

**CAPITAL COMMITTEE
MEETING AGENDA**

July 11, 2022

10:00 AM

50 Water Street, 17th floor Boardroom – Virtual

CALL TO ORDER

Feniosky Peña-Mora

- **ADOPTION OF MINUTES – June 13, 2022** **Feniosky Peña-Mora**
- **SR. ASSISTANT VICE PRESIDENT’S REPORT** **Manuel Saez**

ACTION ITEMS

- **Resolution** **Leora Jontef / Theodore Long, MD**
Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a five year lease extension with Martha Vincent (the “Landlord”) for the continued use of approximately 2,078 square feet of space at 769 Onderdonk Avenue, Borough of Queens to operate a primary care program managed by NYC Health + Hospitals/Gotham Health (“Gotham Health”) at a base rent of \$69,000 per year, or \$33.21 per square foot to be escalated by 3% per year for a total of \$366,330.37 over the five year initial term plus a charge for the System’s proportionate share of real estate tax increases over a 2012/2013 base year; provided the System will hold an option to renew the lease for an additional five years resulting in base rent over the potential 10-year term of \$791,007.67 and an estimated \$50,469.73 for the tax escalation charges for an estimated total rent over the 10-year term of \$841,477.40.

Vendex: NA
EEO: NA

- **Resolution** **Oscar Gonzalez / Erin Egan**
Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a contract with Jemco Electrical Contractors, Inc. (the “Contractor”) to complete an upgrade of Emergency Electrical Service Type I at NYC Health + Hospitals/Elmhurst Hospital Center (“Elmhurst”) for a term to equal the duration of the proposed construction project for an amount, including a contingency of \$1,258,472, not to exceed \$7,550,830.

Vendex: Approved
EEO: Approved

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MINUTES

June 13, 2022

Capital Committee VIRTUAL Meeting - June 13, 2022

As reported by Freda Wang

Committee Members Present: Dr. Mitchell Katz, Feniosky Peña-Mora, Sally Hernandez-Piñero, Freda Wang

Ms. Wang called the meeting to order at 10:09 a.m.

Upon motion made and duly seconded the minutes of the Capital Committee meeting held on May 9, 2022, were unanimously approved.

Senior Assistant Vice President's Report

Mr. Saez, Senior Assistant Vice President, Office of Facilities Development presented his report.

Mr. Saez advised that the Office of Facilities Development had a robust set of activities underway to support the System's facilities.

Our Directors of Engineering and their teams at Jacobi, Metropolitan, and Harlem continue to work to prepare for their Joint Commission surveys. We are in the cooling season and the teams are ensuring our cooling towers and chillers are operational and ready to support the cooling needs of our hospitals. Two of the five cells of our cooling tower at Harlem Hospital are operational, and we plan to have the remaining three cells active by the end of this month. We have removed our dependency of the temporary chillers at the facility.

Across our System there are hundreds of ongoing capital projects and we are working hard to support our facilities to keep these projects moving through the design, procurement, construction and closeout process.

The Decarbonization and Sustainability team, under the leadership of Oscar Gonzalez and led by Omer Cabuk, have completed a number of projects across our System as part of our continuous improvement toward reducing our greenhouse emissions.

Seven elevators motors and controls were upgraded at Coney Island, LED light fixtures and lighting controls were installed at Bellevue Hospital, 20 Air Handling units were refurbished, and a partial lighting fixture upgrade was completed under Phase 1 Energy Upgrade project at Lincoln Hospital, and the installation of two chillers and 30 fan coil units have been substantially completed at Metropolitan Hospital.

The past two weeks in my new role as Director of OFD has only further reinforced my belief that we have an amazing team working at Central Office and at the facilities who remain focused on ensuring our sites are safe and operational so we can continue to deliver great care to our patients. With the support I have received from Dr. Katz, Chairman Pagán, Capital Chair Peña-Mora, Matt Siegler, and my other

peers, I feel confident we can continue to deliver the great work this organization has come to expect from OFD.

At this time, I am happy to take any questions prior to presenting our five resolutions today.

That concluded Mr. Saez's remarks.

The first three resolutions were combined into a single presentation for review and discussion, they will be voted on separately.

