilities including electric, water and gas but tenant will provide its own equipment. NCB will provide security as is consistent with what the facility provides for all of the different medical departments and ancillary service areas for the hospital. Licensee will be responsible for any internal security it prefers. As part of licensee's services, it will train all employees with fire safety and evacuation procedures as well as instructions on use of the hospital's compactor which service the hospital will provide. Licensee will be required to update any required certificates for fire extinguisher for its specific use and cooking area. Licensee will also be responsible for keeping permits current as required by the Buildings Department.

During demolition and Construction of the premises, the hospital will be responsible for any asbestos removal and cleaning. Further, the hospital will provide basic maintenance but no repairs. It does not include the cleaning of grease traps or any other equipment located within the demised premises. The hospital will also be responsible for maintaining the common areas of the building. Licensee will be responsible for its own trash removal.

The licensed space is well located on the ground floor within the hospital premises. The main entrance within Kossuth Avenue has a large vestibule waiting area which contains an information desk and a pharmacy, all visible from the entrance. The corridor accessing the main elevator banks requires all foot traffic to pass the entrance to this facility. For obvious reasons, this provides the licensee with tremendous exposure without having to remind its customers of where to be found. This serves as an immeasurable benefit to the licensee.

CONCLUSION

The ability to access the space and the provision of food services without interruption is an amenity that would benefit any food service licensee. This retail license, however, remains viable only as long as access to these locations is available. If the Hospital restricts access either by reducing hours of access or adjusting the flow of the ground floor population, then the viability of this use will change. We do not, however, envision this will be the case during the term of this license. In evaluating this space, a minimal expense as described for improvements was assumed to allow the space to function as intended.

For the purposes of this appraisal, we have been advised that all operating expenses, i.e. security, refuse removal, utilities, basic repairs and maintenance, service contracts, etc. are provided by the licensee.

In conclusion, this analysis finds that the FMV for this space is essentially a hybrid, due to the location of the spaces, use, captive audience, and lack of ability or need to promote as a true retail food service operation. It does provide the licensor with an immediate client base. It is our professional opinion, therefore, that the value of the referenced ground floor space is \$34 per rsf. The space is improved to the extent described, so the licensor would have minimal additional expenses in further retrofitting this space for its use or for its own branding. It would not be necessary to provide the licensor with a construction concession or rent abatement given the licensor's ability to begin operating immediately.

It would be appropriate for the licensee to negotiate an escalation provision to the base rent/fee of 3.00% commencing in the second year of the license agreement. This increase would be annually and compounded. These terms would be commercially fair and reasonable based on the data and information assessed in this report.

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

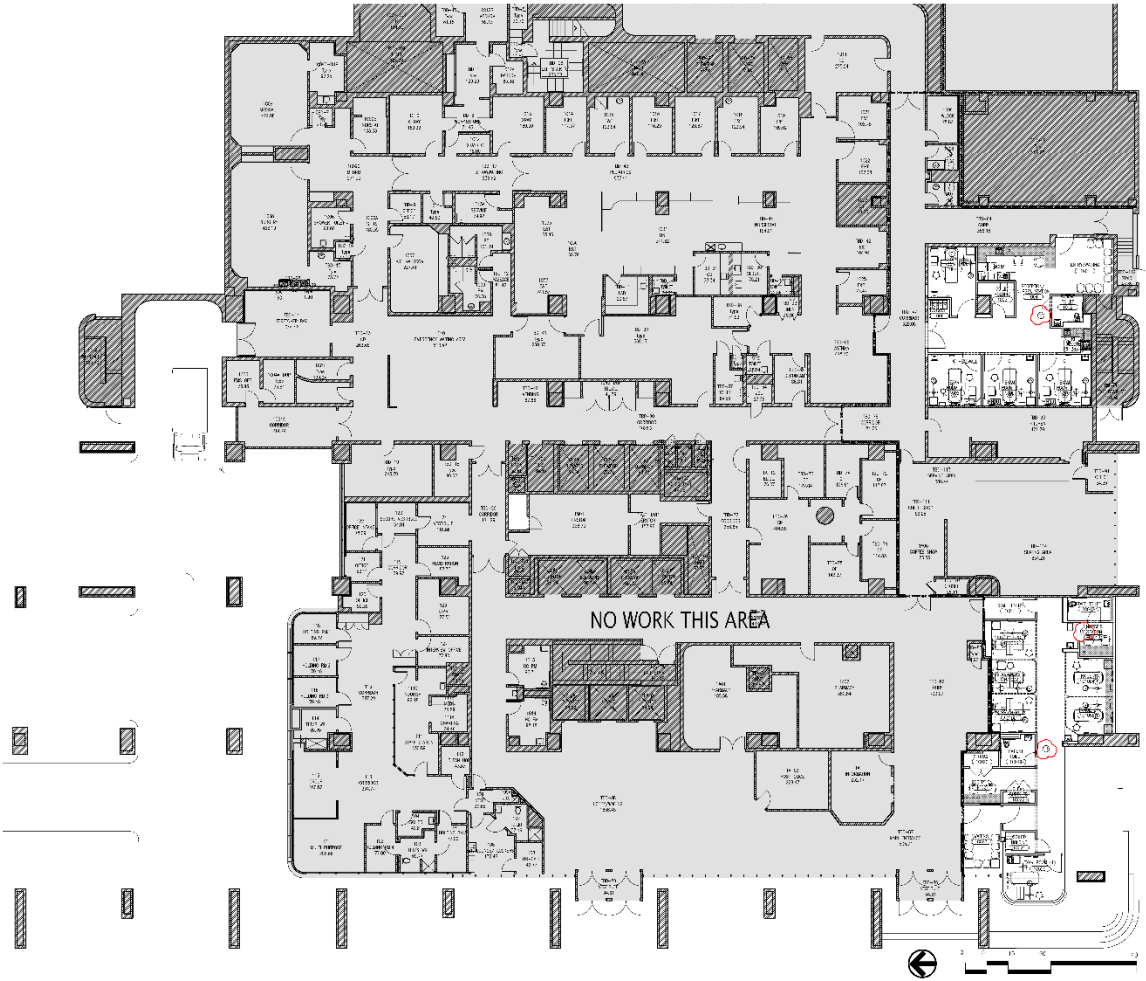
Thank You.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Michael E. Dubin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael E. Dubin
Partner

