

CAPITAL COMMITTEE
MEETING AGENDA

May 6, 2024
10:00 am
50 Water Street, 17th floor Boardroom

CALL TO ORDER

José Pagán

- ADOPTION OF MINUTES – April 8, 2024

José Pagán

- VICE PRESIDENT'S REPORT

Manuel Saez, PhD

ACTION ITEMS

- **Resolution** **Leora Jontef**
Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 5-year renewal lease with David Welner d/b/a Welner Associates (“**Landlord**”) for the use of the entire building at 279-281 Graham Avenue, Brooklyn, NY consisting of approximately 10,900 square feet (the “**Building**”) together with the 1,185 square feet of vacant land adjacent to the Building for use by NYC Health + Hospitals/Gotham Health (“**Gotham**”) for a primary care clinic at an initial rent of \$57.83 per square foot which will increase by 3.5% annually to reach \$66.36 per square foot by the 5th year; provided that the System will hold three options each for 5 years at a rent based upon a continuation of the pattern of 3.5% annual increases for a total rent payable over the potential 20-year term of \$17.83M.

Vendex: NA

EEO: NA

- **Resolution** **Leora Jontef**
Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a five-year renewal revocable license agreement with Sleep Disorders Institute (“**SDI**”) for its use of approximately 1,038 square feet to operate a sleep disorder clinic on the 7th floor of the “H Building” at NYC Health + Hospitals/Bellevue (the “**Facility**”) at an annual occupancy fee of \$68,954 or \$66.43/ft. to escalate at 2.75% each year for a five-year total of \$429,347.

Vendex: NA

EEO: NA

- **Resolution** **Manuel Saez**
Authorizing New York City Health and Hospitals Corporation (the “NYC Health + Hospitals”) to execute a design-build contract with Axis Construction Corporation, (the “**Contractor**”) to undertake a development an integrated women’s health suite at New York City Health + Hospitals/South Brooklyn Health for a contract amount of \$22,995,627, with a 10% project contingency of \$2,299,563, to bring the total cost not to exceed \$25,295,190.

Vendex: Approved

EEO: Pending

- **Resolution**

Manuel Saez

Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a contract with Jensen Hughes Engineering, P.C. (the “Contractor”), to provide life safety services at all acute hospitals for a contract amount of \$7,348,135, with a 10% project contingency of \$734,813.50, to bring the total cost not to exceed \$8,082,949.

Vendex: Approved

EEO: Approved

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MINUTES

April 8, 2024

Capital Committee Meeting – April 8, 2024

As reported by: José Pagán

Committee Members Present: Mitchell Katz, MD, José Pagán, Karen St. Hilaire,

Mr. José Pagán called the meeting to order at 10:12 a.m. and stated for the record that Karen St. Hilaire would be representing Molly Wasow Park in a voting capacity.

Sally Hernandez-Piñero – virtually in a listening capacity only.

Mr. Pagán called for a motion to approve the March 11, 2024 minutes of the Capital Committee meeting.

Upon motion made and duly seconded the minutes of the Capital Committee meeting held on March 11, 2024, were unanimously approved.

VICE PRESIDENT REPORT

Manuel Saez provided the Vice President's for the Office of Facilities Development report.

Mr. Saez reported that the department is preparing for the summer by ensuring our cooling systems are prepared. To that end, we are cleaning and disinfecting our water towers, and performing maintenance of chillers and air handling units so that our patients, staff, and community have the best environment possible in the hot months ahead.

We received approval from CRC to enter into two contracts to provide preventive maintenance services for our boilers and our generators. Both vendors, Able for boilers, and Genserve for generators, are the current system-wide contracted vendors and have provided excellent service to date.

We have issued several notices to proceed with our construction projects so far in 2024, including the NYC H+H/Kings County P Building Bridge demolition, Phase 2 of NYC H+H/Kings County Steam Tunnel, the NYC H+H/Woodhull Boiler Plant Upgrade, and our NYC/ H+H Bellevue Anti-Ligature project. Our teams are working closely with the vendors so that these projects stay on schedule.

We have many projects ongoing and completed. At NYC H+H/Elmhurst, the Radiation Oncology Suite/ LINAC/ CT Simulator was completed and is in use for patients. At NYC H+H/ Woodhull, Boiler Phase 1 Construction project recently started and the HP Command Center project is nearing completion.



The NYC/H+H Woodhull Labor and Birthing Suite Renovation project we'll be presenting today is the first of three maternal child health projects funded with the generous capital contribution from Brooklyn Borough President Reynoso. Similar projects at NYC H+H/Kings County and NYC H+H/South Brooklyn Health are currently in the final stages of procurement and we anticipate bringing those contracts to the Board for approval in the coming months.

We have four items this month, the NYC H+H/Woodhull Labor and Birthing Suite Renovation, NYC H+H/North Central Bronx Type 1 Essential Electrical System (EES) Project, NYC/H+H Coler Lighting Upgrade in collaboration with NYPA, and the build-out of our new NYC/H+H Gotham Health Rockaway Clinic.

That concluded Mr. Saez's report.

Mr. Saez read the resolution into the record:

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with Jemco Electrical Contractors, Inc. (the "Contractor"), to undertake Essential Electrical System (EES) work at NYC Health + Hospitals/North Central Bronx Hospital ("NCB") for a contract amount of \$7,625,488, with a 15% project contingency of \$1,143,824, to bring the total cost not to exceed \$8,769,312.

Oscar Gonzalez, Senior Assistant Vice President, OFD, Ellen Barliss, Chief Financial Officer, NYC H+H/NCB, Erin Egan, Senior Director, and Hiba Hadeed, Director of Design and Construction, Office of Facilities Development narrated a presentation providing background information, overview of project scope, solicitation process, contract terms, MWBE status, and project budget.

- Mr. Pagán asked on behalf of Sally Hernandez-Piñero if other facilities have the same issue of having a single emergency distribution system that needs to be converted into three separate distribution branches and if so what is being done. Mr. Gonzalez responded yes that is the case and they are all in the process of being brought up to code.

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

Mr. Saez read the resolution into the record:

Authorizing New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute a design-build contract with Gilbane Building Company, (the "Contractor") to build a new clinic for NYC



Health + Hospitals/Gotham Health in Far Rockaway for a contract amount of \$30,000,000.

Oscar Gonzalez, Senior Assistant Vice President was joined by Theodore Long, MD, Senior Vice President, Ambulatory Care and Population Health, as they narrated a presentation providing background information, services to be provided, overview of project scope, solicitation process, contract terms, MWBE status, and project budget.

- Mr. Pagán asked on behalf of Sally Hernandez-Piñero where anticipated patients for the site were currently receiving medical care? Dr. Long said that their research had indicated that many would be new patients that had potentially been going without care.
- Mr. Pagán asked if projected usage was available. Dr. Long said that information was available but he would like to confirm before providing.
- Mr. Pagán asked if we would own the building or if we were leasing the space. Mr. Gonzalez said we were leasing the space within a new housing development.
- Mr. Pagán asked why state legislation was required to approve the design-build program. Mr. Gonzalez explained that there were procedures that must be followed and a program established.

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

Mr. Saez read the resolution into the record:

Authorizing New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute a design-build contract with Sweet Group of New York LLC, (the "Contractor") to undertake a labor and birthing suite renovation at NYC Health + Hospitals/Woodhull for a contract amount of \$14,816,993, with a 10% project contingency of \$1,481,699, to bring the total cost not to exceed \$16,298,693.

