

**CAPITAL COMMITTEE  
MEETING AGENDA**

**September 8, 2025  
10:00 AM  
50 Water Street, 17<sup>th</sup> floor Boardroom**

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**CALL TO ORDER**

**José Pagán**

- **ADOPTION OF MINUTES – July 16, 2025**
- **VICE PRESIDENT’S REPORT**

**José Pagán**

**Manuel Saez, PhD**

**ACTION ITEMS**

- **Resolution** **Manuel Saez, PhD**  
Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a Best Interest Extension to extend its contract with Kone Corporation (“Kone”) for one year until November 31, 2026, and to increase the not-to-exceed amount by \$12,500,000, which includes a 24% contingency of \$3,000,000, from the original \$46,700,000 to a new not-to-exceed amount of \$59,200,000, for the provision of preventative maintenance services and repairs on 350+ elevators and escalators system wide, 24/7 emergency service and repairs, and a dedicated diagnostics and testing team.  
  
**Vendex:** Pending  
**EEO:** Pending

**OLD BUSINESS**

**José Pagán**

**NEW BUSINESS**

**ADJOURNMENT**

# **CAPITAL COMMITTEE MINUTES**

**JULY 16, 2025**

**Capital Committee Meeting - July 16, 2025**

**As reported by:** José Pagán

**Committee Members Present:** Dr. Theodore Long, MD, Freda Wang - joined at 10:42, Karen St. Hilaire

José Pagán called the meeting to order at 10:39 a.m. and stated for the record Karen St. Hilaire would be representing Molly Wasow Park, in a voting capacity.

Mr. Pagán called for a motion to approve the minutes of the May 5, 2025 Capital Committee meeting.

**Upon motion made and duly seconded the minutes of the Capital Committee meeting held on May 5, 2025, were unanimously approved.**

**VICE PRESIDENT REPORT**

Mr. Saez provided an update on Essential infrastructure and clinical renovation projects throughout the System:

NYC H+H/Queens: The Interventional Radiology (IR) Suite Renovation project is complete. The project modernized and expanded the IR Suite from 580 SF to 900 SF. The new suite includes a larger procedure room, control room, and equipment closets, while adding a new dressing room, radiographic room, and CT Scan vitals room. The completion of this project will allow for a more efficient patient flow and allow our staff to provide better patient care.

NYC H+H/Lincoln: Phase 1 of the Garage renovation has completed, and Phase 2 has begun. The project is to update and refresh the current garage which is original to NYC H+H/Lincoln Hospital, and has been in service for since 1976. The project was phased to ensure that the parking garage remains open for the staff and visitors and is expected to be complete in Spring 2026.

**ACTION ITEMS**

Deborah Morris read the resolution into the record:

**Authorizing New York City Health and Hospitals Corporation (the "System") to sign a 5-year lease, with a 5-year renewal option, exercisable by the System, with Mikhail Kantius ("Landlord") for the use of about 4,000 total square feet located on the first floor and basement of the building at 79-18 164th Street, Jamaica, New York (the "Premises") by NYC Health + Hospitals/Queens ("Queens") for a WIC clinic and administrative functions at an initial rent of \$37.91/rentable sf and \$4.91/rentable sf operating expenses or**

**\$171,273/yr. which will increase by 2.5% every year for a total over the entire ten-year term of \$1,978,591.**

Ms. Morris presented background information, details of WIC services and locations throughout the System and an overview of lease terms.

- Ms. Wang asked how the administrative space fits in. Ms. Morris explained that the space includes the WIC program, which Queens Hospital has occupied since 2012. They leased the whole space for the WIC program and subsequently realized they do not need the whole of the space for the WIC program, so it was subdivided with the landlord so that almost half the rent is billed to the WIC program and 19,000 sf is billed to the administrative program at Queens Hospital. It is still slight majority for the WIC program, but Queens admin uses the other part, which helps with crowding at the hospital campus.
- Ms. Wang asked how that would affect a need or desire to terminate the lease. Would we apply for case taxation? Jeremy Berman, Deputy Counsel, stated that we mitigate our risk by being permitted to terminate lease if the grant is terminated but having administrative space available should be choose to maintain.
- Mr. Berman noted that there was a similar agreement near Woodhull, where they would be occupying some space for administrative functions and they were pleased to free up clinical space in the facility. If for some reason the grant was terminated they would maintain the administrative space.
- Ms. Wang asked if there were any known targets on the grant. Ms. Morris said they would follow-up.