Addendum: Floor Plan





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

From: Keith Tallbe Tallbe,
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: Tasty Picks II, Corp.

Date: May 25, 2021

Digitally signed by
Tallbe, Keith
Date: 2021.05.25
12:30:21 -04'00'

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>
Pending	N/A	N/A

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.

RESOLUTION - 08

Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a five-year revocable license agreement with **Andy’s of Kings County, Corp.** (“Andy’s”) for a license for the use and occupancy of approximately 3,336 square feet on the first floor of **NYC Health + Hospitals/Coney Island Hospital (“CIH”)** for the operation of a **restaurant** at a monthly charge of \$8,000/month for the first year of operation with annual increases of 3%, provided there shall be a six month 50% rent abatement at the start of the agreement, for a total revenue to the System of \$485,667 over the five-year term.

WHEREAS, the System wishes to provide access to affordable, healthy food for the System’s staff, visitors and patients at its facilities and prioritizes such goals over the goal of maximizing income for its facilities from licensing space to commercial businesses; and

WHEREAS, CIH has no restaurant operator on its premises leaving its staff, visitors and patients without restaurant services;

WHEREAS, Andy’s manages a successful operation at NYC Health + Hospitals/Kings County Hospital Center, has had prior agreements with CIH, has filled in at CIH during the past several years when there were gaps in service under other food service operators and has shown itself to be a friend of CIH over the years; and

WHEREAS, Andy’s has committed to a set of menus and affordable prices that, except for annual CPI increases, may be changed only with CIH’s approval thereby assuring continued affordable prices; and

WHEREAS, the Executive Director of CIH will manage the proposed contract.

NOW THEREFOR, BE IT RESOLVED, that New York City Health and Hospitals Corporation be and it hereby is authorized to sign a five-year revocable license agreement with Andy’s of Kings County, Corp. (“**Andy’s**”) for a license for the use and occupancy of approximately 3,336 square feet on the first floor of NYC Health + Hospitals/Coney Island Hospital (“**CIH**”) for the operation of a restaurant at a monthly charge of \$8,000/month for the first year of operation with annual increases of 3%, provided there shall be a six month 50% rent abatement at the start of the agreement, for a total revenue to the System of \$485,667 over the five-year term.

EXECUTIVE SUMMARY
AWARD OF CONTRACT TO
ANDY'S OF KINGS COUNTY, CORP.
RESTAURANT AT NYC HEALTH+HOSPITALS/CONEY ISLAND HOSPITAL

BACK-GROUND: The System has made a policy decision to install operators of affordable and healthy food service operators in its hospitals when there is an opportunity to do so and to subordinate the chance to generate higher revenue for its hospitals from such operations in the interest of offering less expensive and healthy food to its staff, visitors and patients. CIH has been without a restaurant operator throughout the COVID epidemic and management is anxious to provide this service to its staff, visitors and patients.

SELECTION Andy's is well known to CIH from prior operations at the facility and from its successful

OF ANDY'S: operation of a restaurant at NYC Health + Hospitals/Kings County Hospital Center. Andy's record at KCHC and its willingness to step up to help CIH in the past when a need arose convinced management that Andy's would be a reliable contractor and would offer good and affordable meals in the interest of CIH and its community. Management has had the chance to sample Andy's food on numerous occasions and has found it to be quite good.

TERMS: Andy's will pay a monthly fee of \$8,000 with annual 3% increases over the 5-year term of the agreement. Andy's will get a 50% discount on its occupancy fee during the initial six months of operations. On these terms, CIH will receive \$485,667 over the five-year term. Most important, Andy has agreed to start its prices at those charged at other locations from several years ago and, except for CPI increases, Andy's will not increase its prices without the prior consent of the CIH E.D. Similarly, Andy's will not materially change its menu from that proposed. Andy's will pay for its own electricity, cleaning and maintenance.



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

From: Keith Tallbe Tallbe, Digitally signed
by Tallbe, Keith
Date: 2021.05.25
12:31:42 -04'00'
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: Andy's of Kings County, Corp.

Date: May 25, 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>
Pending	N/A	N/A

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.

