

CAPITAL COMMITTEE
MEETING AGENDA

June 10, 2024
11:30 am
50 Water Street, 17th floor Boardroom

CALL TO ORDER

Freda Wang

- ADOPTION OF MINUTES – May 6, 2024

Freda Wang

- VICE PRESIDENT'S REPORT

Manuel Saez, PhD

ACTION ITEMS

- **Resolution** **Leora Jontef**
Authorizing the New York City Health and Hospitals Corporation (the "System") to sign a five-year license agreement with Sodexo ("Sodexo") for its use and occupancy of approximately 4,936 square feet at NYC Health + Hospitals/Bellevue ("Bellevue") for a retail food operation for which it will pay a minimum annual amount of \$100,000, plus 8% of annual gross sales over \$3M and 12% of annual gross sales over \$3.5M with such agreement to be terminable by each party on thirty days' notice without cause.

Vendex: NA
EEO: NA

- **Resolution** **Leora Jontef**
Authorizing New York City Health and Hospitals Corporation (the "System") to amend the existing agreement with Tasty Picks, Inc. #5 ("Tasty Picks") for its occupancy of space at NYC Health + Hospitals/Jacobi ("Jacobi") for a retail food operation to increase the area licensed from 1,000 square feet to 1,890 square feet and to increase the occupancy fee, calculated at \$25/square foot, from \$25,000 per year to \$47,250 per year.

Vendex: NA
EEO: NA

- **Resolution** **Manuel Saez**
Authorizing New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with Vanguard Construction and Development Co., Inc. (the "Contractor"), to undertake a project to renovate the D5 Labor & Delivery suite at NYC Health + Hospitals/Elmhurst Hospital for a contract amount of \$11,783,528, with a 10% project contingency of \$1,178,353, to bring the total cost not to exceed \$12,962,881.

Vendex: Approved
EEO: Pending

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MINUTES

May 6, 2024

Capital Committee Meeting – May 6, 2024

As reported by: José Pagán

Committee Members Present: Mitchell Katz, MD, Sally Hernandez-Piñero, Freda Wang

Mr. José Pagán called the meeting to order at 10:06 a.m.

Mr. Pagán called for a motion to approve the April 8, 2024 minutes of the Capital Committee meeting.

Upon motion made and duly seconded the minutes of the Capital Committee meeting held on April 8, 2024, were unanimously approved.

VICE PRESIDENT REPORT

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

- 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.

That concluded Mr. Saez's report.

- Sally Hernandez-Piñero asked for status of the OTxHU project at NYC Health + Hospitals/Bellevue. Mr. Saez explained that the project was moving along with parking lot expansion on-going, flood protections in process, and canopy and tie-ins are under way. Mr. Gonzalez added that completion was expected by end of year.
- Dr. Katz said he remembered there being some discussion as to which size generator was selected. Mr. Gonzalez said the larger generator was selected and has been ordered and there is a back up plan in place if the equipment does not arrive in time.

Leora Jontef read the resolution into the record:

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.

Ms. Jontef was joined by Ted Long, MD, MHS Senior Vice President, Ambulatory Care and Population Health, who presented the background information on the clinic, services provided, and the surrounding community. Ms. Jontef described the lease terms.

- Ms. Hernandez-Piñero asked about demographic profile for the clinic and asked if there was any insight into the 62% who did not disclose race. Dr. Long said that was not unlike most of the data collection that happens throughout the system. Roman Ryniewski, Deputy Executive Director, NYC Health + Hospitals/Gotham Health, said there had been an uptick in utilization from the Latin community.
- Ms. Hernandez-Piñero asked if there was a difference in patient population between the Greenpoint and Williamsburg clinics. Jeremy Berman, Deputy Counsel, said that historically there was a large polish population in the Greenpoint area.

- Ms. Hernandez-Piñero noted the 3.5% annual increases and asked if our existing relationship with the landlord helped facilitate negotiations. Ms. Jontef said yes, but the market in the neighborhood is very hot and the location of the clinic is desirable so we wanted to remain in the space for continuation of services to the community. The H+H team negotiated terms, which included some work that needed to be addressed and this is the outcome of that work.
- Ms. Hernandez-Piñero asked what capital improvements would be made. Deborah Morris, Director, Housing and Real Estate, said that roof work and duct work was underway, estimated to be several hundred thousand dollars, the basement stairs would be replaced, HVAC, roof work and coping on the exterior would be done.
- Freda Wang asked if the landlord would be paying for that. Ms. Morris said yes. Mr. Berman added that landlords were often responsible for replacements and H+H responsible for maintenance.
- Ms. Wang asked what the prior terms of the lease were. Mr. Berman said the prior lease was for 20 years and this one is for 5 years. Ms. Wang asked what would happen in 5 years if the lease increases. Mr. Berman said negotiations would be step one because moving is a big lift and purchasing is not really on option.
- Mr. Pagán said he feels the 5-year term provides us with time to assess other options as needed.

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

Ms. Morris read the resolution into the record:

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.

Ms. Morris narrated a presentation providing background information, services to be provided, and terms of lease.

- Ms. Hernandez-Piñero said she had experience there and while there was a difference between locations she visited it was a fine facility.
- Ms. Wang asked if there was a priority in the program for Bellevue patients. Ms. Morris said the majority of patients came from Bellevue but outside patients were welcome.
- Mr. Pagán asked if there was any quality consistency check completed during negotiations to ensure that all sites were equal in comfort and service. Ms. Morris said she would discuss with appropriate parties.

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 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.

Oscar Gonzalez, Senior Assistant Vice President was joined by Kelly Burns, 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.