Oscar Gonzalez, Senior Assistant Vice President was joined by Kristina Blazeovski-Charpentier, Director of Design and Construction, Office of Facilities Development, to narrate a presentation providing background information, overview of project scope, solicitation process, contract terms, MWBE status, and project budget.

- Mr. Pagán asked on behalf of Sally Hernandez-Piñero if work was anticipated to disrupt services. Mr. Gonzalez said no, work would be phased to avoid disruptions.



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

Mr. Saez read the resolution for consideration:

Authorizing the New York City Health + Hospitals Corporation ("NYC Health + Hospitals") to execute a Customer Installation Commitment contract ("CIC") with the New York Power Authority ("NYPA") for an amount not-to-exceed \$5,837,585, including an 10% construction contingency of \$401,249, for a term of 18 months, for the planning, design, procurement, construction, construction management and project management services necessary for lighting upgrades at NYC Health + Hospitals/Coler, (the "Project").

Oscar Gonzalez, Senior Assistant Vice President, narrated a presentation providing background information, overview of project scope, solicitation process, contract terms, MWBE status, and project budget.

After discussion - 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 10:40 a.m.

VICE PRESIDENT'S REPORT

Capital Committee Vice President Report May 6, 2024

- As the end of the fiscal year nears, we are working diligently to ensure that our Fiscal Year 2024 contracts are registered with the comptroller to ensure that we meet our commitment goals and have timely starts to the projects.
- We received approval to proceed with the next phase of OTxHU and are actively working with our CHS, DOC, and SCOC partners to move forward with procurement for work at NYC H+H/Woodhull and NYC H+H/NCB
- At NYC H+H/Elmhurst we are currently in procurement for the first phase of their larger Emergency Department renovation. We have opened the staff Wellness room, as well as the Radiation Oncology suite, which includes new LINAC and CT scanner.
- At NYC H+H/Metropolitan, the new Wellness room is complete and has been furnished. We have commenced design for the Condensate Riser, and the Ronald McDonald House sprinkler work has started.
- At NYC H+H/Jacobi, we completed renovations for the IT department which included two training rooms for staff
- We have four items this month, the NYC H+H/South Brooklyn Health Maternal Health Renovation, System-Wide Life Safety Services, NYC H+H Gotham/Williamsburg Clinic Lease, and NYC H+H/Bellevue Sleep Disorder Clinic Lease.



LICENSE AGREEMENT

WELNER ASSOCIATES

**279-281 GRAHAM AVENUE
PRIMARY CARE CLINIC**

NYC HEALTH + HOSPITALS / GOTHAM HEALTH

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 5-year renewal lease with David Welner d/b/a Welner Associates (“**Landlord**”) for the use of the entire building at 279-281 Graham Avenue, Brooklyn, NY consisting of approximately 10,900 square feet (the “**Building**”) together with the 1,185 square feet of vacant land adjacent to the Building for use by NYC Health + Hospitals/Gotham Health (“**Gotham**”) for a primary care clinic at an initial rent of \$57.83 per square foot which will increase by 3.5% annually to reach \$66.36 per square foot by the 5th year; provided that the System will hold three options each for 5 years at a rent based upon a continuation of the pattern of 3.5% annual increases for a total rent payable over the potential 20-year term of \$17.83M.

WHEREAS, the System has been operating a healthcare clinic at the Building since 1991, most recently pursuant to a resolution of this Board adopted in 2014 to authorize a five-year lease with a five-year option, which the System exercised and which will expire June 30, 2024; and

WHEREAS, Landlord will perform a program of repairs to the Building to improve the roof, the HVAC, basement stairs and front façade; and

WHEREAS, the clinic will continue to offer a range of primary care services to the community; and

WHEREAS, operation of the clinic and the administration of the lease will be under the authority of the Senior Vice President for ambulatory Care and the CEO of Gotham Health.

RESOLVED, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to sign a 5-year renewal lease with David Welner d/b/a Welner Associates (“**Landlord**”) for the use of the entire building at 279-281 Graham Avenue, Brooklyn, NY consisting of approximately 10,900 square feet (the “**Building**”) together with the 1,185 square feet of vacant land adjacent to the Building for use by NYC Health + Hospitals/Gotham Health (“**Gotham**”) for a primary care clinic at an initial rent of \$57.83 per square foot which will increase by 3.5% annually to reach \$66.36 per square foot by the 5th year; provided that the System will hold three options each for 5 years at a rent based upon a continuation of the pattern of 3.5% annual increases for a total rent payable over the potential 20-year term of \$17.83M.

**EXECUTIVE SUMMARY
PROPOSED LEASE
WITH DAVID WELNER
FOR A PRIMARY CARE CLINIC
AT 279-281 GRAHAM AVENUE, BROOKLYN**

OVERVIEW: The System has been operating a healthcare clinic at the Building since 1991, most recently pursuant to a resolution of this Board adopted in 2014 to authorize a five-year lease with a five-year option, which the System exercised and which will expire June 30, 2024. The System and the Gotham Board wish to continue to operate a clinic in the Building.

BUILDING IMPROVEMENTS: Landlord will perform a program of repairs to the Building to improve the roof, the HVAC and ductwork, the basement stairs and front façade. In particular Landlord will replace missing thermostats and replace defective controls and has committed to replace the condenser units when they reach the end of their useful lives over the next several years.

TERMS:

	per annum	per month	per sf
current term	\$609,078.83	\$50,756.57	\$55.88
1	\$ 630,396.59	\$ 52,533.04	\$ 57.83
2	\$ 652,460.47	\$ 54,371.71	\$ 59.86
3	\$ 675,296.59	\$ 56,274.72	\$ 61.95
4	\$ 698,931.97	\$ 58,244.33	\$ 64.12
5	\$ 723,394.59	\$ 60,282.88	\$ 66.37
6	\$ 748,713.40	\$ 62,392.78	\$ 68.69
7	\$ 774,918.36	\$ 64,576.53	\$ 71.09
8	\$ 802,040.51	\$ 66,836.71	\$ 73.58
9	\$ 830,111.93	\$ 69,175.99	\$ 76.16
10	\$ 859,165.84	\$ 71,597.15	\$ 78.82
11	\$ 889,236.65	\$ 74,103.05	\$ 81.58
12	\$ 920,359.93	\$ 76,696.66	\$ 84.44
13	\$ 952,572.53	\$ 79,381.04	\$ 87.39
14	\$ 985,912.57	\$ 82,159.38	\$ 90.45
15	\$ 1,020,419.51	\$ 85,034.96	\$ 93.62
16	\$ 1,056,134.19	\$ 88,011.18	\$ 96.89
17	\$ 1,093,098.88	\$ 91,091.57	\$ 100.28
18	\$ 1,131,357.35	\$ 94,279.78	\$ 103.79
19	\$ 1,170,954.85	\$ 97,579.57	\$ 107.43
20	\$ 1,211,938.27	\$ 100,994.86	\$ 111.19

The 3.5% rate of annual increase continues the rate of increase that had been in effect during the prior lease term. Although the rate is higher than is typical of the System's leases, the rental rate remains at fair market value indicating the sharp increase in values over the last 20 years in this popular and rapidly changing neighborhood.