SAVITT PARTNERS

May 24, 2021

Mr. Dion Wilson
Director of Real Estate
NYC Health + Hospitals
125 Worth Street, Rm 527
New York, NY 10013

Re: Fair Market Value/Appraisal of space within the
NYC Health + Hospitals/Coney Island, Brooklyn, NY
Regarding Food Services
On behalf of NYC Health & Hospitals Corporation

Dear Dion:

Pursuant to your request, you have asked for a Fair Market Value/Appraisal report for the referenced property and location in order to assess its fair market value (FMV) at current rates. These assessments are inclusive of the value of the tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, structural repairs, etc. As the licensee is designated as a not for profit (501C3), real estate taxes are not applicable, accordingly this should be considered when evaluating the value of the space in order to provide a comprehensive FMV. This appraisal will assess the estimated value of the now current base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The unit is currently occupied for food service prep, sales and consumption, and is appropriately zoned for the current use of the space.
- The proposed licensor will occupy approximately a total of 3,336 SF within the referenced buildings.
- The Licensed Space is located on the first floor of Coney Island Hospital's main Building. The location is adjacent to the outpatient entrance of the Hospital on Ocean Parkway, Brooklyn, NY.
- Licensed Space is wheelchair accessible.
- The Licensee is currently renovating the Licensed Space.
- This evaluation is for the purpose of establishing the current FMV to lease/license the referenced property and considers numerous factors including but not limited to location, market conditions, market area comparables, lease terms and conditions, as well as tenant improvements.

There are additional variables to be considered in this evaluation. It is apparent that being part of the licensee's main campus is attractive. The location of the space provides the tenant with an immediate captured customer base. Additionally, the ability to enter into an all-inclusive transaction with no allocation for real estate taxes or other additional charges has value to the

tenant/licensee. The provision of tenant services that are uncommon for non-medical facilities, i.e., 24-7 access and the provision of full-time services such as HVAC and security must also be factored in this evaluation.

The referenced food service space is located within the medical complex of NYC Health + Hospitals/Coney Island adjacent to the hospital outpatient entrance on Ocean Avenue. This is a unique property within the referenced market area. The proposal offers the prospective licensor access to a population in a full-service hospital building with amenities typically only found in hospitals and full-service medical office buildings. The complex is readily accessible by surface transit and conveniently situated off the Ocean Parkway.

It is our experience that within a space, whether it be for actual medical use or supplemental in some uses, the medical faculty is valued at a premium, simply due the fact that it is a finite resource which is in demand. It is apparent that proximity within the medical facility complex is attractive to the licensor and benefits the facility's patients, staff, and visitors as well. The provision of tenant services that are uncommon for retail facilities, i.e. 24/7 access, even if not utilized and the provision of full-time services such as HVAC, repairs and maintenance, security, etc. must also be factored into this evaluation. However, when assessing the value, the fact that the client base is limited to foot traffic within the hospital facility impacts the success of the licensor. The licensor has no opportunity to promote its presence, and the average pedestrian walking by the building would not be aware of this food service operation. However, it may not be a factor to this licensor.

The proposed licensor operates (or will operate) a food service retail location within the NYC Health + Hospitals/Coney Island Campus, more specifically located adjacent to the hospital's hospital outpatient clinic on the Ocean Parkway entrance. The licensee will be installing new equipment and other furnishings with an investment estimated to be around \$110,000 for ovens, tables, chairs, and other equipment. The licensee will also be spending around \$15,000 on miscellaneous construction within the premises.

The licensee will be responsible for the cost of its home and IT services, internet, pest control, general cleaning, and overall maintenance of the space during its term. The square footage of the demised space totals 3,336 rsf. It is demised internally with 1,394 square feet for dining, 1,324 rsf for food service and 608 rsf for backup purposes.

CONCLUSION

The ability to access the space and the provision of food services without interruption is an amenity that would benefit any food service licensor. This retail licensor, however, remains viable only as long as access to these locations is available. If the Hospital restricts access either by reducing hours of access or adjusting the flow of the ground floor population, then the viability of this use will change. In evaluating these spaces, a significant expense for tenant improvements was assumed since the spaces exist and function as intended.

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

In conclusion, this analysis finds that the FMV for this space is essentially a hybrid, due to the location of the space, use, captive audience, and lack of ability or need to promote as a true retail food service operation. It does provide the licensor with an immediate client base. It is our professional opinion, therefore, that the value of the referenced ground floor space is \$29 per RSF. Again, the space is improved so the licensor would have minimal expense in retrofitting this space other than previously described for its use or for its own branding.

It would be appropriate for the licensee to negotiate an escalation provision to the base rent/fee of 3.00% commencing in the second year of the license agreement. This increase would be annually and compounded. These terms would be commercially fair and reasonable based on the data and information assessed in this report.