- Ms. Hernandez-Piñero asked what the purpose of the various rooms would be. Ms. Burns said they range from pre to post-partum uses.
- Ms. Hernandez-Piñero asked what was meant by community rooms. Ms. Burns said there would be community education spaces to educate future parents and additional waiting areas with a children's section and stroller areas.
- Mr. Pagán noted that the increase in births was impressive and asked if we were sure this project would accommodate future needs. Dr. Katz noted that there had been increases in birth rates throughout the borough and System.

- Ms. Wang asked if the design-build model was working successfully for H+H. Mr. Gonzalez said it was still early but the design-build project at Harlem was going well.
- Ms. Wang asked how it was determined which projects would use the design-build model. Mr. Gonzalez said one mandated criterion was a \$10 million minimum project budget, but additionally it had to be a project that leant itself to collaboration and flexibility.
- Ms. Wang asked if this model was a Gross Maximum Price (GMP) contract. Mr. Gonzalez said no, this is more of a not-to-exceed, there is a contingency included within the \$23 million for field conditions but the owner's contingency is more for scope changes or additions. There is extra budget built in and available.
- Ms. Wang asked about contract term. Mr. Gonzalez said the 3-year contract with two one-year options to renew but completion was anticipated for end of year two. The additional time provides for close-out, and other end of project deliverables.
- Ms. Hernandez-Piñero asked if services would be interrupted during construction. Ms. Burns said no.

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 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.

Mahendranath Indar, Assistant Vice President, narrated a presentation providing background information, scope of services, solicitation process, contract terms, MWBE utilization, and contract budget.

- Ms. Hernandez-Piñero asked for clarification on budget. Mr. Indar explained that there was additional square footage in the new agreement and market rates had also increased.
- Ms. Wang asked why we were seeing the new agreement so far in advance of expiration. Mr. Saez said, we wanted to be prepared.



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 10:58 a.m.

VICE PRESIDENT'S REPORT

- As the fiscal year ends this month, we are finalizing registration of the balance of our Fiscal Year 2024 contracts with the comptroller to ensure that we meet our commitment goals and have timely starts to the projects.
- Succession planning is an important part of our staffing, and with that in mind we recently created the role of a second chief engineer so at every site we have two chiefs to ensure continuity of all operations.
- Leaks in the roof at NYC H+H/Elmhurst required urgent repairs including patching, membrane repair, epoxying, and new air-handler pans. This work was completed expeditiously to ensure no significant impact to NYC H+H/Elmhurst operations.
- Also at NYC H+H/Elmhurst, we received a generous capital contribution from Congresswoman Grace Meng of \$1.8 million to support renovation of J1 infectious disease clinic and Behavioral Health Transcranial Magnetic Stimulation (TMS) clinic.
- At NYC H+H/Harlem, the work to install the new condenser riser piping is complete and all required testing complete allowing both hospital chillers to be brought back on line and restoring normal chiller operations.
- At NYC H+H/Kings, we are continuing work on the P and T buildings, the P-B Bridge Demolition, replacement of Central Sterile Equipment and Instrument Washers, and Express Care construction.
- We have three items today – lease agreements at NYC H+H/Bellevue and NYC H+H/Jacobi, and a construction contract for a Labor and Delivery Renovation at NYC H+H/Elmhurst.

LICENSE AGREEMENT

SODEXO

RETAIL FOOD OPERATIONS

NYC HEALTH + HOSPITALS / BELLEVUE

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to sign a five-year license agreement with Sodexo (“Sodexo”) for its use and occupancy of approximately 4,936 square feet at NYC Health + Hospitals/Bellevue (“Bellevue”) for a retail food operation for which it will pay a minimum annual amount of \$100,000, plus 8% of annual gross sales over \$3M and 12% of annual gross sales over \$3.5M with such agreement to be terminable by each party on thirty days’ notice without cause.

WHEREAS, for many years Bellevue had both a “grab and go” type retail food operation and a sit-down diner-type restaurant, however since Fall 2022, Bellevue has not had the restaurant operation leaving Bellevue staff and visitors without this option; and

WHEREAS, the System’s primary goal in establishing retail food service operations is to ensure affordable and healthy food for staff and visitors and not to maximize the revenue; and

WHEREAS, Sodexo is an international food service and facilities management company that has prepared patient meals for all of the system’s patients since 2005; and

WHEREAS, Sodexo also operates retail food establishments in institutional settings such as hospitals, schools and private companies; and

WHEREAS, Bellevue and Central Office staff toured a comparable Sodexo retail food operation in the area and found an impressive variety of healthy food options at low prices and in attractive settings; and

WHEREAS, Sodexo will offer a culturally diverse and healthy menu at affordable prices for the Bellevue community, and Bellevue will approve the rotating menus & prices other than cost of living adjustments; and

WHEREAS, responsibility for the operation of the proposed food service operation and administering the proposed agreement will be with the Executive Director of Bellevue.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to sign a five-year license agreement with Sodexo (“**Sodexo**”) for its use and occupancy of approximately 4,936 square feet at NYC Health + Hospitals/Bellevue (“**Bellevue**”) for a retail food operation for which it will pay a minimum annual amount of \$100,000, plus 8% of annual gross sales over \$3M and 12% of annual gross sales over \$3.5M with such agreement to be terminable by each party on thirty days’ notice without cause.

EXECUTIVE SUMMARY

SODEXO

LICENSE AGREEMENT FOR FOOD SERVICE OPERATIONS AT NYC HEALTH + HOSPITALS/BELLEVUE

OVERVIEW: Bellevue, the largest hospital in the System has long had multiple food vendors operating within the hospital with one or more “grab and go” operations and a sit-down restaurant. The former operator of the restaurant, Moonstruck, closed in Fall 2022 and Bellevue has been searching for a replacement vendor since then.

