

FINANCE COMMITTEE AGENDA

Date: July 21, 2021
Time: 9:30 am
Location: 125 Worth Street, Board Room

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| I. Call to Order
Adoption of the June 07, 2021 Minutes | Freda Wang |
| II. Action Item: Waste Management Services
Authorizing the New York City Health and Hospitals Corporation (the “ System ”) to sign 2-year agreements with each of Approved Storage and Waste Handling, Inc. (“ ASWH ”) and Action Carting Environmental Services, Inc. (“ Action ”) for waste management services with options to renew each agreement for 2 years held exclusively by the System subject to expenditure limits not to be exceeded on the ASWH agreement of \$10,058,560 for the initial term, \$6,902,000 for the Action agreement during the initial term, \$10,058,560 on the ASWH agreement during the renewal term and \$7,322,332 for the Action agreement during the renewal term. | Paul Albertson |
| III. Action Item: DOE and Mobile Unit Testing Expansion
Authorizing the New York City Health and Hospitals Corporation (the “ System ”) to sign 11-month agreements with each of the 12 vendors listed in Annex A attached to this Resolution (each a “ Vendor ” and together, the “ Vendors ”) to perform COVID testing both in schools and in the community on an as-needed basis for an amount for all Vendors not to exceed \$250,480,410. | Chris Keeley |
| IV. Financial Update | John Ulberg |
| V. Old Business | Freda Wang |
| VI. New Business | |
| VII. Adjournment | |

MINUTES

Finance Committee

Meeting Date: June 07, 2021

Board of Directors

The meeting of the Finance Committee of the Board of Directors was held on June 07, 2021 virtually with Freda Wang presiding as Chairperson.

Attendees

Committee Members

Freda Wang, José Pagán, Mitchell Katz, Sally Hernandez-Piñero, Feniosky Peña-Mora, Phillip Wadle – left at 11:05

H+H Staff

John Ulberg, Krista Olson, Matt Siegler, Ted Long, Paul Albertson, Joe Wilson, Danielle Dibari, Ana Marengo, Andrea Cohen, Anna Leise, Baily Jones, Jay Weinman, Keith Tallbe, Sarah Lum

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 12:08 p.m.

Upon motion passed and duly seconded the minutes of Finance Committee meeting held on May 10, 2021 was adopted.

Ms. Wang called for a vote to move the finance committee into executive session which was duly seconded and approved.

The Finance Committee then went into executive session at 12:09 p.m.

Executive session ended at 12:30 p.m.

ACTION ITEM: Cardinal Health Contract Renewal

Mr. Paul Albertson introduced the Cardinal Health Contract Renewal action item by reading the Resolution.

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.

Mr. Joe Wilson reviewed the background of the contract action item. 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 and a subsequent one-year renewal was

executed on August 1, 2020. The estimated annual spend is \$110,000,000, where current spending is \$154,146,881. There is a 1.1% Markup on National Brand products and a 0% Markup on Cardinal brand products. All products are selected and sourced directly by the System. There is an 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. We have enjoyed \$13,201,830 in savings since August 2017. We continue to believe that the 1.1% national brand and 0% cardinal brand product is an industry low.

Mr. Wilson continued to discuss the market overview. There are three suppliers representing 95% of the distribution market. Cardinal is the only supplier than can provide medical surgical, lab, and pharmacy distribution. They also provide dedicated on-site resources as part of the support model. Other companies such as Owens & Minor and Medline have been for sale since 2019 and 2021 respectively.

Mr. Wilson reviewed key highlights in the Cardinal partnership including distribution, COVID support, and operations. In distribution, they pre-purchase and warehouse products, they deliver 5 days per week with weekend courier service available, and they have dedicated employees at our facilities.

For COVID support, Cardinal was able to source difficult to obtain items such as PPE, critical care, and vent supplies. We had 24/7 access to warehouse and logistics support and the movement of products overnight to ensure availability. Cardinal also worked with manufacturers to review HEALTH + HOSPITALS sourced product to ensure authenticity and made on-site clinical support available to build custom kits from alternate sourced products to ensure OR procedures were not interrupted.

Operationally, Cardinal transitioned from bulk ordering to just-in-time ordering, uses ValueLink program, and has been essential to the daily operations and implementation of the BlueBin inventory system as well as streamlining inventory ordering processes and barcode reading.

Mr. Wilson reviewed the contract renewal justification, repeating the financial, partnership, operational, and other synergies that make Cardinal the best vendor for HEALTH + HOSPITALS.

Mr. Wilson further reviewed the benefits of renewing this contract, citing the costs of switching vendors. 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.

Mr. Wilson reviewed the 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. Cardinal has worked to increase MWBE participation for NYS/NYC certified firms by adding 18 vendors since July 2020. Total annual MWBE spend is \$957,762 combining HEALTH + HOSPITALS 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%. Cardinal has committed to a 17.04% MWBE goal by year five of the agreement. Since the contract extension in August 2020 Cardinal has grown MWBE spend with the system by 78.6%. Cardinal has 2700 diverse supplier partnerships around the world. They are working to engage the National Minority Supplier Development Council and Inner City Capital Connections and investing \$36M over five years in MWBE supplier development and outreach.

Mr. Wilson outlined the finance committee approval request, stating that we would like 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. The contract will be three-years with two one-year options exercisable at the discretion of HEALTH + HOSPITALS. The contract would be effective August 1, 2021 with a not-to-exceed limit of \$608,800,000. The MWBE goal will be 8.52% increasing to 17.04% by year five of the agreement.

Ms. Wang polled the committee members for questions. Mr. José Pagán, Dr. Mitchell Katz, Mr. Feniosky Peña-Mora, and Mr. Phillip Wadle did not have any questions.

Ms. Sally Hernandez-Piñero asked what the spend in the last year has been on Cardinal products?

Mr. Wilson replied that Cardinal brand is 25-27% of spend.

Ms. Hernandez-Piñero asked if the facilities make decisions on whether to use the national brand or Cardinal brand.

Mr. Wilson replied that all products are approved by clinicians, regardless of whether they are national brands or generic/Cardinal brand.

Ms. Hernandez-Piñero asked if in the next two or three years we could reevaluate the market to determine if we are still getting the best pricing and contract.