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

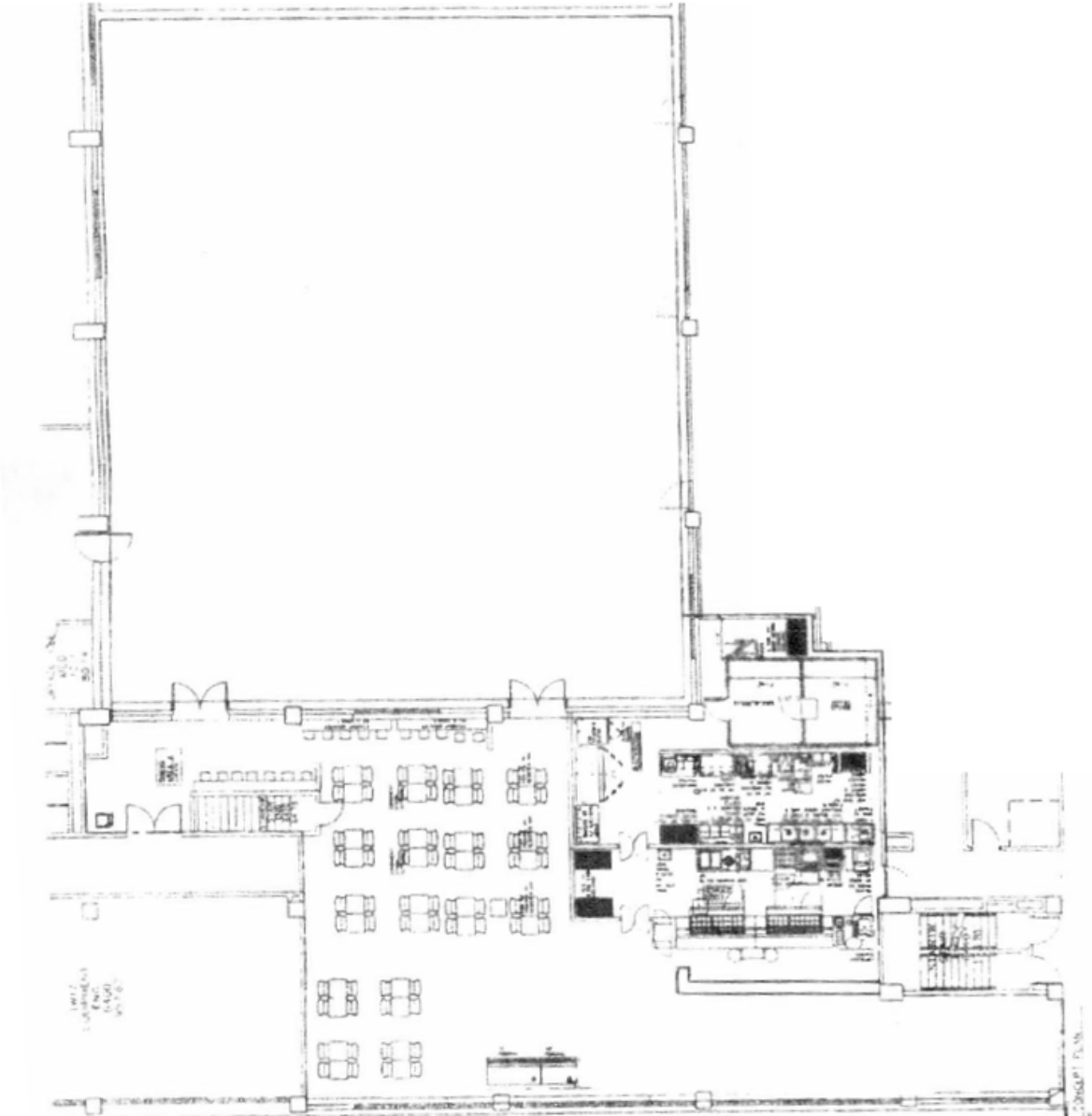
Thank You.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Michael E. Dubin". The signature is fluid and cursive, with a long horizontal flourish at the end.

Michael E. Dubin
Partner

Addendum: Floor Plan



NYC H+H/North Central Bronx Hospital Tasty Picks II Corp.

NYC H+H/Coney Island Hospital Andy's of Kings County

Board of Directors Meeting
June 24, 2021

Christopher Mastromano, Executive Director, NYC Health + Hospitals/Jacobi
Svetlana Lipyanskaya, Executive Director, NYC Health + Hospitals/Coney Island
Christine Flaherty, Senior Vice President, Office of Facilities Development
Paul Albertson, Vice President, Supply Chain & Business Operations

Background: Food vendors at H+H facilities

- Convenient onsite food options is important to staff and patient satisfaction.
 - Facilities are not near retail corridors
 - Work schedules require easy access to food
 - Healthy food options are core to H+H values
 - Cost conscious pricing allows access to all
- The System has made a policy decision to install operators of affordable and healthy food service when there is an opportunity to do so and to subordinate the opportunity to generate higher revenue for its facilities in the interest of offering less expensive food to staff, visitors and patients.
- SNAP not currently accepted at any of these locations

Background: Food vendors at H+H facilities

- Current agreements have been structured as concessions which require the vendor to share profit with the facility.
- H+H wishes to shift future food agreements to licenses for simpler administration and in recognition that the food service operators virtually never paid more than the stated minimum.
- Vendors are required to provide cost reasonable healthy food options and appropriately improve and maintain the space, per each facility's needs.
- Including the vendors to be located at North Central Bronx and Coney Island, there are ten facilities with food vendors.

NYC H+H/North Central Bronx Hospital Tasty Picks II Corp.

Christopher Mastromano, Executive Director, NYC Health + Hospitals/Jacobi

Food Options at North Central Bronx

- North Central Bronx has offered food to staff and visitors since 1976.
- Multiple inquiries were made to local businesses and Tasty Picks II provided the best most cost reasonable options
- Tasty Picks II Corp. is a Bronx-based local business with ten years of experience.
- Tasty Picks II Corp. will offer a menu of healthy food options that will include sandwiches, salads, fruit smoothies and acai bowls. They will comply with the NYC Healthy Beverage Initiative.
- Space is currently being used as a COVID Vaccine waiting area

NCB: License Agreement Terms

This resolution requests a License Agreement with the following terms:

- Occupancy fee of \$5,500/month. The occupancy fee will be escalated by 3% per year for a total of \$350,402.95 over the five year term.
- The licensee will occupy 1,956 sf of space of the first floor. The first year occupancy fee will be \$65,995,44.
- Term: Five years
- The occupancy fee is \$33.74/sf (including utilities). The market value of the space is \$34.00/sf.
- Agreement may be terminated upon thirty days notice.
- Additional key terms:
 - Except for CPI changes, menu price increases must be approved by NCB.