VENDOR:
BACKGROUND: Sodexo is an international company that offers food services and various facility management services. Sodexo has worked for the System for close to 20 years having responsibility for the preparation of meals for patients and also handling the System’s laundry needs. Additionally, Sodexo operates retail food establishments. A team of Central Office and Bellevue representatives visited a Sodexo restaurant at Stamford Hospital in Stamford, CT. Sodexo will model the Bellevue restaurant after the Stamford restaurant. The food to be offered is indicated in the attached menu. The team of System staff that visited the Stamford restaurant found the food to be quite varied, tasty, health and inexpensive.

TERMS: The proposed agreement will be for five years and will be terminable by each party without cause on thirty days’ notice. Bellevue will approve the rotating menus & prices other than cost of living adjustments.

Sodexo will pay a minimum occupancy fee of \$100,000/year. In addition, Sodexo will pay the System 8% on gross sales over \$3M and 12% on gross sales over \$3.5M. Sodexo will invest approximately \$1M to outfit the space licensed including bringing in all new kitchen equipment. The System will not pay any portion of such renovation and outfitting cost.

Sodexo will employ only unionized labor at the restaurant.

Because of the percentage rent approach to this transaction, it is not possible to determine an equivalent fair market value. In comparing this transaction to others, one also has to factor in the substantial investment Sodexo will make in the physical restaurant and the additional labor costs attributable to using union labor.

**Request to Authorize
License Agreement with
Sodexo for Retail Food Location at
NYC Health + Hospitals/ Bellevue**

**Capital Committee Meeting
June 10, 2024**

Marcia Peters, Chief Operating Officer, NYC Health + Hospitals/Bellevue
Mercedes Redwood, Assistant Vice President, Managed Services
Leora Jontef, Assistant Vice President, Housing and Real Estate
Jeremy Berman, Deputy General Counsel

Request for Approval

- Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to sign a five-year license agreement with Sodexo (“**Sodexo**”) for its use and occupancy of approximately 4,936 square feet at NYC Health + Hospitals/Bellevue (“**Bellevue**”) for a retail food operation for which it will pay a minimum annual amount of \$100,000, plus 8% of annual gross sales over \$3M and 12% of annual gross sales over \$3.5M with such agreement to be terminable by each party on thirty days’ notice without cause.

Current State at Bellevue

- Convenient onsite food options is important to staff and patient satisfaction.
 - Many facilities are not near retail corridors
 - Work schedules require easy access to food 24/7
 - Healthy food options are core to H+H values
 - Cost conscious pricing allows access to all hospital visitors
- Covid caused several food service vendors to close, leaving many hospitals without food services or with old operations in need of updating.
 - Moonstruck diner closed in July 2022.
 - The old Moonstruck license agreement had required Moonstruck to pay a minimum of \$150,000/yr or 12% of Gross Sales, whichever was higher.
- Currently the only option on campus is “grab and go” style at Panera Bakery, which does not have seating for dining.
- NYC Health + Hospitals/Bellevue selected Sodexo based on:
 - Sodexo’s organizational experience with NYC Health + Hospitals for almost two decades
 - Sodexo’s qualifications and reputation for appetizing food options next door at NYU Langone Health.
 - Sodexo’s proposal to offer affordable menu prices at Bellevue.

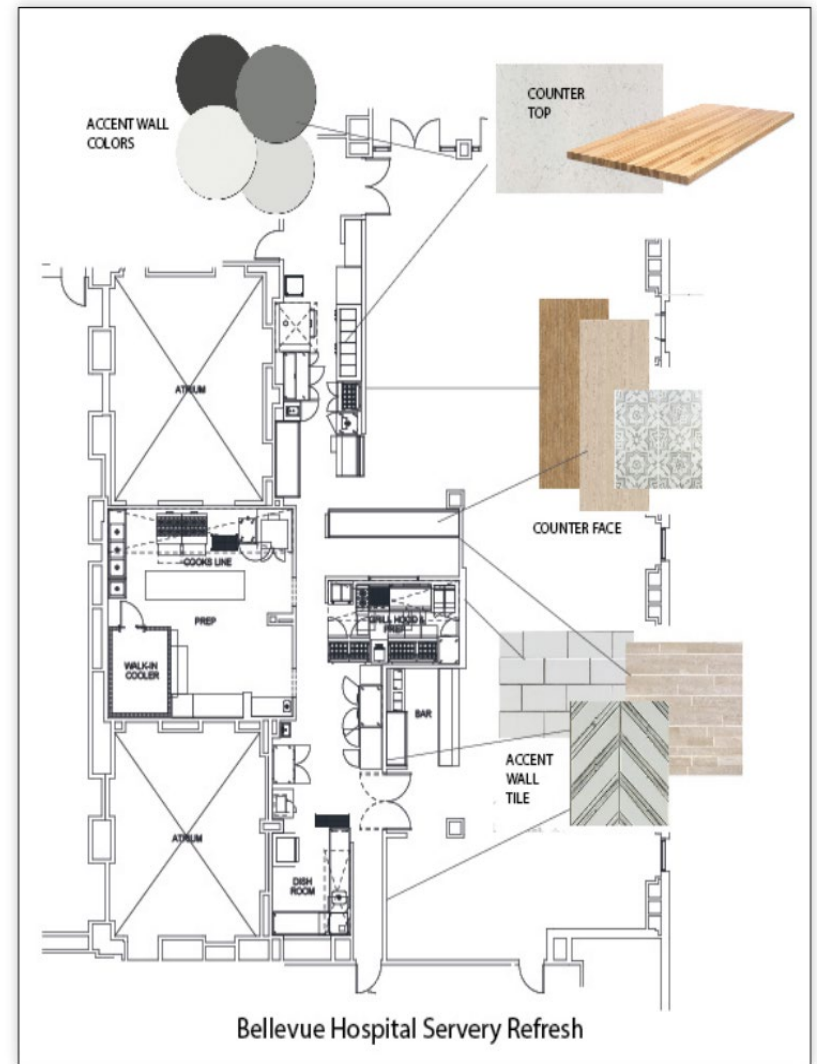
- Sodexo was established in 1966 and has grown to be a global leader in on-site food services in the healthcare industry across 45 countries
- Sodexo partnerships for retail food venues include:
 - Tisch Café at NYU Langone Health, New York, NY
 - The Café at Stamford Hospital, Stamford, CT
 - Casey's Café at RWJ Barnabas Health, Livingston, NJ
- NYC Health + Hospitals and Sodexo have partnered together for over 19 years:
 - Patient Food & Nutrition Systemwide (\$1.12 Billion, 2005-2029)
 - Laundry & Linen services (\$339.5 million, 2011-2029)
- Sodexo has embraced the NYC Health + Hospitals plant-based patient dining program since March of 2022
 - Served over 1.2 million plant-based patient meals
 - Reduced carbon emissions by 36%
 - Reduced cost by 22%