Ms. Wang agreed with Ms. Hernandez-Piñero's request.

Ms. Wang referenced the fourth "Whereas" clause in the resolution and requested that the language "which remains net negative in total costs" be removed. All members of the committee agreed with this amendment.

Ms. Wang requested that the 8.52% MWBE commitment referenced in the executive summary be changed to the 17.04%.

Ms. Wang brought the action item up for motion. Upon motion made and duly seconded, the Committee unanimously approved the amended resolution.

ACTION ITEM: DOE and Mobile Unit Testing Expansion

Mr. Chris Keeley introduced the DOE and Mobile Testing Expansion action item by reading the Resolution.

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.

Mr. Keeley reviewed background information on the contracts. To respond to testing needs in NYC T2 solicited proposals and awarded contracts to conduct COVID-19 testing through two modalities: the first is DOE testing which is taking place on a routine basis and the second is community testing which is primarily using mobile units. Vendor performance has been satisfactory. The Board approved this request in December 2020 for \$189M for 6 months and we are nearing the NTE in June and requesting an increase of \$17M to the NTE to take us through the next round of contracts.

Mr. Keeley discussed the community impact of the programs. For DOE testing, the team has done more than 1.2M tests. For mobile testing there has been 40+ mobile units deploy daily, conducting 10,000-20,000 tests weekly.

Mr. Keeley provided an overview of the request to increase the NTE. 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.

Mr. Keeley outlined the MWBE spend of the vendors. Overall contract MWBE spend is \$22.5M of \$104M, or 22%. 4 of 6 vendors have established partnerships with MWBE firms in order to make progress toward their goals. 2 of 6 vendors have exceeded target. All of these vendors have proposed to work with us under the new contract.

Mr. Keeley reviewed the finance committee 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 with BioReference (BRL) Labs, Fulgent Genetics, SOMOS Community Care, MedRite, Rapid Reliable Testing, and 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.

Ms. Wang polled the committee members for questions on the action item. Mr. Pagán, Dr. Katz, and Ms. Hernandez-Piñero had no questions.

Mr. Peña-Mora asked why Fulgent has a waiver from the MWBE to 15% when the other vendors under this contract are able to have full MWBE goals. Mr. Peña-Mora emphasized the importance of sending consistent messages to our vendors about our priorities with MWBE.

Mr. Keith Tallbe replied that he has been meeting weekly with Fulgent to identify staff and vendors to help them meet the MWBE needs. In addition, the new RFP will require the vendors to meet higher MWBE goals in line with HEALTH + HOSPITALS’s mission.

Mr. Keeley also said we have control over the distribution of work and can shift work to vendors that are showing a good faith effort towards MWBE.

Mr. Peña-Mora again emphasize that it is unacceptable for a vendor of this magnitude to be achieving 0% of their MWBE goal when they were already granted a 50% waiver to the standard HEALTH + HOSPITALS goal of 30%. He further asked to see performance metrics for the vendor given they have such high spend.

Mr. Keeley noted this vendor is a high performer.

Ms. Danielle Dibari mentioned her team will work closely with these vendors to strengthen their MWBE commitments.

Ms. Hernandez-Piñero agreed with Mr. Peña-Mora and asked if the other vendors are capable of picking up the work Fulgent is doing and whether Fulgent is indispensable.

Dr. Long added context that much of the spend that occurred during the height of the pandemic in the Winter. Moving forward we are asking for an extension so that we have time to review the new proposals received from the RFP and ensure that the vendors have time to outline their MWBE plans.

Dr. Katz mentioned that though the vendor was not able to do what we asked them to do, their performance during the emergency to execute testing in the largest school system in the country was satisfactory enough to continue. One option is to approve the extension for the one month so that we can have continued operations and in the new RFP we will get it right. Another option is to vote no, despite the operational disruption it would have.

Ms. Wang asked if we can redirect work from them going forward.

Mr. Peña-Mora asked if we have to approve the funding extension for all the vendors except Fulgent.

Dr. Katz said yes, but it will have operational implications.

Ms. Hernandez-Piñero suggested we move forward with the vendor for the one month, but that if they apply for the new RFP we will not move forward with them unless they show plans to increase MWBE.

Mr. Pagán reminded the group that since this meeting is public the message should be heard to all the vendors applying for the new RFP.

Ms. Wang said we will vote on the resolution as it is with an understanding that the T2 team is going to try to manage the contract flow for the next month to move it away as much as possible from Fulgent. We will then evaluate whether we want to continue with them for the RFP in the next month.

Ms. Wang brought the action item up for motion. Dr. Katz, Ms. Wang, Mr. Pagán, and Ms. Hernandez-Piñero voted to approve the resolution and Mr. Peña-Mora abstained. With enough votes to carry the motion, the Committee approved the resolution.

ACTION ITEM: Testing and Vaccination Outreach and Education for FY22

– Request to Extend Agreements with 36 CBOs

Dr. Ted Long introduced the Testing and Vaccination Outreach and Education for FY22 – Request to Extend Agreements with 36 CBOs by reading the Resolution.

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 \$27.5M for the entire group and with sub-limits by tier of CBO as indicated in Attachment 1.

Dr. Long reviewed the background of the contracts with the CBOs. 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 FY-22 for \$27.5M. Funding will come from NYC under the existing T2-MOU with OMB, which is effective for expenses through June 30, 2022.

Dr. Long reviewed the procurement process. 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.

Dr. Long reviewed the T2 CBO milestones by reviewing the expected performance and the actual performance in leafleting shifts, virtual town halls and meetings, contracts from phone and text bank or call line, regular email updates, and social media posts. Overall the CBOs far exceeded the goals ranging from 199% to 1442%.

Dr. Long reviewed next steps for the proposal. 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, and responding to geographic hotspots and hyperlocal deployments. Geographic focus areas for contract extension will be the 33 TRIE Neighborhoods. The timeline is from July 1, 2021 – December 31, 2021, with optional extension to June 30, 2022. The total requested amount for extension of 36 CBOs up to \$27.5M.

Dr. Long reviewed the 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 and other languages include French, Haitian, Creole, Punjabi, Urdu, and Yiddish. 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.