RESOLVED, that the New York City Health and Hospitals Corporation (the “System”) be and hereby is authorized to sign a five year revocable license agreement with Tasty Picks II Corp. for use and occupancy of 1,956 square feet on the first floor of North Central Bronx Hospital, a Division of NYC Health + Hospitals/Jacobi at an occupancy fee of \$5,500/month with annual increases of 3% per year, for a total of \$350,402.95 over the five year term.

NYC H+H/Coney Island Hospital Andy's of Kings County

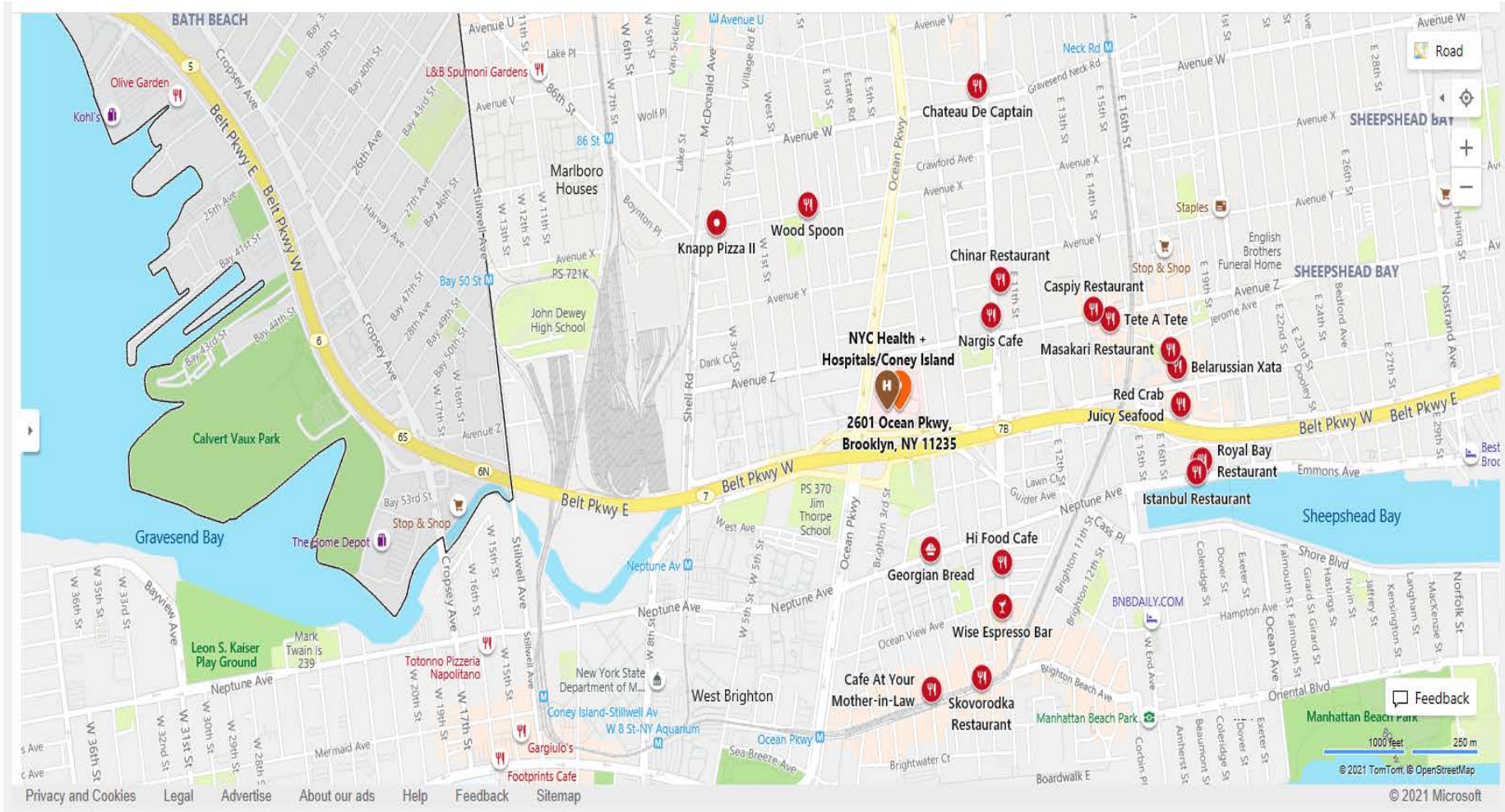
Svetlana Lipyanskaya, Executive Director, NYC Health + Hospitals/Coney Island

Food Options at Coney Island

- Coney Island has offered food to staff and visitors since 1998.
- Will serve approximately 100,000+ staff, visitors, and patients annually.
- Andy's will occupy 3,336 sf on the 1st floor of the Main Building. They will build out the space at their own cost.
- Operates at Kings County Hospital Center.
- Andy's will offer a menu of healthy food options that will include fresh fruits and vegetables; whole grain; baked, grilled, steamed, and sautéed food; right-sized portions; desserts and snacks under 200 calories; and water and other low calorie beverage. They will comply with the NYC Healthy Beverage Initiative.
- Andy's has operated the food concession at Coney Island in the past, during the period from February 1998 to December 2000, March 2007 to April 2010. Additionally Andy's operated the Hospital's Gift Shop for over twelve (12) years.