Proposed Menu

- Sodexo will offer a culturally diverse and healthy menu at affordable prices for the Bellevue community
 - Bellevue will approve the rotating menus & prices other than cost of living adjustments.
- **Hot Breakfast**
 - Made to Order Eggs, Breakfast Meats, French Toast, Pancakes \$2.99 - \$5.69
 - Breakfast Combos: Eggs, Sausage & Potatoes or Eggs, Pancakes, Sausage \$9.99 - \$12.99
- **From the Grill**
 - Entrees: Tacos, Quesadillas, Grilled Sandwiches \$6.49 - \$8.59
 - Sides: Baked French Fries, Baked Sweet Potato Fries \$2.29 - \$4.29
- **Pizza Slices & Pizzettas**
 - Whole Grain, Vegetable, Chicken Slices \$2.99 - \$7.29
- **Entrees**
 - Rotating Menu: Grilled Spiced Shrimp Salad, Noodle Bowls, Irish Beef Stew, Shakshuka, BBQ Pork Loin \$5.59 - \$8.99
- **Grab & Go**
 - Hot Meals: Breakfast Bowls, Chicken Francese, Orecchiette & Meatballs \$10.00 - \$15.00
 - Snacks: Snack Boxes, Parfaits \$6.50 - \$9.50
 - Kosher & Halal options from a third party vendor

Proposed Renovation

- Sodexo will be responsible for the cost of construction.
- Sodexo estimates capital investment of over \$1 million for the renovation.



License Terms

- Term: Five years, terminable by either party upon thirty days notice without cause.
 - If we terminate early without cause, then we will be obligated to refund Sodexo's documented and unamortized costs of renovating the premises.
 - If we terminate with cause, then we do not need to refund the renovation costs.
- Location: Ground floor in the F-Link of NYC Health + Hospitals/Bellevue
- Hours of Operation: Approximately 6:30 am to 7:00 pm on weekdays and 6:30 am to 3:00 pm on weekends
- Will be open by the end of the year.
- FMV is not relevant when part of the rent is a percentage of sales.
- Occupancy Fee: \$100,000 annually, guaranteeing at least \$8,333.33 per month. In addition, there will be revenue sharing of:
 - 8% of annual gross sales over \$3M
 - 12% of annual gross sales over \$3.5M

Request for Approval

- Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to sign a five-year license agreement with Sodexo (“**Sodexo**”) for its use and occupancy of approximately 4,936 square feet at NYC Health + Hospitals/Bellevue (“**Bellevue**”) for a retail food operation for which it will pay a minimum annual amount of \$100,000, plus 8% of annual gross sales over \$3M and 12% of annual gross sales over \$3.5M with such agreement to be terminable by each party on thirty days’ notice without cause.

LICENSE AGREEMENT AMENDMENT

TASTY PICKS, INC. #5

RETAIL FOOD OPERATIONS

NYC HEALTH + HOSPITALS / JACOBI

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to amend the existing agreement with Tasty Picks, Inc. #5 (“**Tasty Picks**”) for its occupancy of space at NYC Health + Hospitals/Jacobi (“**Jacobi**”) for a retail food operation to increase the area licensed from 1,000 square feet to 1,890 square feet and to increase the occupancy fee, calculated at \$25/square foot, from \$25,000 per year to \$47,250 per year.

WHEREAS, the System Board of Directors voted in May 2023 to approve a 5-year terminable license of 1,000 square feet at Jacobi to EveryTable for the operation of a food service business at \$25/square foot; and

WHEREAS, EveryTable abruptly closed all of its east coast operations in January 2024 once again depriving Jacobi staff and visitors of this needed service after many previous months without a food purveyor extending back to the onset of Covid; and

WHEREAS, in recognition of the negative impact on staff morale of again being without food service, the System President, Mitchell Katz, authorized an exception to policy to allow Tasty Picks to take over the EveryTable operation at Jacobi on the same terms as had been approved for EveryTable; and

WHEREAS, Tasty Picks was able to quickly step into the space that had been used by EveryTable and commenced operations in mid-February; and

WHEREAS, staff at Jacobi has been so enthusiastic about Tasty Picks that Jacobi leadership wants Tasty Picks to expand its operations into an additional 890 square feet at a corresponding increase in the occupancy fee; and

WHEREAS, responsibility for the operation of the proposed food service operation and administering the proposed agreement will be with the Jacobi Executive Director.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to amend the existing agreement with Tasty Picks, Inc. #5 (“**Tasty Picks**”) for its occupancy of space at NYC Health + Hospitals/Jacobi (“**Jacobi**”) for a retail food operation to increase the area licensed from 1,000 square feet to 1,890 square feet and to increase the occupancy fee, calculated at \$25/square foot, from \$25,000 per year to \$47,250 per year.