Other Occupancy Costs:

<u>Item</u>	<u>Paid by</u>	<u>Estimated Cost to NYC H+H</u>
Electricity	H+H	\$3.50/ft = \$38,150/yr.
Real Estate Tax	H+H	None – the taxes are abated

HELMSLEYSPEAR

April 23, 2024

Deborah Morris
Senior Director
Land Use Planning and Real Estate
NYC Health + Hospitals
50 Water Street
New York, NY 10004

Re: Updated Fair Market Value/Appraisal of space within NYC Health + Hospitals/Gotham Health Clinic for 279 Graham Avenue, Brooklyn NY
On behalf of NYC Health + Hospitals

Dear Ms. Morris:

You have requested that I comment on the FMV of the referenced property for purposes of a lease renewal. We have no previous documentation, nor has the property been visited, however, as real estate brokers we have reviewed market conditions and current comparable spaces within the described location and agree that for current use as a full-service medical clinic, the rent for the renewal and escalations are consistent with current market conditions. This broker's opinion is subject to the following:

- The unit is currently occupied and is properly zoned for the current use as a full-service medical clinic and will continue to be occupied as such.
- The tenant will continue to occupy the premises which consists of approximately 10,900 SF within the referenced hospital complex.
- This evaluation is for the purpose of re-establishing the current FMV to lease/license the referenced property.

The rental market post-Covid has rebounded inconsistently and depending on location. This site, sitting in the robust Williamsburg area of Brooklyn, has had a significant recovery and pricing has escalated accordingly. While looking at the comparables in the area, we do believe that this space and its renewal option rests within the higher range of other spaces that are available. It is, however, considered retail, and such has a premium over general medical office spaces which may be found elsewhere in the community. Those spaces would be significantly smaller in square footage and would not be located on the ground floor, nor would they have the presence that retail provides. It should also be noted that most rents reflect a gross, not net, lease. Net leased properties require tenants to be responsible for taxes, repairs and maintenance which would not be found here. As a standalone facility with approximately 10,900 square feet, the tenant commands a presence in the community which would not be found elsewhere. Its use and location also help to provide stability to the immediate community.

The proposed lease renewal is for a five year term and is structured so that the tenant will have the option to renew for up to an additional 15 years. The renewal options are in five year increments, which if all exercised, gives the tenant of the premises the comfort of remaining uninterrupted for 20 years. The yearly escalations compounded are at 3.5%.

The five year renewal period plus the options are consistent and might be considered liberal to market standards in that oftentimes lease renewal options are for one or two option terms, not three. This will serve the tenant well. The 3.5% yearly escalations, however, are a bit aggressive but within the parameters of the norm. There is no mention of any landlord's contribution towards any work (paint,

Comps for 279 Graham Avenue, Brooklyn

Address	Cross Streets	Total SF	Price/SF	Notes
87 Richardson Street	Richardson & Leonard Streets	10,000	\$37.50	Asking
229-247 Graham Avenue	Manhattan Avenue & Ten Eyck Street	10,700	\$13.45	Starting rent, NNN lease
317-321 Scholes Street	Scholes & Bogart Streets	7,500	\$35.00	Modified gross, tenant to build
395 Graham Avenue	Graham Avenue & Jackson Street	1,450	\$77.00	Asking
349-359 Scholes Street	btw Bogart Street & Morgan Avenue	2,000	\$50.00	Asking
900-910 Grand Street	Grand & Waterbury Streets	2,000	\$55.00	Starting rent
272 Morgan Avenue	Morgan Avenue & Grand Street	4,875	\$34.00	Asking rent + electric
1 Maspeth Avenue	Maspeth Avenue & Humboldt Street	3,000	\$35.00	Starting rent
713 Lorimer Street	Lorimer & Richardson Streets	1,000	\$60.00	Starting rent, modified gross lease

carpet, lighting fixtures, etc.), nor have we been advised of any “free rent” that the landlord might also provide. The tenant has been in the premises for 30 years, and as such, some concession might be a bonus, but again, is not required of the landlord.

Attached you will find comparable listings to reflect market conditions in the area. It should be noted that new leases and asking rents are current within 24 months of today’s date. All the comparables would not be reflective of the market. We are licensed real estate brokers located within the state of New York and this report is being provided as a broker’s opinion letter and not an appraisal.

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

Very truly yours,



Michael Dubin
Executive Managing Director
Helmsley Spear

**Request to Lease with
Welner Associates
for New York City Health + Hospitals Gotham
Health/ Williamsburg Clinic
279-281 Graham Avenue
Brooklyn NY, 11211**

**Capital Committee
May 6, 2024**

**Ted Long, MD, MHS Senior Vice President, Ambulatory Care and Population Health
Leora Jontef, Assistant Vice President, Real Estate & Housing
Deborah Morris, AICP, Senior Director Real Estate & Housing**

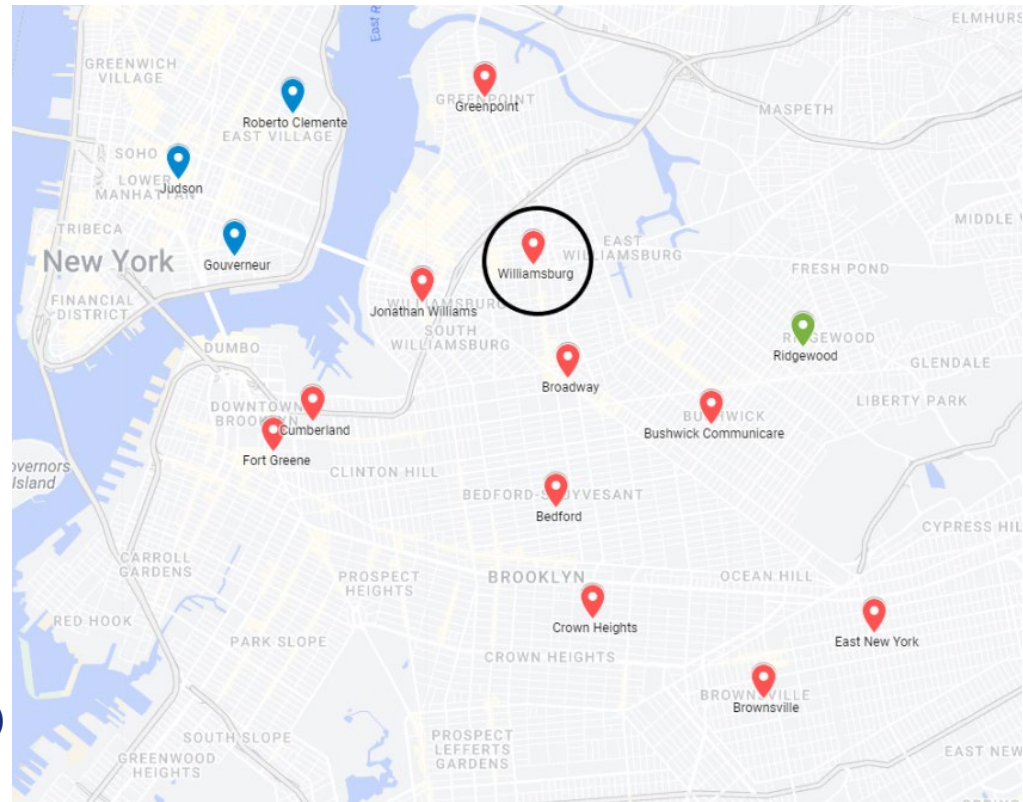
Request for Approval

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Background: Gotham Health

➤ Gotham Health operates 30 locations Citywide and 11 in Brooklyn

- Williamsburg (279 Graham Ave.)
- Jonathan Williams (333 Roebling St.)
- Greenpoint (875 Manhattan Ave)
- Bushwick (335 Central Ave)
- Bedford (485 Throop Ave)
- Ft. Greene (279 Flatbush Ave. Ext.)
- Brownsville (259 Bristol St.)
- Crown Heights (1218 Prospect Pl.)
- Broadway (815 Broadway)
- Cumberland (100 North Portland Avenue)
- East New York (2049 Pitkin Avenue)