Mr. Saez read the resolutions:

Authorizing New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to extend by six months its contract with Mac Fhionnghaile & Sons Electrical Contracting, Inc. (the "Contractor") approved by NYC Health + Hospitals' Board of Directors in May 2020 to provide electrical work on an as-needed basis throughout NYC Health + Hospitals without any increase in the previously approved funding.

Authorizing New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to extend by six months its contract with Jemco Electrical Contractors (the "Contractor") approved by NYC Health + Hospitals' Board of Directors in May 2020 to provide electrical work on an as-needed basis throughout NYC Health + Hospitals without any increase in the previously approved funding.

Authorizing New York City Health and Hospitals Corporation ("NYC Health + Hospitals") extend by six months its contract with Vastech Contracting Corporation (the "Contractor") approved by NYC Health + Hospitals' Board of Directors in May 2020 to provide heating, ventilation and air conditioning ("HVAC") work on an as-needed basis throughout NYC Health + Hospitals without any increase in the previously approved funding.

Mahendranath Indar, Chief Operating Office, Office of Facilities Development, narrated a presentation providing background and current state information for both HVAC and electrical contracts, vendor evaluations, and the MWBE subcontracting for Vastech and Jemco, indicating Mac Fhionnghaile & Sons is a NYC certified MWBE.

Ms. Wang asked if the solicitations were in process for both the HVAC and Electrical contracts. Mr. Indar said yes, with presentation planned for the CRC, the Capital Committee and Board of Directors in October of 2022 and this extension will allow us time to complete that solicitation and award.

Mrs. Hernandez-Piñero asked if the new contracts would be issued with the same term of two years. Mr. Indar said it would be the same 2 year term to ensure that we get the best market pricing.

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

Mr. Saez read the resolution:

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with Guth DeConzo Consulting Engineers, PC ("DeConzo") to provide, planning, construction management and project management services on an as needed basis with respect to several pending projects at NYC Health + Hospitals/Elmhurst ("Elmhurst") for a term of three years with the System holding two 1-year options to renew with a 20% contingency of \$1,839,500 for an amount not to exceed \$11,027,000.

Mr. Gonzalez narrated a presentation providing project background information, a list of Elmhurst capital projects, the RFP criteria, procurement overview, solicitation results, vendor performance, references and background, rationale for additional contingency, and MWBE utilization plan. Mr. Gonzalez was joined by Erin Egan, Elmhurst - Director of Capital Budgets, Office of Facilities Development.

Mrs. Hernandez-Piñero asked about a mention of Jacobs Project Management in the Executive Summary. Mr. Gonzalez said that was a typo and would be corrected for the Board meeting.

Mrs. Hernandez-Piñero asked for confirmation that H+H was confident that Guth DeConzo could perform well on all active H+H projects. Mr. Gonzalez said yes, since they have performed well in the past.

Ms. Wang asked if the CM pricing was based on the project cost and how contingency was identified. Mr. Gonzalez said it was based on hourly rates but proposals were submitted with a team in mind. He noted that there are some unknowns that may arise, therefore, the contingency would provide for anything above and beyond the projects listed.

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

Member Recusal: Mr. Peña-Mora recused himself from the balance of the meeting and logged off the webex.

Mr. Saez read the resolution:

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with Jacobs Project Management Co. ("Jacobs") to provide, planning, construction management and project management services on an as needed basis with respect to several pending projects at NYC Health + Hospitals/Jacobi Hospital North Central Bronx Campus ("NCB") for a term of three years the System holding two 1-year options to renew with a 25% contingency of \$2,816,186 for an amount not to exceed \$14,080,929.

Mr. Gonzalez narrated a presentation providing project background information, list of NCB capital projects, RFP criteria, an overview

of the procurement, solicitation results, rational for additional contingency, and MWBE utilization plan. Mr. Gonzalez was joined by Jimmy John, Director of Design and Construction, NYC Health + Hospitals Jacobi/NCB.

Mrs. Hernandez-Piñero asked how many projects outside of the OTxHU were identified as a result of the OTxHU projects and how many were critical capital projects with no association or relation to OTxHU activities.

Mr. Gonzalez asked if she was referring to the inter-dependency of the projects. Mrs. Hernandez-Piñero said yes and also how the hierarchy of needs factored in.

Mr. Gonzalez said that the Fire Alarm was critical work, whereas the energy projects were mostly jobs included because work would be underway for the OTxHU. Mr. John said the Local Law 11 work was a hybrid of critical work with a factor of OTxHU work providing an opportunity to address.