Coney Island: Limited Local Food Access

Nearest Food Access is .4 miles on Coney Island Avenue



This resolution requests a License Agreement with the following terms:

- Occupancy fee of \$8,000/month with a six month 50% occupancy fee abatement at the beginning of the license agreement. The occupancy fee will be escalated by 3% per year for a total of \$485,667 over the five year term.
- The licensee will occupy 3,336 sf on the first floor of the Main Building.
- Term: Five years commencing August 15, 2021 and ending August 14, 2026.
- The occupancy fee is \$28.77/sf (including utilities). The market value of the space is \$29.00/sf.
- Agreement may be terminated upon thirty days notice.
- Additional key terms:
 - Except for CPI changes, menu price increases must be approved by Coney Island.

RESOLVED, that the New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to sign a five year revocable license agreement with Andy's of Kings County, Corp. for use and occupancy of 3,336 square feet on the first floor of NYC H+H/Coney Island at an occupancy fee of \$8,000/month for the first year of operation with a six month 50% rent abatement during the start of the agreement with annual increases of 3% per year, for a total of \$485,667 over the five year term.

RESOLUTION – 09

**AMENDED FROM COMMITTEE APPROVAL TO CHANGE ENTITY
NAME FROM NEW YORK UNIVERSITY MEDICAL CENTER TO NEW
YORK UNIVERSITY GROSSMAN SCHOOL OF MEDICINE**

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a five-year revocable license agreement with **New York University Grossman School of Medicine (“NYUSM”)** for its use and occupancy of **42,880 square feet of office space and 15,691 square feet of laboratory space in the C&D and Administration Buildings at NYC Health + Hospitals/Bellevue Hospital Center** (the “Facility”) for administrative offices and in connection with its residency and research programs at \$52.80/sf for office space and \$58.50/sf for laboratory space to be escalated annually by 2.5% with the price per square foot to be reset to market after two years.

WHEREAS, NYUSM, a not-for profit medical facility, is the-long standing medical affiliate of the Facility; and

WHEREAS, NYUSM occupies space at the Facility under its Affiliation Agreement between NYUSM and the System to house its activities under such agreement; and

WHEREAS, NYUSM uses additional space at the Facility for its residency and research programs in addition to the space used for its activities under the Affiliation Agreement; and

WHEREAS, in 2011 and in 2016, the System’s Board of Directors authorized licenses to NYUSM for such non-affiliate space; and

WHEREAS, the Facility has determined that it continues to have sufficient space available to accommodate NYUSM’s additional needs and that licensing such additional space to NYUM is in the best interests of the Facility;

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals (the “System”) be and it hereby is authorized to execute a five-year revocable license agreement with New York University Medical Center (“NYUSM”) for its use and occupancy of 42,880 square feet of office space and 15,691square feet of laboratory space in the C&D and Administration Buildings at NYC Health + Hospitals/Bellevue Hospital Center (the “Facility”) for administrative offices and in connection with its residency and research programs at \$52.80/sf for office space and \$58.50/sf for laboratory space to be escalated annually by 2.5% with the price per square foot to be reset to market after two years.

EXECUTIVE SUMMARY

NEW YORK UNIVERSITY MEDICAL CENTER LICENCE OF NON-AFFILIATE SPACE NYC HEALTH+HOSPITALS/BELLEVUE HOSPITAL CENTER

BACK-GROUND: NYUSM, a not-for profit medical school and hospital, is the-long standing medical affiliate of the Facility. In connection with its Affiliation-related work, NYUSM occupies space within the Facility which is subject to the Affiliation Agreement. However, NYUSM occupies other space at the Facility unrelated to its role as Medical Affiliate and does so pursuant to a Space License Agreement with the System that was first authorized in 2011 and was renewed in 2016. The exact amount of space that NYU wishes to occupy and the rate at which it has paid for such space has changed. In 2016, NYUSM occupied 15,691 square feet of laboratory space at a rate, which by last year, had come to \$60.86/sf. NYUSM also occupied 42,880 square feet of office space at a rate which, by last year had escalated to \$54.14/sf.

NEED: NYUSM continues to need 15,691 square feet of laboratory space and 42,880 square feet of office space. The office space is used in connection with its Adult Psychiatric, Emergency, Entomology, Medicine, Neurology, Neurosurgery, OBGYN, Ophthalmology, Pediatrics, and Surgery Residency programs including offices and reception areas, faculty offices, patient treatment and residency education space; in connection with its Adult Psychiatric, AIDS Clinic, Behavioral Neurology, Brain Research Laboratory, Center for Immigration Health, Entomology, Family Planning, Inspire, Medicine, Neurology, Cancer Institute, Ophthalmology, Pediatrics, Psychoanalytic, Sleep Laboratory and Surgery Research Programs including for office and reception areas, file storage, conference rooms, data management, patient consultation, kitchen, storage, research, laboratories, examination rooms, break rooms, lounges, primary care treatment, and observation purposes.

TERMS: Initially, NYUSM will pay for its laboratory space at \$58.50/sf and its office space at \$52.80 /sf. The rate will increase from the first to the second year at 2.5%. Due to the unsettled nature of the real estate market due to the COVID epidemic, it was agreed that the rates for years 3 – 5 and the rate of increase after year two would be subject to a further FMV assessment.