Dr. Long reviewed the proposed T2 CBO deliverables. Tier 1 we are asking for 24 leafleting shifts per month, 6 virtual town halls and meetings, 3,000 contacts from phone/text bank or call line, 4 regular email updates, and 30 social media posts. Tier 2 requires 12 leafleting shifts, 2 virtual town halls, 1,000 contacts from phone/text bank or call line, 12 regular email updates, and 30 social media posts. Tier 3 requires 4 leafleting shifts, 1 virtual town hall and meeting, 400 contacts from phone/text bank or call line, 4 regular email updates, and 20 social media posts. Each category is doubling or tripling from the previous requirements.

Dr. Long reviewed the Finance Committee approval request which seeks approval to extend 36 CBO agreements through FY22 for a contract Term from July 2021 through December 2021 with optional extension through June 2022. The implementation would begin July 1, 2021 with a NTE of \$27.5M. 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.

Ms. Wang polled the committee members for questions. Mr. José Pagán and Dr. Mitchell Katz did not have any questions.

Ms. Hernandez-Piñero asked why the CBOs exceeded the milestones at the rate they did.

Dr. Long replied that the CBOs had robust contact lists established prior to the contracts that they were able to use for outreach.

Mr. Peña-Mora referenced a City Hall initiative from several years ago that looked at the diversity of the Board of Directors at CBOs. He asked if Dr. Long has looked at the CBOs' leadership diversity and Board of Directors diversity.

Dr. Long replied that he will look into this.

Ms. Wang asked if we have a contingency built into the request given the math totals a little bit less than \$27.5M.

Follow-up - Ms. Krista Olson replied that she will have to get back to the Board on what the additional amount would be for.

Ms. Wang brought the action item up for motion. Upon motion made and duly seconded, the Committee unanimously approved the resolution.

ADJOURNMENT

There being no further business the meeting was adjourned at 1:44 p.m.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to sign 2-year agreements with each of Approved Storage and Waste Handling, Inc. (“**ASWH**”) and Action Carting Environmental Services, Inc. (“**Action**”) for waste management services with options to renew each agreement for 2 years held exclusively by the System subject to expenditure limits not to be exceeded on the ASWH agreement of \$10,058,560 for the initial term, \$6,902,000 for the Action agreement during the initial term, \$10,058,560 on the ASWH agreement during the renewal term and \$7,322,332 for the Action agreement during the renewal term.

WHEREAS, the System has been using Stericycle for its corporate-wide waste management and disposal needs since 2015 after its selection as a result of an RFP process; and

WHEREAS, Stericycle had managed the System’s internal waste disposal practices and had either trucked away all types of waste or had subcontracted with others to do so; and

WHEREAS, the System generates many different types of waste that are subject to regulation and oversight by several government authorities according to the type of waste, thus requiring a sophisticated and closely managed waste disposal program; and

WHEREAS, the System conducted a competitive RFP by which an evaluation committee, with members from across the impacted parts of the System, determined that it would be best to engage two vendors and, with the Contract Review Committee’s approval, selected ASWH and Action for contract awards choosing them out of six vendors that submitted proposals, including Stericycle; and

WHEREAS; ASWH will be responsible for internal waste whereas Action will manage waste hauling and disposal; and

WHEREAS, both vendors have submitted compliant plans for MWBE subcontracting; and

WHEREAS, the Senior Vice President, Business Operations and Chief Pharmacy Officer will be responsible for the administration of the proposed agreements.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to sign 2-year agreements with each of Approved Storage and Waste Handling, Inc. (“**ASWH**”) and Action Carting Environmental Services, Inc. (“**Action**”) for waste management services with options to renew each agreement for 2 additional years held exclusively by the System subject to expenditure limits not to be exceeded on the ASWH agreement of \$10,058,560 for the initial term, \$6,902,000 for the Action agreement during the initial term, \$10,058,560 on the ASWH agreement during the renewal term and \$7,322,332 for the Action agreement during the renewal term.

EXECUTIVE SUMMARY

WASTE MANAGEMENT SERVICES

OVERVIEW: The System generates substantial waste all of which is subject to regulatory standards for its handling and disposal. Included in such waste are municipal solid waste, regulated medical waste and sharps, construction and demolition debris, recyclables, confidential documents, hazardous waste, E-waste, universal waste, pathological waste and pharmaceutical waste. Among the agencies that regulate the management and disposal of these waste streams are The Joint Commission, NYS Department of Health, NYC Department of Health and Mental Hygiene, NYS Department of Environmental Conservation, NYC Department of Environmental Protection and US Department of Environmental Protection. Over the last six years, the System has contracted with Stericycle both to manage such waste and to remove it. Now the System seeks to enter into two agreements to replace the one with Stericycle with ASWH being responsible for internal waste and Action managing waste hauling and disposal.

PROCUREMENT: The System conducted a competitive RFP process that included posting in the City Record. Six firms submitted proposals including Stericycle. An Evaluation Committee selected ASWH and Action. The Contract Review Committee approved of both the solicitation and the selection of the two vendors.

TERMS: The System will issue two separate two-year contracts. ASWH will be responsible for all internal waste management including training of staff and implementing internal policies and procedures that comply with all regulatory obligations. Action will be responsible for the hauling away of all waste and its disposal. The not-to-exceed spending limits on these contracts are as follows:

Period	ASWH	Action
Initial 2-year term	\$10,058,560	\$ 6,902,000
Option 2-year term	\$10,058,560	\$ 7,322,332
Total	\$20,117,120	\$14,224,332

MWBE: Both vendors have committed to MWBE contracting of 30% of the value of their contracts with specific MWBE subcontractors identified.



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

From: Keith Tallbe **Tallbe, Keith** Digitally signed by Tallbe,
Senior Counsel Keith
Office of Legal Affairs Date: 2021.06.28
11:40:09 -04'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Action Carting Environmental Services, Inc.

Date: June 28, 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	Pending	30% Utilization Plan

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

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: Approved Storage and Waste Handling, Inc.