**EXECUTIVE SUMMARY
TASTY PICKS, INC. #5
AMENDMENT OF LICENSE AGREEMENT FOR
FOOD SERVICE OPERATIONS AT
NYC HEALTH + HOSPITALS/JACOBI**

- OVERVIEW:** After not having any food service for well over a year, in May 2023, Jacobi obtained Board approval for an agreement with EveryTable to operate a restaurant at Jacobi. Unfortunately, EveryTable ceased all business operations on the east coast leaving Jacobi again without a food purveyor. In recognition of the negative impact on staff morale of again being without food service, the System President authorized an Exception to Policy to permit Tasty Picks to take over from EveryTable on the same terms as had been approved for EveryTable. Tasty Picks commenced operations in mid-February 2024 and has been so enthusiastically received by Jacobi staff that Jacobi leadership wants to expand the area licensed to Tasty Picks so it can enlarge its operations. The approval of the System's Board of Directors to the expansion of the existing space license is requested.
- VENDOR:
BACKGROUND:** Tasty Picks is a local business that started operation at Jacobi's NCB campus in Fall 2021. Tasty Picks brought affordable, healthy and tasty food to NCB that was particularly well oriented to the ethnic preferences of staff and patients. NYC Health + Hospitals/Jacobi, being aware of Tasty Pick's good work at NCB and Metropolitan, sought them out.
- TERMS:** The previously approved terms were for 1,000 square feet of space at \$25/foot on a five-year terminable license. The proposed amendment to the license agreement will not change its duration or any of its terms other than to increase the area licensed to 1,890 at \$25/ft for a total annual fee of \$47,250. As before, the rate will increase by 2% per year.

Tasty Picks
License Agreements
**NYC Health + Hospitals/
Jacobi Hospital**

Capital Committee
June 10, 2024

Christopher Mastromano, CEO, Jacobi | North Central Bronx Hospitals
Leora Jontef, Assistant Vice President Housing and Real Estate
Jeremy Berman, Deputy Counsel

Request for Approval

- Authorizing New York City Health and Hospitals Corporation (**the “System”**) to amend the existing agreement with Tasty Picks, Inc. #5 (**“Tasty Picks”**) for its occupancy of space at NYC Health + Hospitals/Jacobi (**“Jacobi”**) for a retail food operation to increase the area licensed from 1,000 square feet to 1,890 square feet and to increase the occupancy fee, calculated at \$25/square foot, from \$25,000 per year to \$47,250 per year.

Background: Food Vendors at Jacobi

- Convenient onsite food options is important to staff and patient satisfaction.
 - Many facilities are not near retail corridors
 - Work schedules require easy access to food 24/7
 - Healthy food options are core to H+H values
 - Cost conscious pricing allows access to all hospital visitors
- The System Board of Directors voted in May 2023 to approve a 5-year terminable license of 1,000 square feet at Jacobi to EveryTable for the operation of a food service business at \$25/square foot.
- EveryTable abruptly closed all of its east coast operations in January 2024 once again depriving Jacobi staff and visitors of this needed service after many previous months without a food purveyor extending back to the onset of Covid.

Selection Process

- Each facility independently selects the vendors that suit their patient and staff needs taking into consideration:
 - evaluating menus for healthy options
 - ability to provide culturally sensitive foods
 - pricing and tastings
 - cultural sensitivities
 - 24/7 operations
- Tasty Picks has shown its affordable, appealing, and healthy food by its successful launch and continued operations at NYC Health + Hospitals/North Central Bronx.
- In recognition of the negative impact on staff morale of again being without food service, the System President, Mitchell Katz, authorized an exception to policy to allow Tasty Picks to take over the EveryTable operation at Jacobi on the same terms as had been approved for EveryTable.
- As their operations have been successful, Jacobi is requesting that Tasty Picks be able to expand the footprint of their operation by an additional 890 SF, making a total space of 1,890 SF.
- Under the System's rules, real estate space license agreements, such as the proposed agreement, do not require an RFP.

Food Vendor: Tasty Picks

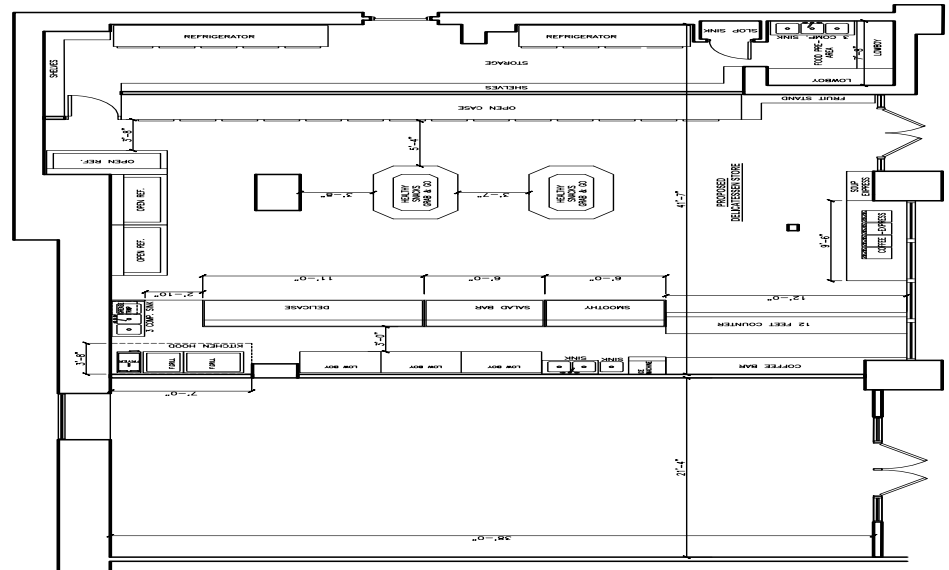
- Tasty Picks is a North Central Bronx-based food store that boasts a diverse range of culinary offerings. It has operated for over 10 years and has been a food vendor at NYC Health + Hospitals/North Central Bronx for two years.
- Hours of operation will be 24 hrs per day, 7 days per week
- Tasty Picks will offer a diverse menu of fresh food within a price range \$1.99 - \$11.99
 - Smoothies, Acai Bowls, and Juices: \$7.99-\$10.99
 - Hot breakfast and bakery items \$1.99-\$11.99
 - Fresh Salads \$7.99-\$10.99
 - Mexican, Halal, and Meatless Options \$6.50 - \$11.99
 - Fresh Sandwiches and Paninis \$8.50 - \$11.99
 - Full complement of drinks, hot and iced coffee and tea. \$1.89 - \$3.75
 - Catering available for all hospital staff needs
 - Culturally sensitive foods will be offered