The Facility will provide utilities, garbage collection, building security and structural repairs. NYUSM will provide equipment, interior repairs, housekeeping, and non-structural repairs to the licensed space and will pay for all additional services required.



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

From: Keith Tallbe Tallbe, Digitally signed by
Tallbe, Keith
Date: 2021.05.25
12:37:58 -04'00'
Senior Counsel Keith
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: NYU Grossman School of Medicine

Date: May 25, 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	Approved	N/A

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.

SAVITT PARTNERS

January 11, 2021

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

Re: Updated Fair Market Value/appraisal of space within the Bellevue Hospital Center
Regarding specified floors within Buildings A, C & D, H
On behalf of NYC Health & Hospitals Corporation

Dear Dion:

Pursuant to your request, the fair market value/appraisal report dated May 6, 2011 and as amended on February 17, 2016 for the referenced property and locations is now being revisited in order to assess their respective fair market values (FMV) at current rates. These assessments are inclusive of the value of the tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, structural repairs, etc. As the owner is designated as a Not for Profit (501(c)(3)), real estate taxes are not applicable, however this should also be considered when evaluating the value of the space in order to provide a comprehensive FMV. This updated appraisal will assess the estimated value of the now-current base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The units are currently occupied by the original tenant for which this initial report was generated and are appropriately zoned for the current use of the space.
- The existing licensor will continue to occupy approximately a total of 64,907 rsf within the referenced buildings.
- This evaluation is for the purpose of establishing the current FMV to lease/license the referenced property and considers numerous factors including but not limited to location, market conditions, market area comparables, lease terms and conditions, as well as tenant improvements.

There are additional variables that must also be considered in this evaluation. It is apparent that proximity to the licensee's main campus is attractive. Additionally, the ability to enter into an all-inclusive transaction with no allocation for real estate taxes or other additional charges has value to the tenant/licensee. The provision of tenant services that are uncommon for non-medical facilities, i.e., 24-7 access and the provision of full-time services such as HVAC and security must also be factored in this evaluation.

The referenced medical spaces are located within the medical complex of Bellevue Hospital Center on First Avenue in the Kips Bay market area. This is a unique property within the

referenced market area; however there are numerous medical facilities, hospitals and private physician practices in the immediate area providing a benchmark for market rents. The initial proposal offered the licensee a full-service hospital building with amenities typically only found in hospitals and full-service medical office buildings, and not commercial properties. The complex is readily accessible by mass transit and conveniently situated off the FDR Drive for vehicular transit. The extension offers the same benefits.

Kips Bay and specifically First Avenue have numerous medical health care providers. The market conditions have been established and are readily available for comparison. Medical and laboratory spaces in this market area range from \$42 - \$80 per RSF. This market, up to the current Covid-19 pandemic rent adjustments, had seen an increase in asking rents from the 2011 initial agreement, and landlord concessions have also been reduced. Therefore, the ability to procure built out “turn-key” medical office space has experienced an increase in comprehensive expenses. For example, private physician offices in the Peter Cooper Stuyvesant Square housing complex garner rents in the range of \$46 - \$70 per RSF. Adjacent neighborhoods such as properties on Park Avenue South and Union Square have continued to garner stable and increased rents for medical space in this market. (Note: The aforementioned markets have not experienced a decrease in rents and continue to remain relatively stable. Although these areas have numerous medical sites, the lack of product, i.e. rental opportunities, has maintained a stable rental market.) It is important to consider that commercial landlords in this area consider medical use “less desirable” and would prefer typical commercial tenants. This variable is factored in this assessment as well.

Most of the opportunity for medical office space in this market is for undeveloped space; therefore, the space would require build out and a major capital expenditure by the tenant. Administrative office space is more competitive and can still achieve rents in the low to mid \$40 RSF range.

The current use is an important factor in assessing the value. Even if the licensee developed the space the prospective rental value to another tenant must be considered. The value of the build out space for the Sleep Laboratory would be between \$150 - \$200 per RSF. The value for administrative office space is between \$60 - \$90 per RSF. The following is the assessment of each location on a site-by-site basis.

BUILDING A, 5TH FLOOR

This space is allocated for administrative use by Virology. Although well maintained, the space continues to remain dated and the tenant improvement has depreciated and has long ago been fully amortized. Air conditioning is provided by window units and heating is by cast iron perimeter steam units. The cost to build out the support office space is \$60 - \$90 per RSF.

BUILDINGS C & D 6TH FLOOR

The space was renovated, prior to the initial license agreement term, and retro-fitted from the previous use for dorm rooms (housing for nurses/residents) to administrative space and lab use. Air conditioning is again provided by window units. The rooms are approximately 100 RSF. The current installation is now ten years old.

H BUILDING, 7TH FLOOR

This space is predominantly utilized for laboratory and administrative use. The entire floor is occupied by the tenant. The aforementioned ability to provide the tenant and its patients with 24-7 access is crucial for the sleep disorder clinic.

CONCLUSION

As a result of the Covid-19 pandemic, real estate office space, whether designed or built for general office use or as a specialty service including medical, laboratory, or other specific services has seen a dramatic discount of landlord's asking rent and landlord's taking prices across the entire spectrum.

While the market up to the pandemic's appearance had increased from the earlier fair market value analysis dates 2/17/16, by as much as 25%, there has been a steep and dramatic decline in values. We estimate that this decline erases virtually all of the previous gains achieved over the past five years. Accordingly, we are comfortable that the pricing for any license or lease extension remains at the current escalated rents at no increase in pricing.