Mrs. Hernandez-Piñero asked how the Master Planner would interface with the Construction Manager. Mr. Gonzalez said the Master Planning RFP was to identify capital needs for the 5-year plan but at NCB there has been coordination with consultants as a result of ongoing work and so there was an unofficial master plan for the site. Organically a master plan has been developed and the CM will help drive that forward.

Ms. Wang asked who was managing the OTxHU at the other sites. Mr. Gonzalez said there was a program manager, AECOM, for Bellevue and Woodhull. At Bellevue there was a CM builder, holding the contracts and managing work. At Woodhull the procurement was under way for the CM portion while Hunter Roberts was contracted with the decanting at Woodhull.

Ms. Wang commented that Jacobs would be the lead at NCB. Mr. Gonzalez said yes. He noted that the projects Jacobs was involved in throughout the system had specific teams working on the specific projects, which would eliminate overlap.

Ms. Wang asked if the contract term in the executive summary was written in error. Mr. Gonzalez said yes and confirmed the term would be for three years with two one-year options to renew will be updated for the Board meeting.

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 10:57 a.m.

LEASE EXTENSION

**MARTHA VINCENT
769 ONDERDONK AVENUE, QUEENS**

PRIMARY CARE CLINIC

NYC HEALTH + HOSPITALS / GOTHAM HEALTH

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to sign a five year lease extension with Martha Vincent (the "Landlord") for the continued use of approximately 2,078 square feet of space at 769 Onderdonk Avenue, Borough of Queens to operate a primary care program managed by NYC Health + Hospitals/Gotham Health ("Gotham Health") at a base rent of \$69,000 per year, or \$33.21 per square foot to be escalated by 3% per year for a total of \$366,330.37 over the five year initial term plus a charge for the System's proportionate share of real estate tax increases over a 2012/2013 base year; provided the System will hold an option to renew the lease for an additional five years resulting in base rent over the potential 10-year term of \$791,007.67 and an estimated \$50,469.73 for the tax escalation charges for an estimated total rent over the 10-year term of \$841,477.40.

WHEREAS, the System has operated a primary care program at this location since 1994; and

WHEREAS, in 1994 the System assumed the management responsibility for this and a number of other clinics that had been managed by the NYC Department of Health and Mental Hygiene; and

WHEREAS, Gotham Health was formed in 2015 to address the primary care needs of families and individuals in their own neighborhoods and it operates a network of thirty (30) Federally Qualified Health Centers ("FQHCs") across the five boroughs that offer patient-centered primary and preventive care.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to sign a five year lease extension with Martha Vincent (the "Landlord") for the continued use of approximately 2,078 square feet of space at 769 Onderdonk Avenue, Borough of Queens to operate a primary care program managed by NYC Health + Hospitals/Gotham Health ("Gotham Health") at a base rent of \$69,000 per year, or \$33.21 per square foot to be escalated by 3% per year for a total of \$366,330.37 over the five year initial term plus a charge for the System's proportionate share of real estate tax increases over a 2012/2013 base year; provided the System will hold an option to renew the lease for an additional five years resulting in base rent over the potential 10-year term of \$791,007.67 and an estimated \$50,469.73 for the tax escalation charges for an estimated total rent over the 10-year term of \$841,477.40.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/GOTHAM HEALTH RIDGEWOOD 769 ONDEDONK AVENUE, QUEENS, N.Y.

- OVERVIEW:** New York City Health and Hospitals Corporation (the "System") seeks authorization from its Board of Directors to sign a five-year lease extension with a five-year option with Martha Vincent (the "Landlord") for the continued use of space at 769 Onderdonk Ave., Borough of Queens, to operate a primary care program under the NYC Health + Hospitals/Gotham Health ("Gotham Health") structure.
- NEED/PROGRAM:** The System has operated a primary care program at this location since 1994. Gotham Health was formed in 2015 to join with the System to qualify as a Federally Qualified Health Centers ("FQHC") to operate approximately 30 sites across the five boroughs that offer patient-centered primary and preventive care. The Ridgewood clinic provides adult, adolescent and pediatric primary care.
- UTILIZATION:** The clinic's utilization for FY 2020/21 was approximately 6,587 patients.
- TERMS:** The System will continue to occupy approximately 2,078 square feet of space, and will pay a base rent of \$69,000 per year, or \$33.21 per square foot. The base rent represents a 3.5 % increase over the rent payable during the last year of the prior term. The System will pay its proportionate share of real estate tax increases over a 2012/2013 base year. The System will hold an option to renew the lease for an additional five years. The rent for the entire potential 10-year term is \$791,007.67. Although one cannot predict with certainty how much real estate taxes will increase over the next 10 years, based on the past pattern of increases, the System estimates that the total real estate tax escalation over the potential 10-year term will be \$50,469.73. That means that the total rent over the potential 10-year term will be \$841,477.40.