Space

➤ Current Space



➤ Expanded Layout



License Terms

- Location: Increase the previously approved terms for 1,000 sf to 1,890 ft on first floor of Building 1 at NYC Health+Hospitals/Jacobi.
- License Fee: \$25/SF, with a 2% increase per year.
 - Year 1 fee: \$47,250
 - Term: 5 years with annual 2% increase
 - Total rent over 5 years: \$245,891
- Agreement may be terminated for convenience.
- Price increases other than those to keep pace with cost of living increases must be approved by facility

Year	Price PSF	Current 1,000 SF Space Annual Occupancy Fee	Proposed 1,890 SF Space Annual Occupancy Fee ²
1	\$ 25.00	\$ 25,000	\$ 47,250
2	\$ 25.50	\$ 25,500	\$ 48,195
3	\$ 26.01	\$ 26,010	\$ 49,159
4	\$ 26.53	\$ 26,530	\$ 50,142
5	\$ 27.06	\$ 27,061	\$ 51,145
Total		\$ 130,101	\$ 245,891

Request for Approval

- Authorizing New York City Health and Hospitals Corporation (**the “System”**) to amend the existing agreement with Tasty Picks, Inc. #5 (**“Tasty Picks”**) for its occupancy of space at NYC Health + Hospitals/Jacobi (**“Jacobi”**) for a retail food operation to increase the area licensed from 1,000 square feet to 1,890 square feet and to increase the occupancy fee, calculated at \$25/square foot, from \$25,000 per year to \$47,250 per year.

Lease Comps Summary

Deals

NNN Asking Rent Per SF

NNN Starting Rent Per SF

Avg. Months On Market

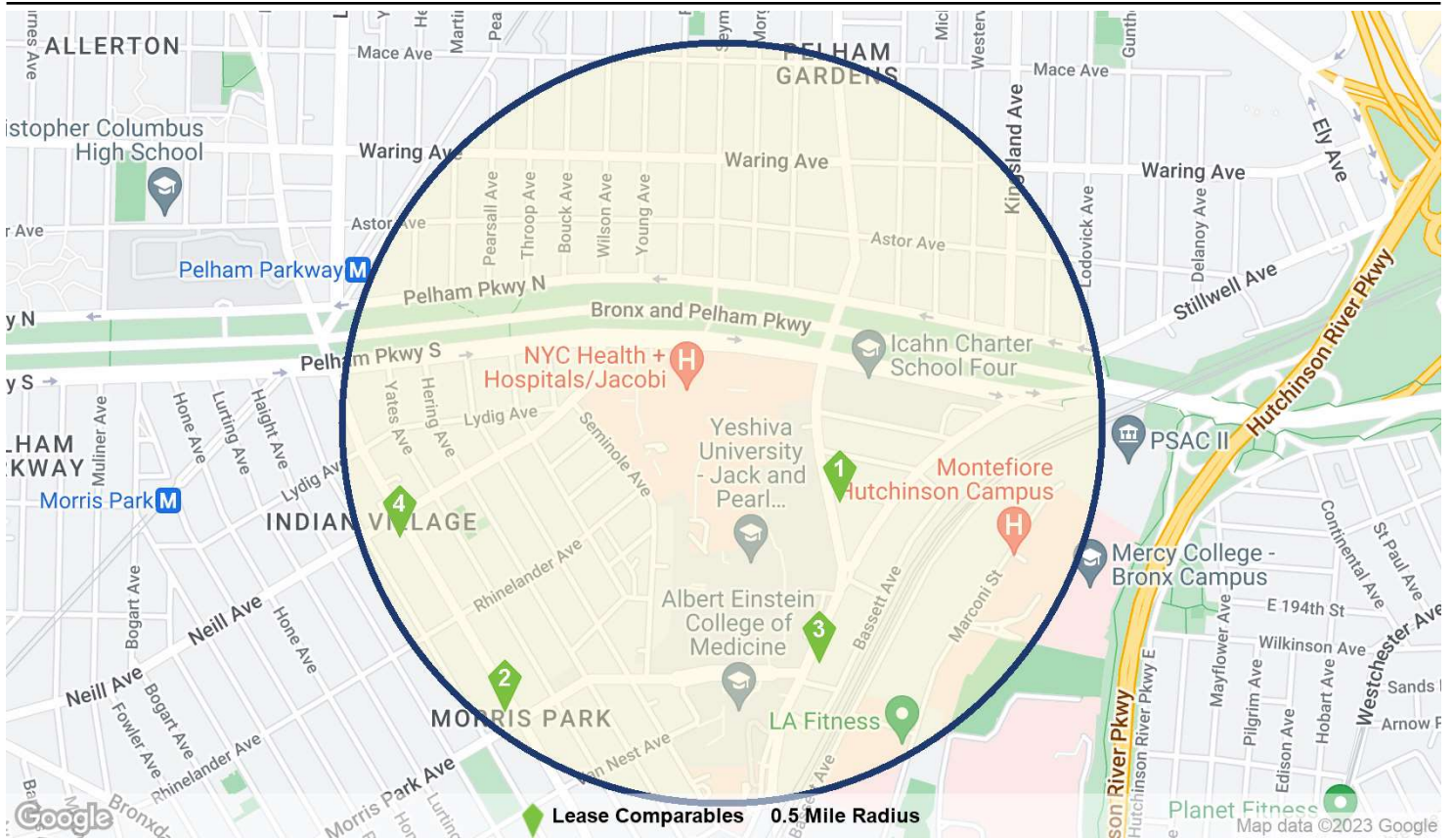
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11