Date: July 15, 2021

Digitally signed by
Tallbe, Keith
Date: 2021.07.15
11:18:52 -04'00'

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

Vendor Responsibility
Pending

EEO
Approved

MWBE
30% Utilization Plan

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

Waste Management Services

Request to enter into Contract

Finance Committee
July 21, 2021

Paul Albertson – Vice President Supply Chain
Mercedes Redwood – AVP, Supply Chain

Background

- NYC Health + Hospitals conducted a solicitation via RFP in 2015 for waste management services. Stericycle was selected as the vendor and was awarded a 6 year agreement. The agreement included both waste management and carting/disposal of all waste, with an all-inclusive flat fee. The contract expired on June 30, 2021; a 3 month extension through September 30, 2021 was executed. The total cost is \$46,042,474

- Waste Management Services is comprised of the following;
 - Municipal Solid Waste
 - Regulated Medical Waste and Sharps
 - Construction and Demolition Debris
 - Recyclables
 - Confidential Documents
 - Hazardous Waste
 - E-waste
 - Universal Waste
 - Pathological Waste
 - Pharmaceutical Waste

Waste Management has several oversight services, including city, state and federal regulatory agencies and accrediting bodies including The Joint Commission, the State and City Departments of Health, and NYC Health + Hospitals operating procedures.

Background, continued

- Annual aggregate waste volumes for select waste categories include:
 - Regulated Medical Waste – 207,045 lbs
 - Municipal Solid Waste and Construction/Demolition Debris – 44,381,480 lbs
 - Chemo and pathological Waste – 129,392 lbs
 - Recycling – 688,460 lbs
 - Sharps – 509,545 lbs
 - Confidential Documents – 229,823 containers
 - Universal Waste – 99,403 lbs

- Each type of waste requires a unique container for standardization of education, training and management of each waste stream for safety and regulatory purposes. Every staff person in every facility uses one or more type of container each day.

- There are several thousand containers in daily use across the System.

Scope of Services

- Patient, staff and visitor safety
- Compliance with all regulatory requirements and accrediting standards
- Uniform organizational and staff communication
- Uniform provision of all services, programs and cost control methods throughout the System
- Technical expertise and required licensure/regulatory approval
- Full-time, on-site management to work with COO's, Safety Directors, Environmental Services Directors and Infection Preventionists
- Electronic dashboard reporting
- Emergency preparedness/plans for each waste stream
- Ongoing training and education

Procurement Overview

- A request to issue an RFP for managing all or segments of the waste stream was approved by the CRC and subsequently posted in the City Record
- Minimum criteria:
 - MWBE Utilization Plan, Waiver, or MWBE Certification
 - Full-time office within New York City
 - Five years' experience in Waste Management within healthcare.
- Evaluation Criteria:
- Evaluation Committee:
 - 3 Chief Operating Officers
 - Representative from Gotham Health
 - Representative from Post Acute Care
 - Representative from Human Resources
 - Representative from Quality and Safety
 - Representative from M&PA/Infection Prevention
 - Representative from Facilities Development
 - Representative from Support Services/Supply Chain Services

Category	Weight %
Quality and substance of proposal	30%
Appropriateness and quality of firm's experience	30%
Cost	30%
MWBE Utilization Plan or MWBE Status	10%

- 6 vendors responded to the solicitation request
- The Evaluation Committee recommended selecting two vendors:
 - One vendor for managing the internal waste: Approved Storage and Waste Handling, Inc. (ASWH), and
 - One vendor for managing hauling/disposal: Action Carting Environmental Services, Inc.
- **ASWH - Managing the Internal Waste - Highlights**
 - Located in NYC; works only within the Northeast
 - Excellent references
 - Will provide 3 dedicated program managers
 - 30% MWBE Utilization Plan
 - Provided a detailed facility-based transition plan
- **Action Carting Environmental Services, Inc. - Highlights**
 - Significant footprint within NYC including MTA, Sanitation, NYC Health + Hospitals
 - Will provide new/enhanced containers for waste disposition/hauling at own cost
 - Will work directly with the system through a new contract to enhance service, communications training, reporting
 - 30% MWBE Utilization Plan

MWBE Participation Goal

Action Carting

Subcontractors	Certifying Agency	Ethnicity	%MWBE Proposed
JEG	NYC	Hispanic/MBE	15%
Cardella	NYC	Non-Minority/WBE	10%
Cooper -Tank Disposal	NYC	Non-Minority/WBE	5%

Approved Storage

Subcontractors	Certifying Agency	Ethnicity	%MWBE Proposed
High Class Management Group	NYC	Non-Minority/WBE	30%

Request of the Finance Committee

- Seeking approval from the Finance Committee to
 - Enter into a contract with Approved Storage and Waste Handling, Inc., (ASWH) for system waste management
 - Contract period: 2 years with a 2 year renewal exercisable solely by the system
 - Effective October 1, 2021
 - NTE \$20,117,120.
 - 30% MWBE utilization plan
- Seeking approval from the Finance Committee to
 - Enter into a contract with Action Carting Environmental Services, Inc. for system waste hauling and disposal
 - Contract period: 2 years with a 2 year renewal exercisable solely by the System
 - Effective October 1, 2021
 - NTE \$14,224,332
 - 30% MWBE utilization plan

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to sign 11-month agreements with each of the 12 vendors listed in Annex A attached to this Resolution (each a “**Vendor**” and together, the “**Vendors**”) to perform COVID testing both in schools and in the community on an as-needed basis for an amount for all Vendors not to exceed \$250,480,410.

WHEREAS, the System has been responsible for managing all COVID testing in the schools from the onset of the COVID epidemic and has been the lead in managing such testing in the community as well; and

WHEREAS, to date, the System, through its contractors, has conducted over 1,500,000 COVID tests, thereby leading the country in such an effort; and

WHEREAS, following an earlier RFP solicitation conducted in November 2020, the System issued a further RFP in May 2021 with the approval of the Contract Review Committee and with such Committee’s approval has selected the Vendors for testing contract awards; and

WHEREAS; of the Vendors selected for contract awards, six are incumbents selected as a result of the prior RFP (marked with an asterisk in Annex A) who have satisfactorily performed for the System in the past and

WHEREAS, all of the Vendors are obligated to report test results within 24 hours of specimen collection; and

WHEREAS, certain of the Vendors were selected due to their ability to put mobile testing units on the street to enable the System to bring testing to hard to reach residents where they may be found; and

WHEREAS, all of the Vendors have committed to MWBE participation of at least 30% as scheduled in the Executive Summary that follows this Resolution; and

WHEREAS, the Senior Vice President for Ambulatory Care will be responsible for the administration of the proposed agreements.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to sign 11-month agreements with each of the 12 vendors listed in Annex A attached to this Resolution (each a “**Vendor**” and together, the “**Vendors**”) to perform COVID testing both in schools and in the community on an as-needed basis for an amount for all Vendors not to exceed \$250,480,410.