June 21, 2022

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

Re: Fair Market Value Report
H+H Program
769 Onderdonk Ave, aka 1851 Madison Avenue, Ridgewood, NY 11385

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 program which is currently paying a rent of \$32.00 per RSF. This shall serve to comment on the unit's rent valuation going forward.

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

- The unit is currently occupied and zoned for use as medical offices appropriate for the WIC sponsored program.
- The lease is up for renewal effective October 1, 2022 in accordance with a five-year renewal option after affixed six month, one-time lease extension.
- The Landlord has proposed renewal terms.
- The Tenant has responded with the terms provided herein.
- The unit collectively totals approximately 2,078 RSF on the Ground Floor of the referenced premises.
- This evaluation is for the purpose of a lease renewal.

Landlord and Tenant agree to a proposed starting base rent at \$33.21 RSF, which represents about a 3.7% rental increase from the \$32.00 RSF currently being paid. The lease renewal calls for a 3.0% compounded yearly base rent increase plus electric and a proportionate share of increases in taxes over a 2012/2013 base year.

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

(Please see space comparables.)

Given the proposed Landlord rent and NYC Health + Hospitals response, we value the rents in the general vicinity of this location at a range of \$32.00-40.00/RSF. The agreed to rent proposed of \$33.21 per RSF plus electric is consistent with the market. Further, the 3.0% rent increase is average for percentage rent escalations and remains consistent with current market conditions, if on the higher side of annual escalations.

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 prominent initial "M" and a long, sweeping underline.

Michael E. Dubin
Executive Managing Director

Schedule A – Comparables

Address	Cross Streets	Square Feet	Price Per SF	Closed Deal (Y/N)
269 Withers St	Withers St & Woodpoint Rd	2,000	\$36.00	Y
117 Grattan St	Grattan St & Porter Ave	1,575	\$37.33 + elec	Y
117 Grattan Street	Grattan St & Porter Ave	1,370	\$36.65 + elec	Y
46-55 Metropolitan Ave	Metropolitan Ave & Woodward Ave	1,900	\$24.60 + elec	N
1717 Troutman St	Troutman St & Cypress Ave	1,100	\$25.56 + elec	N
801 Woodward Ave	Woodward Ave & Putnam Ave	1,150	\$38.09	Y
55 Meadow St	Meadow St & Bogart St	1,400	\$35.00 + util	Y
987 Lafayette Ave	Lafayette Ave & Stuyvesant Ave	1,200	\$28.00	Y
1717 Troutman St	Troutman St & Cypress Ave	1,450	\$24.00 + util	N
10 Troutman St	Troutman St & Bushwick Ave	1,100	\$40.91	N
10 Troutman St	Troutman St & Bushwick Ave	1,100	\$40.90	N
272 Morgan Ave	Morgan Ave & Grand St	1,350	\$30.52 + elec	N
186 Morgan Ave	Newtown Creek	1,800	\$32.00	Y
65 Graham Ave	Graham Ave & Moore St	1,729	\$43.00	N
46-55 Metropolitan Ave	Metropolitan Ave & Woodward Ave	1,550	\$25.44 + util	N
70 Graham Ave	Graham Ave & Varet St	1,800	\$32.00	N
6121 Fresh Pond Rd	Fresh Pond Rd & 62 nd Ave	1,100	\$38.18	Y