LEASE COMPARABLES



SUMMARY STATISTICS

Rent	Deals	Low	Average	Median	High
NNN Asking Rent Per SF	-	-	-	-	-
NNN Starting Rent Per SF	-	-	-	-	-
NNN Effective Rent Per SF	-	-	-	-	-
Asking Rent Discount	-	-	-	-	-
TI Allowance	-	-	-	-	-
Months Free Rent	1	2	2	2	2

Lease Attributes	Deals	Low	Average	Median	High
Months on Market	5	5	11	8	22
Deal Size	6	520	795	850	1,000
Lease Deal in Months	6	60.0	64.0	60.0	84.0
Floor Number	6	1	1	1	2

Lease Comps Summary

Property Name - Address	Rating	Lease				Rents	
		SF Leased	Floor	Sign Date	Type	Rent	Rent Type
1 2040-2046 Eastchester Rd	★★★★★	1,000	1st	7/23/2022	New	\$33.60/mg	Effective
2 1801-1807 Williamsbridg...	★★★★★	520	1st	3/21/2019	New	\$41.54/mg	Effective
2 1801-1807 Williamsbridg...	★★★★★	550	1st	8/2/2016	New	\$46.62/mg	Effective
3 1888-1892 Eastchester Rd	★★★★★	1,000	1st	6/1/2016	New	\$54.00/mg	Effective
3 1888-1892 Eastchester Rd	★★★★★	950	1st	2/1/2016	New	\$50.53/mg	Effective
4 1965 Williamsbridge Rd	★★★★★	750	2nd	10/1/2015	New	\$31.69/fs	Effective

Mg = modified gross (can run the gamut of included and excluded costs, likely excludes taxes and includes some maintenance or utilities),
 fs= full service gross (a type of commercial lease often found in multi-tenant office buildings, and occasionally retail and industrial space and may include utilities, janitorial, and sometimes trash.)

CONTRACT APPROVAL

**VANGUARD CONSTRUCTION & DEVELOPMENT
CO., INC.**

D5 LABOR & DELIVERY RENOVATION

NYC HEALTH + HOSPITALS / ELMHURST

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a contract with Vanguard Construction and Development Co., Inc. (the “Contractor”), to undertake a project to renovate the D5 Labor & Delivery suite at NYC Health + Hospitals/Elmhurst Hospital for a contract amount of \$11,783,528, with a 10% project contingency of \$1,178,353, to bring the total cost not to exceed \$12,962,881.

WHEREAS, Elmhurst Hospital, one of the primary maternity care facilities in Queens, has seen a 47% increase in births from FY 21’ to FY 23’; and

WHEREAS, Elmhurst Hospital’s labor and delivery unit was last renovated in 1996 and, due to the current state of the facility and the increase in births, it has been determined that a project should be undertaken to address such issues and to provide expanded care for maternal fetal medicine; and

WHEREAS, in accordance with Operating Procedure 100-5 a solicitation was issued, pursuant to which bids were received and publicly opened on March 28, 2024, and NYC Health + Hospitals determined that the Contractor submitted the lowest responsible bid; 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 Vanguard Construction & Co. in the amount of \$11,783,528, with a 10% project contingency of \$1,178,353, to bring the total cost not to exceed \$12,962,881 for a renovation project of the labor and delivery unit at NYC Health + Hospitals/Elmhurst Hospital.

**EXECUTIVE SUMMARY
ELMHURST HOSPITAL
LABOR AND DELIVERY RENOVATION PROJECT
VANGUARD CONSTRUCTION AND DEVELOPMENT CO., INC.**

- CONTRACT SCOPE:** Labor and delivery renovation project.
- NEED:** NYC Health + Hospitals facilities needs general construction services to undertake the labor and delivery renovation project at Lincoln Hospital.
- CONTRACT DURATION:** 24 months, slated to commence Fall of 2024 with anticipated completion in Fall of 2026.
- PROCUREMENT:** A competitive sealed bid was issued on 1/17/2024; twenty-eight contractors attended one of two pre-bid on site visits on 1/24/2024 and 1/25/2024; ten contractors submitted bids with the lowest responsible and responsive bidder being Vanguard Construction and Development Co., Inc., for a contract value of \$11,783,528.
- PRIOR EXPERIENCE:** Vanguard Construction and Development Co., Inc has previously worked on projects at Elmhurst, Jacobi and Harlem Hospitals and has received one excellent and two good ratings.
- CONTRACT AMOUNT:** Not to Exceed \$12,962,881.
- PASSPORT APPROVAL:** Approved
- EEO APPROVAL:** Pending
- MWBE STATUS:** Contractor has committed to a 38% 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: Vanguard Construction and Development Co., Inc.