Gotham Health at 279 Graham Ave

Clinic Services

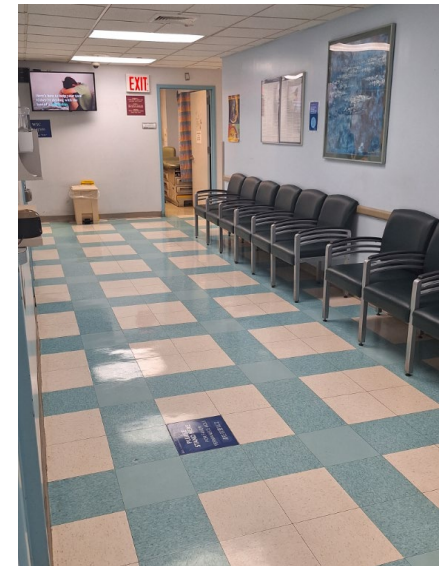
- Women's Health Services
- Adult Primary Care
- Pediatrics
- Nutrition

History

- Opened on May 20th 1994 (30 years)
- First community based clinic in Williamsburg
- Previously a Woodhull site, registered as a Gotham FQHC in 2017

Building/ Location

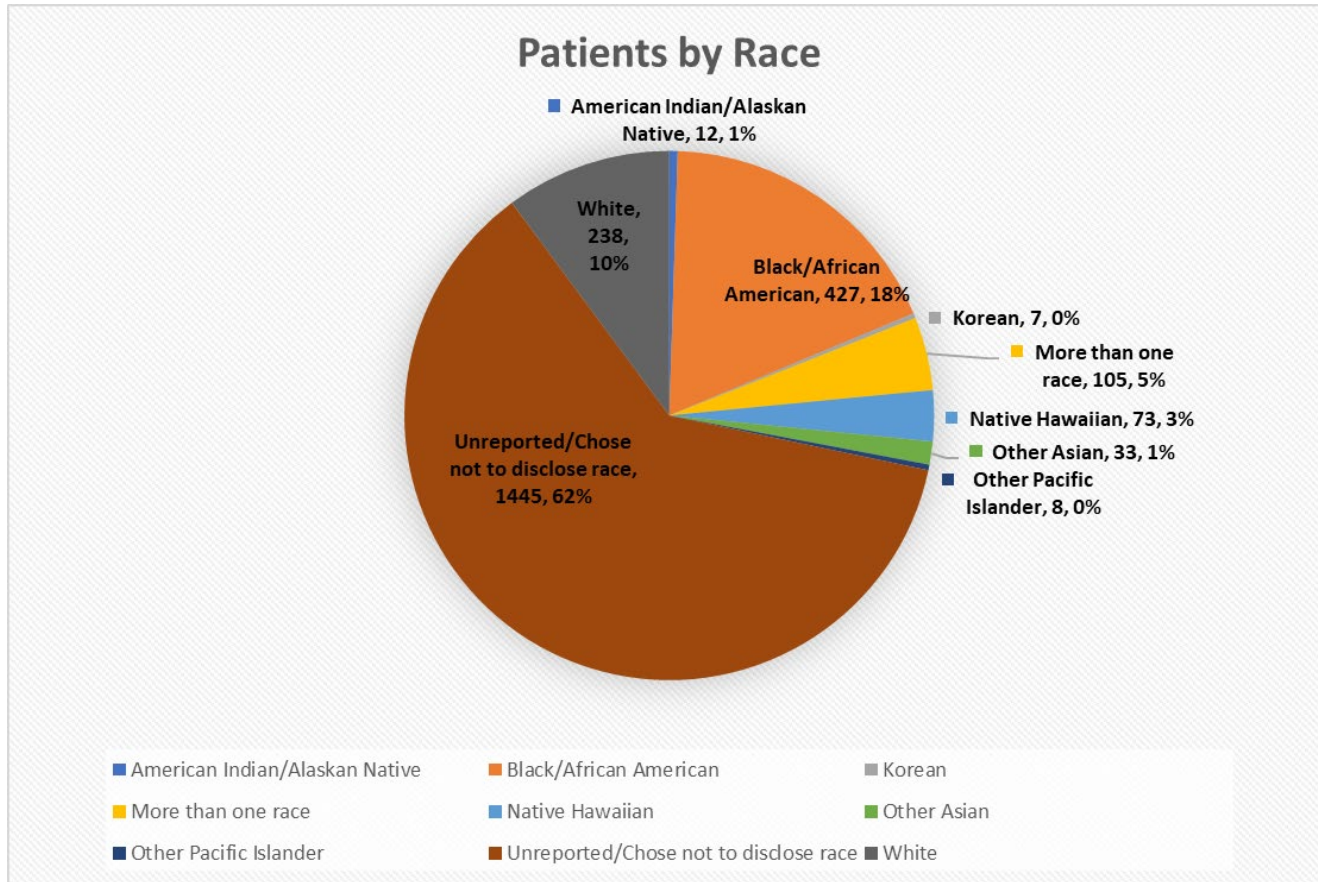
- 2 blocks from Grand St (L) station
- Occupying 10,900 SF across 2 floors



Williamsburg – 2023 Patient Data

Visits
8,741

Unique Patients
2,368



- Per City-Wise Community Health Data,
 - 1 in 5 Greenpoint and Williamsburg children have obesity
 - 2 in 5 Greenpoint and Williamsburg adults report getting a flu vaccine in the past 12 months
 - 10% of adults are without insurance and without needed medical care
 - 1,041 avoidable hospitalizations in 2019

- Per the 2022 Community Health Needs Assessment in Brooklyn,
 - Brooklyn Resident's expressed the need for culturally and linguistically appropriate and humble resources in the community
 - Many residents rely on the ED or urgent care for their health needs, especially if they are uninsured or unable to get health care coverage because of their employment or documentation status.
 - The community identified diabetes, high blood pressure and sugar, mental health issues, and obesity has their top poor health outcomes.
 - Cancer and heart disease are the leading causes of premature death

Lease Terms

- Gotham/Williamsburg will continue to occupy a 10,900 SF building and 1,185 vacant area 279-281 Graham Avenue, Brooklyn
- A 5-year lease with three 5-year options for renewal will commence upon execution.
- Base Rent is Fair Market Value: \$57.83/square foot to escalate 3.5% each year for five years. First year's rent will be \$630,397 (\$52,533/month)
- Gotham is responsible for operating expenses, including water, electricity, and maintenance of HVAC and elevators.
- Landlord can replace HVAC system at cost, paid as additional rent.
- Property taxes are billed as additional rent, but will be waived by DOF in the renewal period.
- The total annual occupancy fee for base rent over the potential 5-year term will be approximately \$3.38 million
- The total annual occupancy fee for base rent over the potential 20-years will be approximately \$17.83 million

	per annum	per month	per sf
current term	\$ 609,078.83	\$ 50,756.57	\$ 55.88
1	\$ 630,396.59	\$ 52,533.05	\$ 57.83
2	\$ 652,460.47	\$ 54,371.71	\$ 59.86
3	\$ 675,296.59	\$ 56,274.72	\$ 61.95
4	\$ 698,931.97	\$ 58,244.33	\$ 64.12
5	\$ 723,394.59	\$ 60,282.88	\$ 66.37

	Period	Total Cost of 5-Year Term
Initial Lease	Years 1-5	\$ 3,380,480.20
Option 1	Years 6-10	\$ 4,014,950.04
Option 2	Years 11-15	\$ 4,768,501.18
Option 3	Years 16-20	\$ 5,663,483.55
Total		\$ 17,827,414.95

Request for Approval

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LICENSE AGREEMENT

SLEEP DISORDERS INSTITUTE (SDI)

SLEEP DISORDER CLINIC

NYC HEALTH + HOSPITALS / BELLEVUE

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a five-year renewal revocable license agreement with Sleep Disorders Institute (“**SDI**”) for its use of approximately 1,038 square feet to operate a sleep disorder clinic on the 7th floor of the “H Building” at NYC Health + Hospitals/Bellevue (the “**Facility**”) at an annual occupancy fee of \$68,954 or \$66.43/ft. to escalate at 2.75% each year for a five-year total of \$429,347.