Gotham Health

769 Onderdonk Avenue
Queens, New York

Capital Committee Meeting

July 11, 2022

Leora Jontef, AVP, Housing & Real Estate

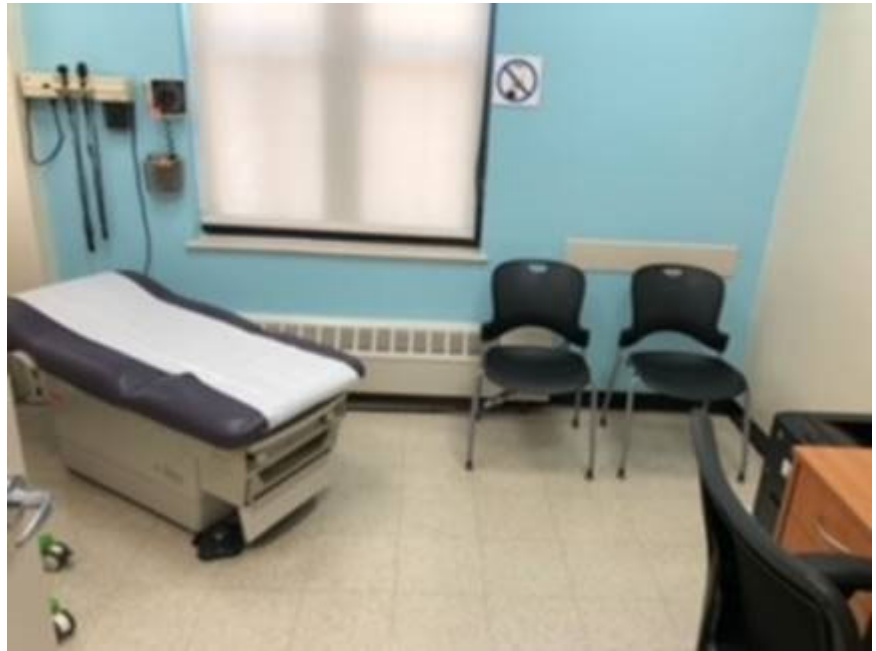
Theodore Long, MD, SVP, Ambulatory Care Operations



Background

- NYC Health + Hospitals has operated a primary care program at Onderdonk Avenue since 1994 when we assumed management from NYC Department of Health and Mental Hygiene.
- Since its formation in 2015, Gotham Health Ridgewood has been among the sites for which Gotham Health shares governance authority with H+H
- The Gotham Health Ridgewood clinic provides adult, adolescent and pediatric primary care in 2,078 square foot ground floor space.
- The clinic's utilization for FY 2020/21 was approximately 6,587 patient visits.





Lease Terms

This resolution requests a lease renewal for 2,078 square feet, ground floor space.

- Base Rent at \$33.21 per square foot, a 3.7% increase above the current rent. Current rent is \$32.00 per square foot.
- A five year initial term commences October 1, 2022 and ends September 30, 2027.
- Annual rent increases will be 3% plus a share of real estate taxes increase above the 2012/2013 base year estimated to be approximately \$23,373.47 over the five year initial term and \$27,096.26 over the five year option term.
- H+H will hold a five year renewal option after the initial five year lease term.
- Occupancy costs over the five year initial term including base rent plus estimated real estate tax increases will total \$389,703.84. Occupancy costs over the five year option term including base rent plus estimated real estate tax increases will total \$451,773.56 for a ten year base rent plus real estate tax increase total of \$841,477.40
- The rent is at the fair market value for this type of space.



Rent Schedule

Initial Term				
Year	Annual	PSF	Real Estate Taxes	Base Rent + R.E. Taxes
1	\$ 69,000.00	\$ 33.21	\$ 4,402.50	\$ 73,402.50
2	\$ 71,070.00	\$ 34.20	\$ 4,534.58	\$ 75,604.58
3	\$ 73,202.10	\$ 35.23	\$ 4,670.61	\$ 77,872.71
4	\$ 75,398.16	\$ 36.28	\$ 4,810.73	\$ 80,208.89
5	\$ 77,660.11	\$ 37.37	\$ 4,955.05	\$ 82,615.16
	\$ 366,330.37		\$ 23,373.47	\$ 389,703.84
Option				
1	\$ 79,989.91	\$ 38.49	\$ 5,103.70	\$ 85,093.62
2	\$ 82,389.61	\$ 39.65	\$ 5,256.82	\$ 87,646.42
3	\$ 84,861.30	\$ 40.84	\$ 5,414.52	\$ 90,275.82
4	\$ 87,407.14	\$ 42.06	\$ 5,576.96	\$ 92,984.09
5	\$ 90,029.35	\$ 43.32	\$ 5,744.26	\$ 95,773.61
	\$ 424,677.30		\$ 27,096.26	\$ 451,773.56