ANNEX A

LIST OF VENDORS TO BE AWARDED CONTRACTS

±MedRite LLC

±Rapid Reliable Testing NY, LLC

±Bio-Reference Laboratories, Inc.

±Fulgent Genetics, Inc.

Union Square Physician Services, P.C.

±SOMOS Healthcare Providers, Inc,

The Mount Sinai Hospital

Ginkgo Bioworks, Inc.

Elevation Health, LLC

CIC Health, LLC

Blackbag Digital Health LLC DBA Daybreak

±Premier Assist

± Denotes incumbent vendor.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/TEST + TRACE SCHOOL AND COMMUNITY COVID-19 TESTING

OVERVIEW: The System seeks authorization from its Board to sign 11-month contracts with the 12 COVID testing Vendors listed on Annex A to the Resolution presented. From the start of the epidemic, the System has been managing an extensive COVID testing program through the City including managing all testing in the schools. Since November 2020 such testing has been performed with laboratory companies selected through an RFP. To date, the System, through its contractors, has performed more than 1,500,000 COVID tests. With the passage of time, the evolution of COVID testing technology and the changing face of the epidemic, the System issued a new RFP in May 2021 to test the market and broaden the number of laboratories with which it will be able to work.

NEED/PROGRAM: As the epidemic changes and now that those eager for vaccinations have been largely served, the System has to work harder and be more creative to drive testing and vaccinations up through hesitant and hard to reach populations. Where vaccinations rates lag, testing continues to be important.

TERMS: The System will use the Vendors on an as needed basis. The System will not commit to any Vendor any minimum amount of business and there is no requirement that the System spend all of the \$250,480,410 funding allocated. The System will assign work among the Vendors based on their performance, the proposed pricing and their adherence to their MWBE contracting commitments. The System will undertake further testing as the course of the epidemic dictates. Testing will generally be less than \$75/test reflective of the general decline in pricing since the beginning of the pandemic.

PROCUREMENT: Vendors were selected using a competitive RFP overseen by the Contract Review Committee using an evaluation committee drawn from across the System.

MWBE: The MWBE subcontracting commitments and subcontractors to be used follow:

Vendor	MWBE Goal	MWBE Subcontractor
MedRite	30%	Staffing Boutique, Inc; Alliance Supply Inc
AmbulanZ/RRT	30%	Nadler Mobile LLC; Nunn's Home Medical Equipment; Fine Fare Supermarket
BRL	30%	TBD
Fulgent	30%	TBD
Union Square	100%	Language Bank, Inc.
SOMOS	85%	Medgroup PLLC
Mt. Sinai	32%	C-19 Safety First & Verbosity
Ginko Bioworks	30%	Young Professional Staffing
Elevation Health	100%	Translation service and consultant
CIC Health	50%	Meet Care Givers and TBD transportation vendor
DayBreak	30%	TBD Supply Vendors
Premier Assist	30%	Admiral Staffing, Inc. and Proftech

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

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

Digitally signed by
Tallbe, Keith
Date: 2021.07.15
13:59:59 -04'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Contract with 12 vendors for mobile and DOE CoViD-19 testing

Date: July 15, 2021

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

	<u>Vendor</u>	<u>Vendex</u>	<u>EEO</u>	<u>MWBE</u>
1	MedRite LLC	Complete	Pending	30%
2	Rapid Reliable Testing NY, LLC	Pending	Complete	30%
3	Bio-Reference Laboratories, Inc.	Complete	Pending	30%
4	Fulgent Genetics, Inc.	Complete	Pending	30%
5	Union Square Physician Services, P.C.	Pending	Complete	100%
6	SOMOS Healthcare Providers, Inc,	Complete	Pending	85%
7	The Mount Sinai Hospital	Complete	Complete	32%
8	Ginkgo Bioworks, Inc.	Pending	Pending	30%
9	Elevation Health, LLC	Pending	Complete	100%
10	CIC Health, LLC	Pending	Complete	50%
11	Blackbag Digital Health LLC DBA Daybreak	Pending	Complete	30%
12	Premier Assist	Complete	Complete	30%

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.

City-wide Testing Capability Expansion: In-school and Community Testing

**Application to Contract
Finance Committee Meeting
July 21, 2021**

**Chris Keeley and Anna Leise
Test & Trace Corps**



- New York City faced some of the harshest and earliest impacts of COVID-19
- To meet expanding need testing capacity needs, T2 solicited proposals in November 2020 and awarded contracts to conduct COVID-19 testing through two modalities:
 1. In-school 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. The spend averaged \$16m, ranging from \$7m to \$34m per month depending on school population and testing policy.
 - Current vendor performance is satisfactory
 2. Community Testing
 - Testing on mobile units and other types of testing outside of public schools, such as through units that can do testing on sidewalks and in various community settings (adult care facilities, in-home testing, etc.)
 - Currently executed by Rapid Reliable Testing, MedRite, and Premier Assist. In recent months, spend has averaged \$9m per month.
 - Current vendor performance is satisfactory
- In May 2021, the CRC approved the release of a solicitation for applications to contract for both of these testing modalities starting in August 2021

Contract Development Goals

- Scope of work is based on current and anticipated need, including through the experience of the existing vendors with dozens of teams in the field every day and from program leadership

- Service Level Agreements
 - Turnaround time: Provide result to patient within 24 hours of specimen collection
 - In-school testing: deploy 15+ teams daily
 - Community testing: deploy 8+ testing teams and/or mobile units daily

- Fee structure:
 - For both in-school and community testing, vendors proposed budgets with a per test fee and/or a per team per day fee
 - \$75/test fee based on prior experience under existing contracts

RFP Criteria

➤ Minimum criteria:

- Proven success in providing large scale COVID-19 testing in relevant settings
- Ability to begin work and scale quickly
- MWBE Certification or Utilization Plan

➤ Substantive Criteria:

- 25% Cost
- 25% Relevant Experience
- 15% Ability to Scale
- 15% Data management
- 10% Community/language expertise
- 10% MWBE