Date: May 23, 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

38%

Request for Approval

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Request to Award Contract for to Vanguard Construction and Development Co., Inc. for D5 Labor & Delivery Renovation Project at NYC Health + Hospitals/ Elmhurst

**Capital Committee
June 10, 2024**

Helen Arteaga-Landaverde, Chief Executive Officer, NYC H+H/Elmhurst
Mike Milinic, Chief Operations Officer, NYC H+H/Elmhurst
Manuel Saez, PhD, Vice President, OFD
Oscar Gonzalez, Senior Assistant Vice President, OFD
Erin Egan, Senior Regional Director, OFD
George Asadoorian, Director, NYC H+H/Elmhurst + OFD

Request for Approval

- Authorizing New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a contract with Vanguard Construction and Development Co., Inc. (the “Contractor”), to undertake a project to renovate the D5 Labor & Delivery suite at NYC Health + Hospitals/Elmhurst Hospital for a contract amount of \$11,783,528, with a 10% project contingency of \$1,178,353, to bring the total cost not to exceed \$12,962,881

Program Background/ History

- NYC H+H/Elmhurst is one of the primary maternity care providers in Queens. Built in 1957, the facility has seen deliveries increase 47% from 1,799 births (FY 21) to 2,651 births (FY 23).
 - To meet this increased need, we are expanding our Labor and Delivery to continue providing quality care and excellent service

- Newly renovated unit will serve as the Maternal Fetal Medicine (MFM) Unit for expanded care of High-Risk Mothers

- The Labor and Delivery unit is located on the 5th Floor, D wing, (Unit D5). The current space was last renovated in 1996

- Renovation of the unit will include new equipment, a new layout, and upgrades to six (6) Delivery rooms, two (2) Nurses' Stations, one (1) Operating Room, eight (8) bed recovery rooms, and the Triage/ Antepartum/ Holding/ Waiting Areas

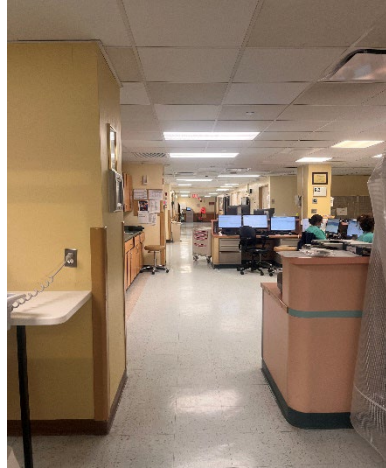
- Labor and Delivery services will not be disrupted by construction
 - Six part phasing plan that will allow us to maintain services as we cycle through various sections of the department
 - In order to achieve this, we will be decanting outpatient sonogram services off of the unit to create swing space

Construction Scope & Schedule

- Elmhurst, D-Wing, Fifth Floor, Labor & Delivery (L&D):
 - Complete interior demolition and renovation of existing L&D and Sonogram Suites
 - Project consists of a combined 15,400 SF demolition and construction build out of the D5 Labor and Delivery Suite (14,000 SF) + Sonogram Suite (1,400 SF)
 - Provide one (1) new operating room with enhanced ceiling strut-mounted medical gas and vacuum ports, and LED surgical lighting fixtures
 - Outfit with new equipment (i.e., Electric Fetal Monitors, Cardiac Monitors, Ultrasound Equipment, Baby Scales) to improve the standard of care
 - Provide new reception and waiting areas to enhance the environment of care
 - Installation of new Medical Gas lines
 - Work to be performed in six (6) coordinated phases over 24 months
 - Mechanical, Electrical and Plumbing upgrades throughout the space
 - Construction is expected to begin Fall 2024 with completion planned by Fall 2026

Current State

Future state



Phasing Plan



➤ Phase 6 is the HVAC system and not on this floorplan

Overview of Procurement

- January 2024: Publicly advertised, Site tours held for perspective bidders; Total of 28 contractors attended
- March 2024: Bid due date 3/15/24, 10 bids received
- April 2024: Determination of low bid finalized, and Vanguard Construction was selected as the lowest responsive and responsible bidder

Construction Contract

- Sourced via public bid
- Vanguard Construction was the lowest of ten (10) bidders
- Vanguard has committed to a 38% MWBE subcontractor utilization plan presented below:

Subcontractor	MWBE Status	Supplies/Services	Utilization Plan %	Utilization \$s
Redd Electrical Services	Black MBE	Electrical	13%	\$1,531,858
Mason Technologies	Non-minority WBE	Low Voltage	2%	\$235,670
Cardoza Plumbing	Hispanic MBE	Plumbing	14%	\$1,649,693
Greenebuild, LLC	Black MBE	Drywall/Carpentry	9%	\$1,060,517
Total			38%	\$4,595,573

- Contract amount is \$ 11,783,528
- Expected to begin September 2024 with completion by October 2026
- The vendor has completed three previous projects for the system – at Elmhurst, Jacobi, and Harlem, and has received one excellent and two good reviews.
 - Elmhurst, Renovation of the H bldg. 3rd floor DSRIP behavioral health integration into primary care setting. \$2,086,727 (Excellent)
 - Jacobi, 10th floor DSRIP integration of behavioral health into primary care setting. \$5,646,362 (Good)
 - Harlem, 4th Floor Post-Partum Unit Renovation, MLK Building. \$3,997,837 (Good)

Performance Evaluation

Vendor Performance Evaluation	
Vanguard	
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/ Elmhurst Labor & Delivery Renovation Project	
Construction	\$11,783,528
Project Contingency (10%)	\$1,178,353
Total	\$12,961,881

➤ \$3M of the budget was generously provided by Congresswomen Meng & Ocasio-Cortez

Request for Approval

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