Capital Committee Request

Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a five year lease extension with Martha Vincent (the “Landlord”) for the continued use of approximately 2,078 square feet of space at 769 Onderdonk Avenue, Borough of Queens to operate a primary care program managed by NYC Health + Hospitals/Gotham Health (“Gotham Health”) at a base rent of \$69,000 per year, or \$33.21 per square foot to be escalated by 3% per year for a total of \$366,330.37 over the five year initial term plus a charge for the System’s proportionate share of real estate tax increases over a 2012/2013 base year; provided the System will hold an option to renew the lease for an additional five years resulting in base rent over the potential 10-year term of \$791,007.67 and an estimated \$50,469.73 for the tax escalation charges for an estimated total rent over the 10-year term of \$841,477.40.



CONTRACT APPROVAL

JEMCO ELECTRICAL CONTRACTORS, INC.

EMERGENCY ELECTRICAL SERVICE TYPE 1

NYC HEALTH + HOSPITALS / ELMHURST

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to execute a contract with Jemco Electrical Contractors, Inc. (the “**Contractor**”) to complete an upgrade of Emergency Electrical Service Type I at NYC Health + Hospitals/Elmhurst Hospital Center (“**Elmhurst**”) for a term to equal the duration of the proposed construction project for an amount, including a contingency of \$1,258,472, not to exceed \$7,550,830.

WHEREAS, in 2018 CMS cited Elmhurst for its electrical service not meeting National Fire Protection Association standards because it does not separate the service into the three branches, (i) critical for medical equipment in patient rooms; (ii) life safety for exit lights and emergency lighting; and (iii) equipment for boilers, vacuum pumps, medical air pumps, HVAC, etc.; and

WHEREAS, CMS gave the System a time limited waiver of such citation which has expired with a further extension now being sought thereby making it urgent that the System upgrade Elmhurst’s electrical system; and

WHEREAS, the System solicited closed, competitive bids by posting the invitation to bid in the City Record resulting in three bids being submitted and the CRC endorsed a finding that the Contractor was lowest responsible, responsive bidder; and

WHEREAS, the Contractor has completed many previous projects for the System as a Job Order/Requirements contractor and has earned an overall rating of “Good;” and

WHEREAS, the Contractor has submitted an MWBE plan with four MWBE subcontractors which are projected to earn 31.76% of the contract price; and

WHEREAS, the System’s Office of Facility Development will be responsible for the management of the proposed agreement.

NOW THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to execute a contract with Jemco Electrical Contractors, Inc. (the “**Contractor**”) to complete an upgrade of Emergency Electrical Service Type I at NYC Health + Hospitals/Elmhurst Hospital Center (“**Elmhurst**”) for a term to equal the duration of the proposed construction project for an amount, including a contingency of \$1,258,472, not to exceed \$7,550,830.

EXECUTIVE SUMMARY
CONTRACT WITH JEMCO ELECTRICAL CONTRACTORS, INC.
FOR CONSTRUCTION SERVICES
AT NYC HEALTH + HOSPITALS/ELMHURST HOSPITAL CENTER
FOR UPGRADE OF EES TYPE II

- OVERVIEW:** In 2018 CMS cited Elmhurst for its electrical service not meeting National Fire Protection Association standards because it does not separate the service into the three branches, (i) critical for medical equipment in patient rooms; (ii) life safety for exit lights and emergency lighting; and (iii) equipment for boilers, vacuum pumps, medical air pumps, HVAC, etc. CMS gave the System a time limited waiver of such citation which has expired with a further extension now being sought thereby making it urgent that the System upgrade Elmhurst's electrical system. Under the proposed contract, work is projected to start on approximately September 2022.
- PROCUREMENT:** The System solicited competitive sealed bids for the necessary construction services to upgrade the EES Type II system. After receiving three bids, the CRC endorsed a finding that the Contractor was the lowest responsible and responsive bidder.
- TERMS:** The proposed contract will be in effect for the duration of the project which, it is estimated, to be 2 years. The contract is for an amount not to exceed \$7,550,830 which includes a contingency of \$1,258,472.
- FINANCING:** The proposed project will be financed with City Capital.
- MWBE:** The Contractor has proposed an MWBE subcontracting plan that represents 31.76% of the contract value. The main MWBE subcontractor will be Turtle & Hughes, a supplier which will receive 28.61% of the contract price with Deutscher & Daughter, Park Avenue Building & Roof and Tedco group making up the balance of the plan.