WHEREAS, in April, 2019, the System’s Board of Directors authorized a five-year license with SDI for space in the Facility’s H Building which agreement is due to expire July 31, 2024; and

WHEREAS, the Centers for Disease Control and Prevention reports that a third of US adults usually get less than the recommended amount of sleep, which can lead to chronic disease and conditions such as type 2 diabetes, heart disease, obesity and depression; and

WHEREAS, SDI is a full-service sleep disorder clinic providing sleep medical services to adults and children with sleep and wakefulness disorders; and

WHEREAS, over the last five years, SDI has assessed patients in the Facility’s Bariatric Program, evaluated patients being treated in the Bellevue Sleep Disorders Clinic, and performed all the overnight sleep studies for Facility patients.

WHEREAS, SDI is accredited by the American Academy of Sleep Medicine and has been recognized as a “Center of Excellence” for over 25 years; and

WHEREAS, SDI is staffed with doctors, board certified in sleep medicine, who approach sleep disorders with a disease-management model that provides high quality care; and

WHEREAS, the Facility has adequate space to house SDI’s program and believes the Facility’s patients will continue to benefit from SDI’s sleep medicine services; and

WHEREAS, while SDI gets referrals from within the System, especially the Facility and from outside of the System, System patients will get first priority for appointments; and

WHEREAS, NYC Health + Hospitals will not be required to perform any work to outfit the space that SDI will occupy to prepare it for occupancy;

WHEREAS, the license will be administered by the Executive Director of the Facility.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to sign a five-year renewal revocable license agreement with Sleep Disorders Institute (“**SDI**”) for its use of approximately 1,038 square feet to operate a sleep disorder clinic on the 7th floor of the “H Building” at NYC Health + Hospitals/Bellevue (the “**Facility**”) at an annual occupancy fee of \$68,954 or \$66.43/ft. to escalate at 2.75% each year for a five-year total of \$429,347.

**EXECUTIVE SUMMARY
SLEEP DISORDER INSTITUTE (“SDI”)
BELLEVUE HOSPITAL CENTER**

BACKGROUND: The System seeks authorization to execute a 5-year renewal revocable license agreement with SDI for 1,038 sq. ft. in which to continue to operate a sleep disorder clinic on the 7th floor of the Facility’s “H” Building. The System’s Board of directors authorized a previous 5-year license with SDI which expires July 31, 2024.

NEED: The CDC reports that a 1/3 of US adults usually get less than the recommended amount of sleep, which can lead to chronic disease and conditions such as type 2 diabetes, heart disease, obesity and depression. The Facility had no sleep medicine clinic and, since the prior license, has been relying on SDI to perform assessments of its patients with sleep disorders including overnight sleep studies. Facility patients have benefited from SDI’s sleep medicine services.

SDI: SDI currently operates a full-service sleep disorder clinic for adults and children at 423 W. 55th Street in Manhattan where it specializes in treating sleep apnea, insomnia, restless leg syndrome, and excessive sleepiness. SDI is accredited by the American Academy of Sleep Medicine and has been recognized as a “Center of Excellence” for over 25 years and its doctors are board certified in sleep medicine. Before the 2019 license, the Facility referred its patients to SDI’s offices.

PROGRAM: SDI has and will maintain its own, license to operate under Article 28 of the NY Public Health Law and will have sole responsibility for patients whom it treats. The Facility will make patient referrals to SDI but once referred, the patient will become an SDI patient with respect to SDI treatment. SDI will also care for patients that come to SDI independently or through other referrals. SDI will accept referrals from the System of uninsured patients for which the System will pay the Medicaid rate. SDI will operate 24/7. The program is staffed with five doctors and two physicians’ assistants.

TERMS: SDI will pay an occupancy fee of \$827,452.08 or \$66.43/ft. to escalate at 2.75% each year for a five-year total of \$429,347. The occupancy fee is the fair market value of the space as assessed by the System’s consultant, Helmsley Spear, in its attached report. The cost of security, utilities, and housekeeping are included in the occupancy fee. The term of the license will be 5 years and shall be revocable by either party on 90 days’ notice. The final year of the prior license and the 5 years under the proposed license are summarized below:

Year	Per square foot	Monthly Fee	Annual Fee
Prior License	\$62.71	\$5,424.42	\$65,092.98
Year 1	\$66.43	\$5,746.20	\$68,954.34
Year 2	\$68.26	\$5,904.49	\$70,853.88
Year 3	\$70.13	\$6,066.25	\$72,794.94
Year 4	\$72.06	\$6,233.19	\$74,798.28
Year 5	\$74.04	\$6,404.46	\$76,853.52

HELMSLEYSPEAR

March 15, 2024

Deborah Morris
Senior Director
Land Use Planning and Real Estate
NYC Health + Hospitals
50 Water Street
New York, NY 10004

Re: Updated Fair Market Value/Appraisal of space within the Bellevue Hospital Center
Regarding the 7th Floor, Unit #7N1, and within the main hospital building
On behalf of NYC Health + Hospitals

Dear Deborah:

Pursuant to your request, we have updated the Fair Market Value for the referenced property from the original assessment dated 11/21/2018. For the original report, I visited the 7th Floor, Unit #7N1, in Bellevue Hospital Center. This assessment remains inclusive of the value of the 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 (501C3) real estate taxes are not applicable, however this is considered when assessing the value of the space in order to provide a comprehensive FMV for the prospective licensee or tenant. This evaluation is subject to the following:

- The unit is currently occupied and is properly zoned for the current use as a Sleep Disorder Clinic and will continue to be occupied as such.
- The licensee will continue to occupy the premises which consists of approximately 1,411 SF within the referenced building.
- This evaluation is for the purpose of re-establishing the current FMV to lease/license the referenced property.

There are other variables that must also be considered. It is apparent that proximity to the licensor'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 licensee/tenant. 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 are also factored in this report.

This medical space is licensed to an operator of a Sleep Disorder Clinic located within the medical complex of Bellevue Hospital Center on First Avenue in the Kips Bay market area. This unique property within the referenced market area has numerous medical facilities, hospitals and private physician practices in the immediate area providing a benchmark for market rents. The space offers the licensee a full-service hospital building with amenities typically only found in hospitals,

medical institutions, full-service medical office buildings, and office buildings. The complex is readily accessible by mass transit and conveniently situated off of FDR Drive for vehicular transit.

Kips Bay and specifically First Avenue services 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 \$40-82 per SF, depending on the building, configuration, etc.