The value of additional services provided by the licensee (electric, security, common area services) are included in this assessment and allow for the rents being held at current rates, without the base rents being further discounted or adjusted.

Again, the ability to access the space and the provision of services without interruption is an amenity that benefits the licensee. The tenant improvement factor must be considered due to the costs associated with relocation and build out. Relocating would entail an extensive up-front expense for the licensee.

All of the locations that were inspected were handicapped accessible and ADA compliant. Again, 24-7 security is a valuable amenity provided by the licensor. All of the lavatories throughout the facility are ADA compliant. The corridors are also wheelchair accessible (over 6 feet wide). The elevators are also able to accommodate stretchers which would not be available in most commercial buildings.

There are numerous exam rooms and administrative offices throughout the building providing space for several modalities including residency research programs, as well as supportive administrative offices. Most of the exam rooms and administrative offices are over 100/RSF. IT/IS service is inclusive in the fee. For the purpose of this appraisal, we shall assume that all operating expenses, i.e., security housekeeping, refuse removal, utilities, service contracts, etc. are provided by the landlord, other than the original fee of \$17,000 per annum fee for electrical service which we assess to be WELL below market (industry standard is now between \$3.50 - \$3.75 per RSF).

The following are fee/rent ranges for the referenced facilities/spaces:

BUILDING A 5th FLOOR: The supportive administrative space would now be valued at \$52 - \$55 per RSF.

BUILDING C&D 6th FLOOR: The space was renovated prior to the initial license agreement, although the tenant improvement dollars allocated for renovation were not extensive. It is our observation that this space can garner a rent of \$50 - \$55 per RSF.

H BUILDING 7TH FLOOR: Although this is considered "lab space" it is used to treat patients suffering from Sleep Disorders which is not similar to the lab-use in buildings C or D. Sleep Disorder clinical offices do not entail a major expenditure for tenant improvement to develop the space. The lab space has a current value of \$55 - \$62 per RSF, over the initial license agreement term. This rental fee takes into consideration the unique use and that access, along with building services are necessary after typical business hours.

Additionally, there are other factors that the tenant must consider; limited relocation opportunities, extensive expenses to build out new space (with minimal landlord concessions) and invasive use. These variables were factored into the appraisal as well.

In conclusion, this analysis finds that the FMV for these individual spaces have greater value than commercial opportunities within the same market district. It would be appropriate to negotiate an escalation provision to the base rent/fee of 1.75% to 2.50% compounded commencing in the second year of the license agreement extension. These would be commercially fair and reasonable terms based on the data and information assessed in this report. This appraisal also takes into consideration the comparable commercial rents within the immediate market areas specifically for medical properties, as well as for limited availability for similar sized opportunities.

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

Thank You.

Very Truly Yours,

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

Michael E. Dubin
Partner

**NYC Health + Hospitals/Bellevue Hospital
Center
New York University Grossman
School of Medicine
License of Non-Affiliate Space**

Board of Directors Meeting
June 24, 2021

Christopher Roberson, Director of Contracts, Design & Construction NYC
Health + Hospitals/Bellevue
Christine Flaherty, Sr. Vice President, Office of Facilities Development

Background

- New York University Grossman School of Medicine (“NYUSM”), a not-for-profit medical school and hospital is the long-standing medical affiliate of NYC H+H/Bellevue (“Bellevue”).
- NYUSM occupies space at Bellevue subject to the Affiliation Agreement. It also occupies space unrelated to its role as Medical Affiliate under a Space License Agreement first authorized in 2011 and renewed in 2016. Under the license agreement, NYUMC pays the System an occupancy fee at a fair market value rate.
- In 2016, NYUSM occupied 15,691 sf of laboratory space which has escalated to a rate of \$60.86/sf and 42,880 sf of administrative office space which has escalated to a rate of \$54.14/sf.
- The administrative office space is used in connection with Adult Psychiatric, Medicine, Neurology, Ophthalmology, Orthopedics, Pediatric and Surgery programs.
- The laboratory space is used primarily for research and includes Medicine, Neurology, Pediatric, ENT, and Cancer programs and may involve clinical studies, device testing, drug trials, medical record reviews, and social or behavioral observation.

License Terms

- NYUSM will occupy 15,691 sf of laboratory space at a rate of \$58.50/sf for a total of \$917,923.50 per year.
- NYUSM will occupy 42,880 sf of administrative office space at a rate of \$52.80/sf for a total of \$2,264,064.00 per year.
- The total annual occupancy fee will be \$3,181,987.60.
- The occupancy will be escalated by 2.5% per year and will be reset at the market rate after two years.
- The term of the license agreement will be five years terminable for convenience in part or whole.
- The facility will provide utilities, garbage collection, building security. NYUSM will provide equipment, interior repairs, housekeeping, non-structural repairs, and will pay for other services required.

Board of Directors Request

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a revocable five-year license agreement with New York University Grossman School of Medicine (the “NYUSM”) for its use and occupancy of 42,880 square feet of office space and 15,691 square feet of laboratory space in the C&D and Administrative Buildings at NYC Health + Hospitals/Bellevue Hospital Center (the “Facility”) for administrative offices in connection with its residency and research programs at a rate of \$52.80/sf for the office space and \$58.50/sf for the laboratory space to be escalated by 2.5% annually with the price per square foot to be reset to market after two years.