➤ Evaluation Committee:

- T2 COO
- T2 Senior Project Manager
- T2 Senior Director
- T2 Data Analytics & Product Director
- T2 School Testing Senior Director
- T2 Finance Senior Analyst
- T2 Lab Senior Project Manager
- T2 Mobile Unit Testing Senior Manager

HOSPITALS Procurement and Selection Summary

- T2 issued an RFP in May 2021 with the intention of selecting vendors for in-school testing and community-based testing
- 29 vendors applied, and T2 requests to contract with the top 12 scoring applicants
- 12 chosen to allow maximize operational flexibility
- Work assigned at T2 discretion based on testing needs and vendor capabilities
- Five of these vendors are able to do both in-school and community-based testing and seven can do only school testing
- Of six incumbent vendors, 2 met or exceeded MWBE targets, 2 made significant progress through good faith effort, and 2 must make considerable and immediate strides in order to receive assignment of work under new contracts
- Allows for cost savings with existing vendors and new testing capabilities (e.g. saliva testing)
- Not to exceed: \$250,480,410
 - In-school testing: \$150,802,946 (avg \$14m/month)
 - Community testing: \$99,677,463 (avg \$9m/month)
- Selected vendors in order of ranking:
 1. MedRite
 2. Ambulnz/RRT
 3. BioReference Labs
 4. Fulgent Genetics
 5. Union Square Physicians
 6. SOMOS
 7. Mount Sinai
 8. Gingko Bioworks
 9. Elevation Health
 10. CIC Health
 11. Daybreak
 12. Premier Assist

Request summary

Requesting approval to enter into 12 contracts beginning August 1, 2021 through June 30, 2022 with highest scoring vendors

- **Contract term:** 11 months
- **Not to exceed:** \$250,480,410
- Only spend funds agreed upon with OMB in advance and covered under T2 MOU with OMB
- Finance Committee then to full Board

Vendor	MWBE?	% Utilization Goal	Subcontractor
MedRite	No	30%	Staffing Boutique, Inc; Alliance Supply Inc
Ambulnz/RRT	No	30%	Nadler Mobile LLC; Nunn's Home Medical Equipment; Fine Fare Supermarket
BRL	No	30%	TBD
Fulgent	No	30%	TBD
Union Square Physicians	Yes	100%	Language Bank, Inc.
SOMOS	No	85%	Medgroup PLLC
Mount Sinai	No	32%	C-19 Safety First and Verboisity
Ginkgo Bioworks	No	30%	Young Professional Staffing
Elevation Health	Yes	100%	Translation services vendor and consultant
CIC Health	No	50%	Meet Care Givers and TBD transportation vendor
DayBreak	No	30%	TBD supply vendors
Premier Assist	No	30%	Admiral Staffing, Inc. and Proftech



NYC Health + Hospitals
Finance Committee Meeting
July 21, 2021



- FY21 closed with a Cash Balance of **\$737M**.
- Net budget variance of **-\$10.9M**, through May FY21. The variance excludes T2 revenue and includes about **\$630M** in COVID costs that we have not received Federal relief for yet.
- Direct Patient Care Receipts came in **\$459M** higher than YTD May FY20 continuing the pace of positive performance that we experienced during FY20, where direct patient care revenue came in **\$500M** over the prior year.
- Patient care volume is returning to pre-COVID levels in Q3 of FY21 but is still below Q3 FY20. Revenue base is strong and resilient primarily driven by Medicare rate increases and the stability of VBP/sub-cap contracts.
- Overall, our Strategic Financial Initiatives remain on track with our post-COVID strategies, generating **\$604M** through May with a line of sight of **\$662M**. Strong areas of performance include:
 - Value Based Payment Initiatives (e.g., HARP conversions & panel management)
 - Managed Care Contract Negotiations
 - Revenue Cycle Improvement
- Staffing investments are consistent with our overall system needs with additional RN and targeted nursing support positions (specifically Patient Care Associates and Behavioral Health Associates) to help support COVID surge needs and stabilize ongoing services.

FY21 Year-End Cash Projection

- The system closed FY21 with \$737M cash-on-hand (33 days cash-on-hand).
 - This is right in line with our target from the Executive 2022 Financial Plan.
- The system has received over \$300M in federal stimulus (American Rescue Plan) funds through the City to cover eligible expenses, largely T2.
- As we enter FY22, there are still major revenue streams that we need to receive in the first quarter of FY22 to maintain a sustainable cash balance including:
 - DSH eFMAP Glitch (~\$400M)
 - FEMA (~\$350M)
 - UPL/UPL Conversion (~\$500M)
 - VBP QIP (~\$100M)
- Due to the above delays in receiving these State/federal revenues, we were able to work with the City to delay our remaining FY20 and FY21 obligations to them until after June 30th.