Opportunity for medical office space in this market are for undeveloped older and outdated spaces, which would require buildout and major capital expenditures by a licensee/tenant. Administrative office space is more competitive and can still achieve rents in the low to mid \$40 SF range. The current use is an important factor in assessing the value. The value of the buildout for the Sleep Laboratory would be between \$150-200 per SF currently.

This space is utilized for a Sleep Disorder Clinic and associated administrative tasks. The ability to provide the tenant and its patients with 24/7 access is crucial for the use.

CONCLUSION

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 costs associated with buildout. To relocate this program off-campus would entail an extensive up-front expense for the licensee.

This location and all access to the hospital campus is handicapped accessible. Again, 24/7 security is a valuable amenity provided. All of the lavatories throughout the facility are ADA compliant. The corridors are also wheelchair accessible (over 6 feet wide). The elevators can accommodate stretchers which would not be available in most commercial buildings.

Most of the sleeping rooms and the associated administrative office area is over \$150 per SF to build. IT/IS services are included in the licensing 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 licensor/landlord. There are no additional electric service charges and will be included in the license fee. The unit is not individually metered. Accordingly, we assess electric service, as industry standard, to be between \$3.50-4.00 per SF.

The following is the rent range for the referenced facility/space:

A Sleep Disorder Clinic does not entail a major expenditure for tenant improvement to develop the space. This Sleep Disorder space has a current value of \$60-68 per SF for the new contemplated license agreement. This rental fee takes into consideration the unique use and that access, along with building services, are necessary after typical business hours. These variables were factored into the appraisal as well.

In conclusion, this analysis finds that the FMV for this individual space has greater value than commercial opportunities within the same market district, i.e. independent, standalone buildings.

It would be appropriate for the tenant to negotiate an escalation provision to the base rent/fee of 2.50% to 3.00% commencing in the second year of a license agreement. 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 similarly 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". The signature is fluid and cursive, with a prominent initial "M" and a long, sweeping underline.

Michael E. Dubin
Executive Managing Director
Helmsley Spear

Request to License Sleep Disorder Institute at New York City Health + Hospitals/Bellevue

**Capital Committee
May 6, 2024**

Marcia Peters, NYC H+H/Bellevue COO

Leora Jontef, Assistant Vice President, Real Estate & Housing

Deborah Morris, AICP, Senior Director, Real Estate & Housing

Request for Approval

- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a five-year renewal revocable license agreement with Sleep Disorders Institute (“**SDI**”) for its use of approximately 1,038 square feet to operate a sleep disorder clinic on the 7th floor of the “H Building” at NYC Health + Hospitals/Bellevue (the “**Facility**”) at an annual occupancy fee of \$68,954 or \$66.43/ft. to escalate at 2.75% each year for a five-year total of \$429,347.

Background

- The Sleep Disorders Institute (SDI) is a full-service center specializing in the evaluation and treatment of disorders of sleep and wakefulness.
- SDI is accredited by the American Academy of Sleep Medicine.
- SDI has been operating at NYC Health + Hospitals/Bellevue’s (“Bellevue”) campus since June 2019, including throughout the COVID-19 public health emergency.
- SDI currently has 5 sleep study beds, as well as hundreds of devices to offer at home sleep studies with no wait
- Per the current Referral Agreement with H+H, SDI provides inpatient and outpatient services to patients referred by primary care physicians, cardiologists, or other specialists at Bellevue.
 - Includes patients without insurance and patients under custody of the Department of Corrections.
 - SDI employees can schedule patients for sleep studies on Bellevue’s campus or at home.

	Self Pay (Billed to Bellevue)	Billed Patient's Insurance	Total Sleep Studies
2019	158	16	174
2020* (Covid-19)	118	162	280
2021	219	209	428
2022	344	225	569
2023	413	730	1143

License Terms

- The Sleep Disorders Institute will occupy 1,038 SF on the 7th floor of the ‘H-Building’ of NYC H+H/Bellevue Hospital Center at 462 First Avenue, New York , NY 10016.
- A 5-year license term will commence upon execution of the license.
- Base Rent is Fair Market Value: \$66.43/square foot to escalate 2.75% each year for five years.
- The total annual occupancy fee for base rent over the potential 5-year term will be approximately \$429,347.

Year	Per square foot	Monthly Fee	Annual Fee
Prior License	\$62.71	\$5,424.42	\$65,092.98
Year 1	\$66.43	\$5,746.20	\$68,954.34
Year 2	\$68.26	\$5,904.49	\$70,853.88
Year 3	\$70.13	\$6,066.25	\$72,794.94
Year 4	\$72.06	\$6,233.19	\$74,798.28
Year 5	\$74.04	\$6,404.46	\$76,853.52

Request for Approval

- Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a five-year renewal revocable license agreement with Sleep Disorders Institute (“**SDI**”) for its use of approximately 1,038 square feet to operate a sleep disorder clinic on the 7th floor of the “H Building” at NYC Health + Hospitals/Bellevue (the “**Facility**”) at an annual occupancy fee of \$68,954 or \$66.43/ft. to escalate at 2.75% each year for a five-year total of \$429,347.

CONTRACT APPROVAL

AXIS CONSTRUCTION, CORP.

LABOR AND BIRTHING SUITE RENOVATION

**NYC HEALTH + HOSPITALS / SOUTH BROOKLYN
HEALTH**

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “NYC Health + Hospitals”) to execute a design-build contract with Axis Construction Corporation, (the “Contractor”) to undertake a development an integrated women’s health suite at New York City Health + Hospitals/South Brooklyn Health for a contract amount of \$22,995,627, with a 10% project contingency of \$2,299,563, to bring the total cost not to exceed \$25,295,190.

WHEREAS, New York City Health + Hospitals/South Brooklyn Health’s (“Brooklyn Health”) women’s health program services are currently located in 11,000 square feet of space, consist of 20 exam rooms and 4 ultrasound rooms in the Tower and Main Buildings; and

WHEREAS, Brooklyn Health has seen a 35% increase in births since fiscal year 2021, and modifications and upgrades are necessary to improve clinical operations and patient experience. Such improvements include an increase to 28 exam rooms and 6 ultrasound rooms, addition of 6 multipurpose rooms, as well as staff support, education and waiting rooms, among other improvements; and

WHEREAS, to procure the required services the NYC Health + Hospitals utilized a design-build delivery approach as authorized by state legislation in December, 2019; and;

WHEREAS, as approved by the CRC on April 30, 2024, a Request for Qualifications was posted in the City Record on 12/18/2023 and sent directly to 12 vendors; a pre-proposal conference was held on January 5, 2024, with 47 vendors in attendance; 10 statements of qualifications were received by the submittal deadline of January 26, 2024, and 3 firms with top scores were short-listed for the RFP; on February 06, 2024, NYC Health + Hospitals issued a Request for Proposals (RFP) for the engineering design and construction of the project; on February 26, 2024, initial proposals were received from the 3 shortlisted vendors; on March 1, 2024, the vendors provided presentations to the evaluation committee; on March 7, 2024, the Contractor received the highest overall score; and

WHEREAS, the Contractor has committed to an MWBE subcontracting plan of 32%; and

WHEREAS, the overall responsibility for the administration of the proposed contract shall be with the Vice President, Facilities Development.

NOW, THEREFORE, be it

RESOLVED that NYC Health + Hospitals be and hereby is authorized to execute a design-build contract with Axis Construction Corporation to undertake the integrated women’s health suite renovation at Brooklyn Health for a contract amount of \$22,995,627, with a 10% project contingency of \$2,299,563, to bring the total cost not to exceed \$25,295,190.