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 49-year ground lease, with two 25-year renewal options, of a property located at 349 East 140th Street, Block 2303, Lot 58, in the Bronx (the "Property") to Mott Haven-Port Morris Community Land Stewards, Inc. ("Tenant") for a sum of one dollar per year to develop the Property providing that specific conditions continue to be met regarding the use of the Property for the benefit of the community as a community center with a preference for programming focused on education, arts, culture and with a required health and wellness element.**

Ms. Morris presented background information related to the site, overview of the HEArts Center, the HEArts team, project funding sources and summary of the ground lease process and lease terms.

- Ms. Wang said she felt it was a terrific project and great use of land.
- The Committee also commented on the positive public hearing and positive feedback from the community.

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

Leora Jontef read the resolution into the record:

**Authorizing New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to sign a 99-year ground lease (including tenant options) with River Commons Housing Development Fund Company Inc. as named tenant and River Commons Owners LLC as the beneficial tenant (together "Tenant") to rent approximately 42,000 square feet which is currently part of the parking lot and Annex structure of NYC Health + Hospitals/Gotham/Morrisania at 1225 Gerard Avenue, Bronx, New York (the "Facility") to be the site for the construction of a 17-story 359,000 square foot mixed-use building (the "Building") with approximately 328 residential units for households earning less than 80% of Area Median Income including approximately 98 supportive units for single adults who are qualified and appropriate for independent living in the community, approximately 230 affordable units, including a residential unit for the Building's superintendent, with approximately 6,000 square feet to be provided for community facility use, and with approximately 7,500 square feet to be provided for an open space, with Tenant anticipated to pay at least \$4,000,000 on lease signing at lease signing as one time advance rent and an annual administrative fee of \$12,000; and**

**Further authorizing NYC Health + Hospitals to sign a sub-sublease with RC Health Master Tenant LLC, Tenant's affiliate subtenant ("Sub-Landlord"), for approximately 43,000 square feet on the cellar, first, and second floors of the Building (the "Expansion Clinic") to be used by NYC Health + Hospitals at the Facility for its clinical operations and a parking facility accommodating approximately 75 parking spaces for the use of the Facility staff and patients (the "Garage") at a rental rate calculated to pass through to NYC Health + Hospitals only its 16.29% share of the cost to operate the Building, which is currently estimated to be approximately \$90,000 per annum.**

Ms. Jontef was joined by Matt Siegler, Chief Growth and Strategy Officer. Together they provided details of the Housing for Health

program, background on affordable housing located within the systems' campuses, overview of the project and its benefits, the development partners, project timeline, project funding, the ground lease process and terms, and expansion of services under Gotham.

- Ms. Wang again noted that she thought the project was wonderful. She asked what the difference between a beneficial and named tenant. Mr. Berman said that the agreements are complicated for tenants and they all involve a housing development finance corporation an HDFC, which is a particular corporate creature in New York formed under the housing finance law, and that entity is entitled to various breaks and taxes and, and transfer fees and so forth. So, all these developments have an HDFC and they kind of put that out there as the front entity, but then there's where the control and the money usually resides in an LLC that is kind of the real party, so different deals give it different names, but they say that's the beneficial tenant, meaning really where the power is. The HDFC is a nominee and so then all of our obligations and involve both entities and it's really the same entity. The org charts are complex.
- Ms. Wang asked why the sublease structure. Mr. Berman said it was for their internal purposes preferred to have it set up that way. Ms. Jontef added that they would be creating a condominium structure.
- Ms. Wang asked if the 16% cost was based on square footage. Ms. Morris said yes and it's for façade, roof, building insurance, etc.
- Ms. Wang asked if this lease requires to be kept as affordable housing. Ms. Jontef said the ground lease is going to cross the fault with the HPD regulatory agreement. Our ground lease will reference the HPD regulatory agreement, particularly as it relates to the supportive housing units, which we are going to access. So, the project will have a regulatory agreement but almost all the HPD debt, which is close to \$120M will accrue. It's all connected.
- Mr. Berman noted that the lease contains a requirement for affordable housing and patient access.
- Ms. Jontef noted they would have to refinance to modify.
- Ms. Wang asked if the system had priority access. Ms. Jontef said yes.
- Ms. Wang asked if the one-time payment of "at least \$4M" was likely to be higher. Ms. Jontef said it was possible.