**Request to Award Contract to Jemco
For Emergency Electrical System
Upgrade Type I (EES)
at Elmhurst Hospital**

**Capital Committee
July 11, 2022**

**Manuel Saez – Senior Assistant Vice President, OFD
Oscar Gonzalez – Senior Assistant Vice President, OFD
Milenko Milinic – Chief of Capital Design & Construction, Elmhurst
Erin Egan – Director of Capital Projects & Contract Control, OFD/Elmhurst**



Program Background

- The EES Type I is the Emergency Electrical System that provides separation of emergency power into three distribution branches:
 - 1) Critical (Red outlets for monitors, medical equipment in patient care areas, etc.)
 - 2) Life Safety (exit lights, emergency lighting)
 - 3) Equipment (medical air pumps, vacuum pumps, HVAC, boilers, etc.)
- The current state of Elmhurst's existing system does not meet current National Fire Protection Association (NFPA) codes and must be upgraded as required by the NYS DOH and CMS in order to comply with the NFPA requirements for critical branch separation.
- NYC Health + Hospitals / Elmhurst was cited by CMS in March of 2018 and was granted a Time Limited Waiver by NYS DOH in July 2018 which expired July 1, 2021. Facility has been working on an extension with the DOH since prior to expiration.
- The EES Type I project will take 2-years to bring the system up to code by running three new branches to support emergency power throughout the facility



Overview of Procurement

- 3/14/22 & 3/15/22: Site tour for bidders; 8 vendors attended
- 4/13/22: Proposal deadline, 3 proposals received
- 5/10/22: Pre-qualification meeting with lowest responsible bidder - JEMCO



Construction Contract

- Sourced via public bid
- Jemco Electrical Contractors, Inc. was the lowest of three (3) bidders
- MWBE 31.76% subcontractor utilization plan presented

Subcontractor	Certification	Supplies/Services	Utilization Plan %	Utilization \$s
DEUTSCHER & DAUGHTER	WBE	Service	.48	\$30,203
PARK AVE BUILDING & ROOF	MBE	Supplies	.76	\$47,822
TEDCO GROUP	MBE	Service	1.91	\$120,184
TURTLE & HUGHES	WBE	Supplies	28.61	\$1,800,244
Total			31.76%	\$1,998,453

- Contract amount is **\$6,292,358**
- Jemco is currently one of our JOCs Electrical Contractor (2020-2022) and also a previous JOCs Electrical Contractor (2018-2020). Evaluations for both contracts were rated 93% and 93% respectively. Additionally, the ratings listed in MOCs included 2 Excellent and 4 Good.
- Expected to begin Fall 2022 completion in expected in Fall 2024

71% - 80% ----- Satisfactory
81% - 90% ----- Good
91% - 100% ----- Excellent



Performance Evaluation

Vendor Performance Evaluation	
Jemco	
DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	Yes
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work?	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?	Yes
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?	Yes
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes
Performance and Overall Quality Rating Satisfactory	Good

71% - 80% ----- Satisfactory
81% - 90% ----- Good
91% - 100% ----- Excellent



Project Budget

Elmhurst EES	
Construction	\$6,292,358
Project Contingency (20%)	\$1,258,472
Total	\$7,550,830*

*Full funding for this project has been allocated and CP is pending with OMB for approval

Reasons For Higher Contingency

- Difficulties covering unforeseen field conditions due to aging quality of building
- Challenges due to the volatility of supply chain and cost of commodities increasing



Request for Approval

- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to execute a contract with Jemco Electrical Contractors, Inc. (the “**Contractor**”) to complete an upgrade of Emergency Electrical Service Type I at NYC Health + Hospitals/Elmhurst Hospital Center (“**Elmhurst**”) for a term to equal the duration of the proposed construction project for an amount, including a contingency of \$1,258,472, not to exceed \$7,550,830.