**EXECUTIVE SUMMARY
BROOKLYN HEALTH
INTEGRATED WOMEN'S HEALTH SUITE RENOVATION PROJECT
AXIS CONSTRUCTION CORPORATION**

- CONTRACT SCOPE:** Design and construction of the women's health suite
- NEED:** NYC Health + Hospitals facilities needs design and construction services to undertake the renovation of the integrated women's health suite at Brooklyn Health.
- CONTRACT DURATION:** Three years and an additional two one year renewal terms, slated to commence Summer of 2024 with anticipated completion in Spring 2026.
- PROCUREMENT:** Request for Qualifications was posted in the City Record on 12/18/2023 and sent directly to 12 vendors; a pre-proposal conference was held on January 5, 2024, with 47 vendors in attendance; 10 statements of qualifications were received by the submittal deadline of January 26, 2024, and 3 firms with top scores were short-listed for the RFP; on February 06, 2024, NYC Health + Hospitals issued a Request for Proposals (RFP) for the engineering design and construction of the project; on February 26, 2024, initial proposals were received from the 3 shortlisted vendors; on March 1, 2024, the vendors provided presentations to the evaluation committee; on March 7, 2024, the Contractor received the highest overall score.
- PRIOR EXPERIENCE:** Axis Construction Corporation worked on the Ida G Replacement Clinic Construction Project at Brooklyn Health and received a Satisfactory determination, and performed the NYC H+H Gotham/Vanderbilt Health Clinic Construction for which it received a rating of Excellent.
- CONTRACT AMOUNT:** Not to Exceed \$25,295,190.
- PASSPORT APPROVAL:** Approved
- EEO APPROVAL:** Pending
- MWBE STATUS:** Contractor has committed to a 32% MWBE contract goal.



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

From: Franco Esposito *Franco Esposito*
Senior Counsel
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Axis Construction Corp.

Date: April 18, 2024

The below information indicates the vendor's status as to responsibility, EEO and MWBE as provided by the Office of Facilities Development and Supply Chain:

Vendor Responsibility

Approved

EEO

Pending

MWBE

32%

Request to Award Contract to Axis Construction Corp. for Integrated Women's Health Design-Build at New York City Health + Hospitals/South Brooklyn Health

Capital Committee
May 6, 2024

Svetlana Lipyanskaya, CEO, NYC H+H/South Brooklyn Health

Manuel Saez, PhD, VP, OFD

Oscar Gonzalez, SAVP, OFD

Anniqua Brown, Senior Regional Director, OFD

Kelly Burns, Director, OFD

Request for Approval

- Authorizing New York City Health and Hospitals Corporation (the “NYC Health + Hospitals”) to execute a design-build contract with Axis Construction Corporation, (the “Contractor”) to undertake a development an integrated women’s health suite at New York City Health + Hospitals/South Brooklyn Health for a contract amount of \$22,995,627, with a 10% project contingency of \$2,299,563, to bring the total cost not to exceed \$25,295,190

- Women's Health services at New York City Health + Hospitals South Brooklyn Health (NYC H+H/SBH) have seen a 35% increase in births from FY21 (900 births) to FY23 (1400 births).
- Additional modifications and upgrades are needed to improve clinical operations and patient experience.
- Current Women's Health program services are approximately 11,000 sq ft and are located in both the Tower and Main Buildings.
- NYC H+H/SBH currently has 20 exam rooms, 3 of which are used as Treatment rooms.
- NYC H+H/SBH currently has 4 ultrasound rooms located over 2 floors.

Proposed Future State

NYC H+H/SBH will feature an Integrated Women's Health suite that will be focused on the patient and family experience. The space will be adjacent to the current inpatient postpartum unit, which will improve continuity of care during and following a patient's labor and delivery. The space will improve access to high quality patient centered care through changing the model of care.

The NYC H+H/SBH Women's Health suite will include:

- Approximately 20,000 sq ft of integrated services on the same floor
- Approximately 28 exam rooms, 6 ultrasound rooms, 6 multipurpose procedure rooms, as well as staff support, education and waiting rooms
- Multipurpose procedure rooms are designed to support patient experience and allow all clinicians to meet patients in one room for their appointment.
- Reception area, waiting triage and 24 observation bays to be included in the North side of the 8th floor
- Family comfort space and amenities to support the mother's partners and families during appointments
- Education spaces and additional waiting space will meet the needs of the community and patients families.

Proposed Future State



RFQ and RFP Criteria

Minimum criteria:

- Design-build services for five similar projects over \$10 Million, with preferred healthcare and clinical projects
- Experience holding construction contracts for public owners
- M/WBE plan, waiver, or certification

Two Step Selection Process

1. Scoring Criteria (RFQ)

- | | |
|--|-----|
| ➤ Firm Experience | 40% |
| ➤ Staff Qualifications | 30% |
| ➤ Overall Approach & Methodology | 20% |
| ➤ MWBE Status or MWBE Utilization Plan | 10% |

2. Scoring Criteria (RFP)

- | | |
|---|-----|
| ➤ Project Specific Approach & Methodology | 40% |
| ➤ Qualifications of Consultant & Staffing | 35% |
| ➤ Cost Proposals | 10% |
| ➤ MWBE Status or MWBE Utilization Plan | 10% |
| ➤ Firm experience | 5% |

Evaluation Committee:

- Director of Capital Budget/ Contract Control, OFD
- Director of Capital Budget/ Contract Control, OFD
- Project Manager, OFD
- Senior Director, EITS, SBH
- Director of Nursing, SBH
- Senior Assistant Director of Facilities, SBH
- Associate Executive Director, SBH
- Medical Director

Overview of Procurement

- 12/18/23: RFQ Released and posted on City Record, sent directly to 12 vendors
- 01/05/24: Pre-proposal conference held, 47 vendors attended
- 01/26/24: SOQs due, 10 statement of qualification packages received
- 02/06/24: Evaluation Committee debriefed and submitted final scores.
- 02/08/24: Top 3 firms notified of moving into RFP phase. RFP released only to those 3 vendors.
- 02/12/24: Top 3 firms conducted walkthrough of South Brooklyn facility
- 02/26/24: RFP proposals due, 3 proposals received
- 03/01/24: Vendors presentation by all 3 firms to the evaluation committee
- 03/07/24: Evaluation committee debriefed and submitted final scores. The highest rated proposer:
 - Axis Construction Corporation

Contract

- Contract amount is \$22,995,627.
- Expected to begin Summer 2024 with a three-year initial term and two one-year renewal options exercisable at the discretion of NYC Health + Hospitals.
- Axis has current and previous contracts with NYC Health + Hospitals:
 - NYC H+H/Coney Island’s Ida G Replacement Clinic Construction (Satisfactory)
 - NYC H+H Gotham/Vanderbilt Health Clinic Construction (Excellent)
- Expected to begin Summer 2024 with a three-year initial term and two one-year renewal options exercisable at the discretion of NYC Health + Hospitals.
- Axis has committed to a 32% sub-contractor utilization plan:

MWBE Vendor	Subcontracted SOW	Certification	Goal %
Moody Nolan	Architecture Healthcare Planning	NYC/NYS Black/Male	32%
En Tech Engineering, PC	Construction Project Support Management	NYC/NYS Non-Minority Female	
Cardoza Plumbing	Plumbing	NYC/NYS Hispanic/Male	

Performance Evaluation

Vendor Performance Evaluation	
Axis Construction Corp	
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

NYC H+H/SBH Integrated Women's Health	
Design Build	\$22,995,627
Contingency (10%)	\$2,299,563
Total	\$25,295,190

- CP is pending OMB approval
- Design build proposed price will be negotiated while working towards contract execution.