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

Theodore Long, MD, read the resolution into the record:

**Authorizing New York City Health and Hospitals Corporation (the "System") to sign a three year lease, with two one-year options to renew in its sole discretion, with Hudson West Hospitality, LLC ("Landlord") for the use of the entire Hudson River Hotel including its 56 rooms and all common areas located at 446 West 36th Street in Manhattan (the "Hotel") for the System's Bridge to Home program at \$185 per room per night for the first three years, and at \$190 per night for the renewal years, for a total rental cost of \$19,111,400 plus \$250,000 for minor ancillary expenses that might be incurred for a grand total of \$19,361,400.**

Dr. Long was joined by Chris Keeley, Senior Assistant Vice President, they presented overview of program services, patient and staffing models, and lease terms.

- Ms. Wang asked what the hotel was providing. Linens, towels, maintenance, all the infrastructure. Dr. Long added that our experience through COVID was beneficial to managing this type of arrangement.
- Ms. Wang said she appreciated the statistics that were shared and asked how outcomes would be tracked. Dr. Long said the outcomes, like emergency department use, inpatient days, even inpatient days. And this will be tracking those same outcomes, but the additional one on top of that would be the impact we could have on reducing street homelessness.

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 "System") to execute stand-by, Job Order Contracts with Volmar Construction Inc. and BA Global Construction, Corp. (the "Contractor" or collectively "Contractors") to provide General Contracting services on an as-needed basis, each for an amount not to exceed \$10,000,000 with a total of \$20,000,000 for a term of 2 years for both contracts.**

Mr. Indar presented details on the background and current state of the contract services, and discussed the procurement process, MWBE plans, vendor evaluations, and anticipated value of contracts.

- Ms. Wang asked why the multipliers are so different. Mr. Indar explained that some bidders bid on both contracts so they may submit one with a lower number.

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 the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a contract with JRM Construction Management (the "Contractor") to undertake a gut renovation at NYC Health + Hospitals/South Brooklyn Health's Main Building to create a new Ambulatory Care Center by repurposing the former Emergency Department space, for a contract amount of \$16,582,022 with a 10% project contingency of \$1,658,202 to bring the total cost not to exceed \$18,240,224.**

Mr. Saez was joined by Mr. Indar and Kelly Burns, Director, Office of Facilities Development. They presented details on the program background, overview of construction scope and schedule, contract terms and procurement, and funding.

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 the New York City Health and Hospitals Corporation (the "System") to extend the contract term by one year with seven Construction Management ("CM") consulting firms, namely AECOM USA Inc, Armand Corporation, Gilbane Building Company, JACOBS Project Management Co., McKissack & McKissack, TDX Construction Corporation, the McCloud Group LLC. (the "Vendors"), to provide professional CM services; on an as-needed basis at various facilities throughout the System.**

Mr. Indar presented details on the background and current state of the contract services, vendor evaluations, and upcoming procurement.

- Ms. Wang asked why McKissack and McKissack had no ratings. Mr. Indar said they had not been awarded work to date.

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 10:55 a.m.