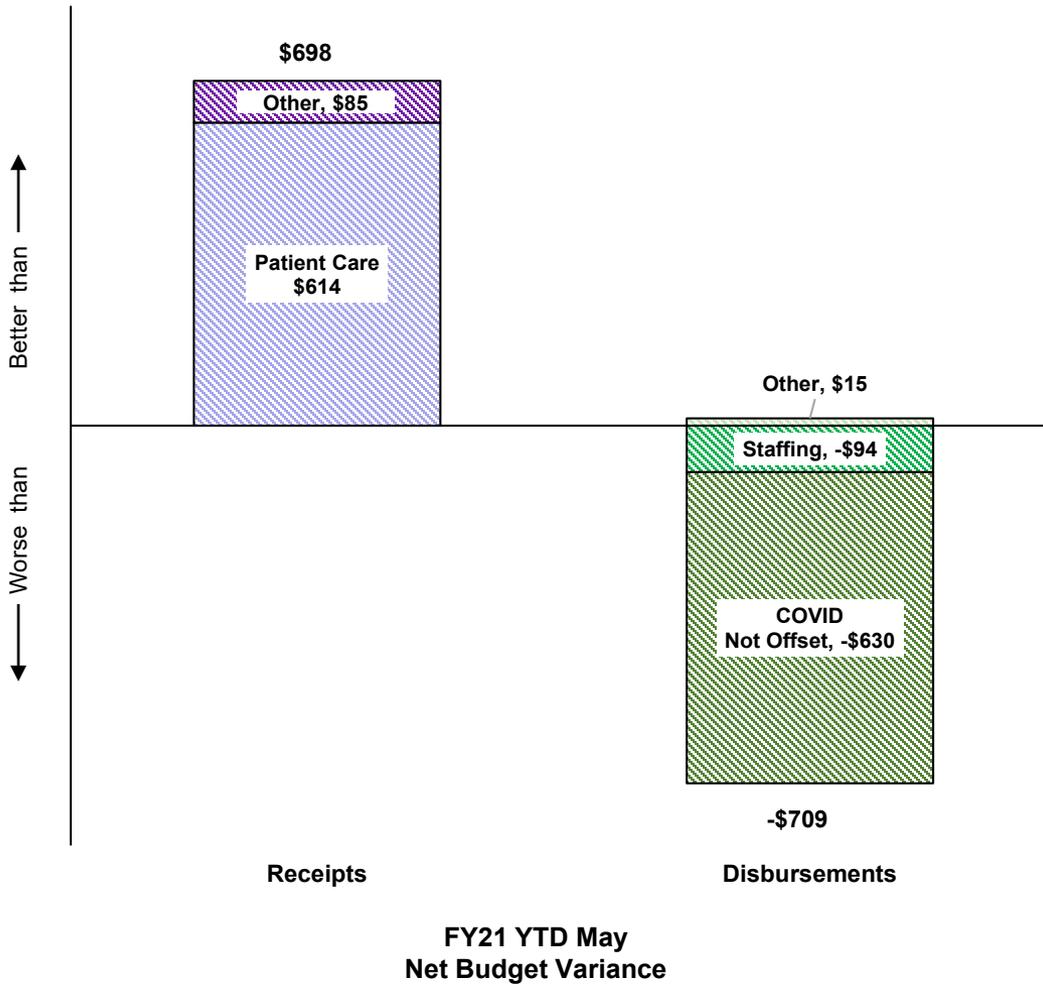
Risk	Status
FEMA Reimbursement at 100% Federal	
Federal DSH Cut 3-Year Delay	
Federal DSH eFMAP Glitch (Still awaiting receipt of funds)	
State/H+H/City Medicaid Initiatives (Ongoing meetings with State DOH on the implementation timeline and next steps)	
State/City Budget Risks (Nearly all State budget cuts were restored in the Enacted budget.)	
FEMA Reimbursement (Total COVID spending through June 2021 of \$2.1B. FEMA reimbursement to-date totals \$200M. Further reimbursement packages are under review by FEMA. Dr. Katz sent a letter to FEMA Administrator Criswell requesting additional funds)	



Financial Performance

YTD through May, FY 2021





Highlights

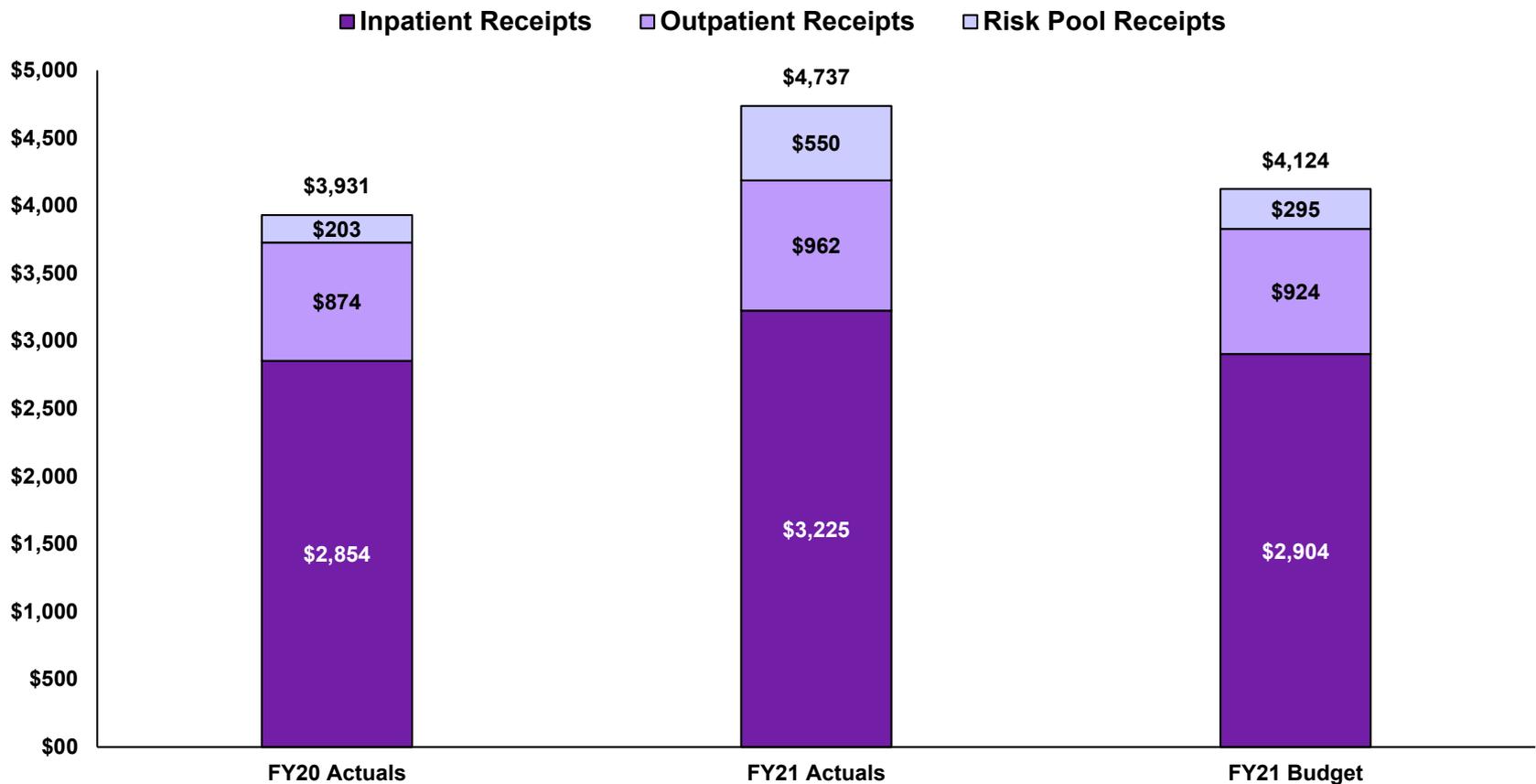
May FYTD closed with a negative net budget variance of \$11M where

- Receipts exceeded budget by \$698M (\$614M in Patient Care) due to COVID patients, Medicare rates, and risk payment catch-up and better performance (\$255M)
- Disbursements exceeded budget by \$709M, \$615M of which was OTPS which included \$630M spend associated with COVID that was offset by \$15M underspending due to lower volume and costs.