Request for Approval

- Authorizing New York City Health and Hospitals Corporation (the “NYC Health + Hospitals”) to execute a design-build contract with Axis Construction Corporation, (the “Contractor”) to undertake a development an integrated women’s health suite at New York City Health + Hospitals/South Brooklyn Health for a contract amount of \$22,995,627, with a 10% project contingency of \$2,299,563, to bring the total cost not to exceed \$25,295,190

CONTRACT APPROVAL

JENSEN HUGHES ENGINEERING, PC

LIFE SAFETY SERVICES

NYC HEALTH + HOSPITALS / SYSTEM-WIDE

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a contract with Jensen Hughes Engineering, P.C. (the “Contractor”), to provide life safety services at all acute hospitals for a contract amount of \$7,348,135, with a 10% project contingency of \$734,813.50, to bring the total cost not to exceed \$8,082,949.

WHEREAS, the system’s acute hospitals require certain regularly scheduled life safety services, including but not limited to, life safety assessments, production of barrier drawings, comprehensive accreditation assistance, infrastructure assessments and physical environmental document review; and

WHEREAS, NYC Health + Hospitals currently has an expiring contract with Jensen Hughes Engineering, P.C. to perform such life safety services which will expire in February 2025; and

WHEREAS, due to the system’s need to continue to provide these life safety services, it was determined that a procurement be undertaken to select a new vendor to perform such services once the current contract expires; and

WHEREAS, in accordance with Operating Procedure 100-5 a solicitation was issued on December 11, 2023; a pre-proposal conference was held on December 21, 2023 attended by 3 vendors; proposals were received and publicly opened on February 21, 2024; on April 2, 2024, the evaluation committee completed its scoring and Contractor received the highest overall score; and

WHEREAS, the Contractor has committed to an MWBE subcontracting plan of 30%; and

WHEREAS, the Contractor has met all, legal, business and technical requirements and is qualified to perform the services as required in the contract documents; and

WHEREAS, the overall responsibility for the administration of the proposed contract shall be with the Vice President, Facilities Development.

NOW, THEREFORE, be it

RESOLVED that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a contract with Jensen Hughes Engineering, P.C. for the performance of life safety services in the amount of \$7,348,135, with a 10% project contingency of \$734,813.50, to bring the total cost not to exceed \$8,082,949.

**EXECUTIVE SUMMARY
LIFE SAFETY SERVICES
JENSEN HUGHES ENGINEERING, P.C.**

CONTRACT SCOPE: Life Safety Services

NEED: NYC Health + Hospitals facilities needs life safety services to be performed at each of its acute hospitals.

CONTRACT DURATION: 5 years, slated to commence, March 2025 with anticipated completion in February, 2030.

PROCUREMENT: a solicitation was issued on December 11, 2023; a pre-proposal conference was held on December 21, 2023 attended by 3 vendors; proposals were received and publicly opened on February 21, 2024; on April 2, 2024, the evaluation committee completed its scoring and Contractor received the highest overall score.

PRIOR EXPERIENCE: Jensen Hughes Engineering, P.C. has previously worked on the system's life safety services contract and received a rating of excellent.

CONTRACT AMOUNT: Not to Exceed \$8,082,949.

PASSPORT APPROVAL: Approved

EEO APPROVAL: Approved

MWBE STATUS: Contractor has committed to a 30% MWBE contract goal.



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

From: Franco Esposito *Franco Esposito*
Senior Counsel
Office of Legal Affairs

Re: Vendor Responsibility, EEO and MWBE status for Board review of contract

Vendor: Jensen Hughes Engineering P.C.

Date: April 18, 2024

The below information indicates the vendor's status as to responsibility, EEO and MWBE as provided by the Office of Facilities Development and Supply Chain:

Vendor Responsibility

Approved

EEO

Approved

MWBE

30%

**Request to Award Contract to
Jensen Hughes Engineering, P.C.
for Life Safety Services**

**Capital Committee
May 6, 2024**

**Manuel Saez, PhD, VP, OFD
Menji Indar, AVP, OFD**

Request for Approval

- Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a contract with Jensen Hughes Engineering, P.C. (the “Contractor”), to provide life safety services at all acute hospitals for a contract amount of \$7,348,135, with a 10% project contingency of \$734,813.50, to bring the total cost not to exceed \$8,082,949

Background / Current State

- The System has an existing contract with Jensen Hughes Engineering, P.C. for Life Safety Services at all Acute hospitals
- Annual surveys are completed at each site to proactively address any deficiencies in advance of TJC surveys
- The scope of this service is to conduct the following regularly scheduled services
 - Life safety assessments - Documentation for self-assessment of compliance and to resolve life safety code deficiencies
 - Barrier drawings – Illustration to prevent spread of smoke and fire
 - Comprehensive Accreditation – consulting for accreditation, survey prep and regulatory affairs
 - Infrastructure assessments, such as but not limited to, doors, walls, generators, sprinklers, exit signs, etc.
 - Physical environmental document review
- The current contract with Jensen Hughes is a five year term - it began in February of 2020 and expires in February of 2025
- The contract fee is based on an annual survey of each facility, and is a fixed fee of \$1,224,600 per year
- RFP was issued for a new contract and to ensure that we are getting the most competitive price in the market

RFP Criteria

➤ **Minimum criteria:**

- 5 + years performing life safety services in a multi-hospital system in New York State
- Office location in New York with significant staff presence in New York City

➤ **Substantive Criteria**

- 30% Cost
- 30% Methodology
- 30% Firm's Experience
- 10% MWBE

➤ **Evaluation Committee:**

- Director of Engineering, Life Safety Specialist
- Director of Engineering, Central Office
- Director, EITS
- Director of Engineering, Harlem Hospital
- Director of Engineering, Elmhurst Hospital
- Assistant Director of Fiscal Affairs
- Director of Engineering, Jacobi

Overview of Procurement

- 12/11/23: RFP Posted on City Record, sent directly to 6 vendors
- 12/21/23: Pre-proposal conference held, 3 vendors attended
- 02/14/24: Vendors met with facility stakeholders
- 02/21/24: Proposals due, 2 proposals received
- 04/02/24: Evaluation committee debriefed and submitted final scores.
 - Jensen Hughes Engineering, P.C.

Vendor Performance

Department of Supply Chain Vendor Performance Evaluation Jensen Hughes Engineering, P.C.	
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	Excellent

Contract Budget

Jensen Hughes Life Safety Services	
Life Safety Services	\$7,348,135
Contingency (10%)	\$734,813.50
Total	\$8,082,949

Vendor Diversity

MWBE Vendor	Subcontracted SOW	Certification	UP Goal %
JS Consulting Engineers PLLC	Annual Door Inspections and Physical Environmental Consulting	NYS/Non-Minority/Female	30%

- M/WBE Goal set at 30%.
- As the incumbent vendor, Jensen Hughes has currently achieved a 27% M/WBE utilization plan against a goal of 30% with 10 months remaining on the current contract.

Request for Approval

- Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a contract with Jensen Hughes Engineering, P.C. (the “Contractor”), to provide life safety services at all acute hospitals for a contract amount of \$7,348,135, with a 10% project contingency of \$734,813.50, to bring the total cost not to exceed \$8,082,949