# **VICE PRESIDENT'S REPORT**

# Vice Presidents Report

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This July, we ended Fiscal Year 2025:

- We ended the year with \$227 million capital dollars committed.
- Our capital budget and payments team facilitated 632 purchase orders and processed over 2,379 payment vouchers to authorize \$399M.
- Our contracts team bid 12 capital projects totaling \$82.952M, and 10 Job Order Contracts totaling a not-to-exceed (NTE) amount of \$66M, for a total of \$148.952M.
- The average number of bids received per project was 5
  - 66% of capital project bids were below the engineer's estimate
  - Bids average 20% under engineers estimate
- Of the 119 total bids received,
  - 33% were Minority- and Women- Owned Businesses (MWBE), and
  - 31% of the awarded contracts were MWBE.
- 148 work orders were issued for Requirement Contractors totaling \$18.907M, and 80 work orders were issued for JOCS totaling \$14.465M.
- Our capital budget and payments team facilitated 40 Certificate to Proceed Approvals in FY25 to authorize \$225,059,640.
- At NYC H+H/Woodhull, we recently had a groundbreaking with BP Reynoso to celebrate the generous contribution from him for our ongoing Labor and Delivery Suites renovation project

**CONTRACT APPROVAL**

**KONE**

**ELEVATOR MAINTENANCE SERVICES**

**NYC HEALTH + HOSPITALS / SYSTEM-WIDE**

## RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to execute a Best Interest Extension to extend its contract with Kone Corporation ("Kone") for one year until November 31, 2026, and to increase the not-to-exceed amount by \$12,500,000, which includes a 24% contingency of \$3,000,000, from the original \$46,700,000 to a new not-to-exceed amount of \$59,200,000, for the provision of preventative maintenance services and repairs on 350+ elevators and escalators system wide, 24/7 emergency service and repairs, and a dedicated diagnostics and testing team.

**WHEREAS**, the System entered into a contract with Kone Corporation to provide preventative maintenance services and repairs on over 350 elevators and escalators across the System; and

**WHEREAS**, the contract includes 24/7 emergency service and repairs, and the provision of a dedicated diagnostics and testing team to ensure safe and reliable operation of the System's elevator and escalator fleet; and

**WHEREAS**, the current contract term is set to expire November 2025, and the System desires to extend the contract for an additional year until November 31, 2026, in order to ensure continuity of these critical services; and

**WHEREAS**, the System further seeks to increase the not-to-exceed amount by \$12,500,000, which includes a 24% contingency of \$3,000,000, thereby increasing the total not-to-exceed contract value from \$46,700,000 to \$59,200,000; and

**WHEREAS**, Kone Corporation was granted an MWBE waiver since all elevator maintenance work is self-performed.

**NOW THEREFORE, BE IT RESOLVED**, that New York City Health and Hospitals Corporation (the "System") is hereby authorized to execute a Best Interest Extension to extend its contract with Kone Corporation ("Kone") for one year until November 31, 2026, and to increase the not-to-exceed amount by \$12,500,000, which includes a 24% contingency of \$3,000,000, from the original \$46,700,000 to a new not-to-exceed amount of \$59,200,000, for the provision of preventative maintenance services and repairs on 350+ elevators and escalators system wide, 24/7 emergency service and repairs, and a dedicated diagnostics and testing team.

## **EXECUTIVE SUMMARY**

### **CONTRACT EXTENSION AND FUNDING INCREASE WITH KONE CORPORATION**

**BACKGROUND:** New York City Health and Hospitals Corporation ("System") entered into a contract with Kone Corporation ("Kone") to provide preventative maintenance services and repairs on over 350 elevators and escalators system wide. The contract also provides 24/7 emergency service and repairs, and a dedicated diagnostics and testing team. The original not-to-exceed amount approved by the Board was \$46,700,000.

The System now seeks to extend the contract for one year until November 31, 2026, to ensure uninterrupted continuation of these essential services. The System further seeks to increase the contract by \$12,500,000, which includes a 24% contingency of \$3,000,000, bringing the total not-to-exceed amount to \$59,200,000.

**TERMS:** The Contract approved by the Board in October 2018 was for five years with two one-year renewal options, all of which will expire by November 2025. The original not-to-exceed value was \$46,700,000. The new term will be extended through November 31, 2026 and there shall be an increase of contract value by \$12,500,000, which includes a 24% contingency of \$3,000,000, for a revised total not-to-exceed value of \$59,200,000.

**MWBE:** Kone Corporation was granted an MWBE waiver since it self-performs all of the elevator maintenance work.

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

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

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

Vendor: Kone, Inc.