Notes:

- Net Budget Variance does not include COVID expense and receipts of \$604M.
- The "COVID Not Offset" amount of \$630M can be offset once additional Federal relief funds are received.
- Test and Trace not included in the Net Budget Variance and YTD Actuals.

- FY21 patient care revenue is \$806M higher than FY20 actuals.
- Patient revenue improvements year-over-year can be attributed to a combination of increased patient acuity including COVID patients, increased rates, continued improvement on strategic initiatives, and MetroPlus risk payment timing (\$266M).
- Case Mix Index (CMI) is up by 14% from 1.29 in FY20 to 1.48 in FY21



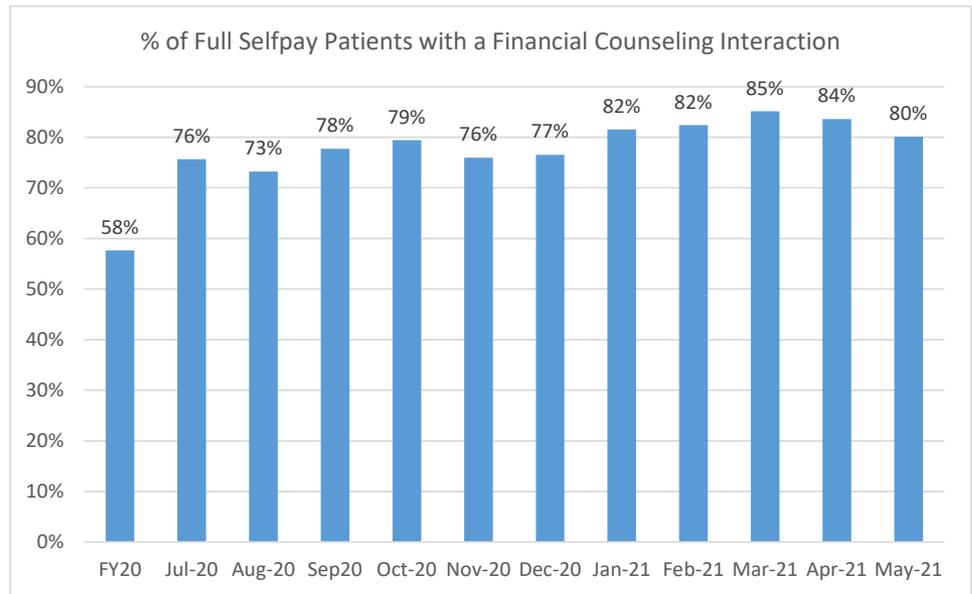
Revenue Cycle Update



Coverage for the Eligible Uninsured

Efforts to enhance financial counseling workflows to improve screening rates and enroll more NYC H+H patients in health insurance coverage or financial assistance have had continued success

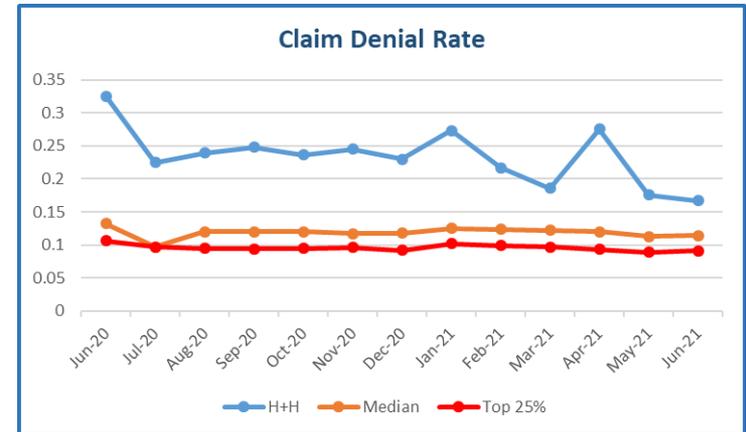
- Increased FC screening rate from 58% in FY20 to 80% in May 2021
 - Screening rates for patients seen in the ED or IP are at or approaching target at 89% and 96%, respectively
 - Screening rates for outpatients have improved but have the most opportunity at 56%
- 74% of full selfpay patients who received care in May 2021 were screened and enrolled in either health insurance coverage or financial assistance
- Covered an estimated 60k more people FYTD
- Yielded almost \$55 million FYTD for a cumulative \$111 million in FY21
- Screening rate targets continue to ramp up in FY22+



Note: Financial counseling screening rates and outcomes are refreshed on a monthly basis with a 13 week lookback to capture follow up financial counseling activity post discharge, and then compared to the baseline period.

Declining Denial Rate

- Claims denied as a percentage of claims filed are decreasing
 - Average of 23% denial rate in 1st Qtr of FY 21 and 16.9% on June 15th
 - NYS Medicaid project denials received in April caused a spike
 - Authorization, Missing Claim and Contract Related Owning Areas denial rates are contributing the decline
 - Timely Filing and Provider Enrollment denials are areas of concentration



FY21 Systemwide Strategic Initiatives



Strategic Initiatives Financial Update – YTD MAY FY21

In millions

Summary Initiative Category	FY 21 Revenue Target*	FY21 Line of Sight
 Growth and Other Service Line Improvements	\$86.2	\$127.5
 Revenue Cycle and Managed Care Initiatives	\$149.9	\$472.7
 System Efficiencies	\$11.3	\$26.6
 Value-Based Payment Initiatives	\$22.7	\$24.1
Grand Total	\$270.1	\$662

- Risks include timing of payments and the impact of COVID-19 on patient volume.
- H+H is managing to more ambitious internal targets to mitigate these and other risks.