Date: August 25, 2025

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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**

Pending

**EEO**

Pending

**MWBE**

Waiver

**Elevator Maintenance Services  
Request to Increase an NTE by  
\$12,500,000 and to Increase Term to  
November 31, 2026 – KONE Corporation**

**Capital Committee Meeting  
September 8, 2025**

**Manuel Saez, PhD Vice President, OFD  
Mahendranath Indar, Assistant Vice President, OFD**



## For Capital Committee Consideration

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- Authorizing New York City Health and Hospitals Corporation (the “System”) **to execute a Best Interest Extension to extend its contract with Kone Corporation (“Kone”) for one year until November 31, 2026, and to increase the not-to-exceed amount by \$12,500,000**, which includes a 24% contingency of \$3,000,000, from the original \$46,700,000 to a new not-to-exceed amount of \$59,200,000, for the provision of preventative maintenance services and repairs on 350+ elevators and escalators system wide, 24/7 emergency service and repairs, and a dedicated diagnostics and testing team.

# Background / Current State

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- The Office of Facilities and Development is requesting approval to increase the not-to-exceed contract value for our elevator maintenance services with our current vendor, Kone Corporation. The scope of work incorporated into this contract currently includes:
  - Preventative maintenance services and repairs on 350+ elevators and escalators system wide
  - 24/7 emergency service and repairs
  - Dedicated diagnostics and testing team
- The entire elevator infrastructure is aging and it is vital that we have continuity of maintenance for our facilities and patients.
- Elevator maintenance and repair services were procured through a competitive RFP process, and was approved by the CRC in September 2018 and the Board of Directors on October 2018 with an NTE of \$46,700,000.
  - Current spend for elevator maintenance and repairs: \$44,560,000
  - The current contract term for elevator maintenance services includes a 5 year initial term with 2 one year options to renew and will expire November 31, 2025.

# NTE Increase Request

- The Office of Facilities and Development is requesting approval to increase the no-to-exceed contract value by \$12,500,000 and extend the current agreement for one year until November 31, 2026.
- This additional time will allow us to complete a competitive procurement via RFP for these services.
- OFD is requesting approval to increase the NTE by \$12.5M to allow for
  - \$7M for annual preventative maintenance.
  - \$2.5M for urgent elevator modernization projects at Bellevue and Lincoln.
  - \$3M for contingency for emergency repairs.
    - Majority of our elevators are aged and require frequent repairs
    - Our elevators are integral to ensure we can transport patients and staff to access the services they require on our campuses

Projected Spend 12/1/25-11/31/26	\$ 9,500,000
Contingency	\$ 3,000,000
<b>Total NTE Increase Request</b>	<b>\$ 12,500,000</b>
Original NTE	\$ 46,700,000
<b>Total Contract NTE</b>	<b>\$ 59,200,000</b>

# Best Interest Extension

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Under OP 100-05, the System can extend a contract with appropriate vendor and pricing due diligence rather than re-procure when it is in the System's best interest to do so.

- Vendor due diligence
  - This vendor is an industry leader in the field of elevator maintenance and has a long and positive track record throughout the history of the contract.
  - Vendor performance has been good
- Pricing due diligence
  - The pricing is based on the previous preventative maintenance work that has been agreed upon with the facilities, along with a specific urgent project that is time and materials based.
- Best interest of the System
  - This vendor has been providing quality service to the system and this extension will allow for the vital work to continue while going through the procurement process

# Vendor Performance

<b>Department of Supply Chain</b> <b>Vendor Performance Evaluation</b> <b>KONE Corporation</b>	
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 MWBE participation goals and/or Local Business enterprise requirements, to the extent applicable?	N/A
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	N/A
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?	N/A
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	
Good	

# Request for Capital Committee Approval

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- Authorizing New York City Health and Hospitals Corporation (the “System”) **to execute a Best Interest Extension to extend its contract with Kone Corporation (“Kone”) for one year until November 31, 2026, and to increase the not-to-exceed amount by \$12,500,000**, which includes a 24% contingency of \$3,000,000, from the original \$46,700,000 to a new not-to-exceed amount of \$59,200,000, for the provision of preventative maintenance services and repairs on 350+ elevators and escalators system wide, 24/7 emergency service and repairs, and a dedicated diagnostics and testing team.