

**CAPITAL COMMITTEE
MEETING AGENDA**

**November 3, 2025
10:00 AM
50 Water Street, 17th floor Boardroom**

CALL TO ORDER

José Pagán

- **ADOPTION OF MINUTES – September 8, 2025**

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 lease extension with The Mattone Group Springnex LLC (“Landlord”) for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic (the “Clinic”), operated by NYC Health + Hospitals/Gotham Health (“Gotham Health”) extending a lease due to expire May 31, 2030 to expire May 31, 2035 with the base rent remaining unchanged at \$53.05/ft plus an estimated annual common area maintenance (“CAM”) charge of \$27,233 and an estimated annual charge for real estate taxes of \$51,613 through May 31, 2030 when base rent will increase by 10% for the 5-years renewal term bringing the rate to \$58.35/ft. provided; there will be no rent for the 1st and 13th months of the extension term.
Vendex: NA
EEO: NA
- **Resolution** **Leora Jontef**
Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a five-year lease agreement with HARVILENE LLC for approximately 600 square feet of ground floor space at 2101 Mermaid Avenue, Brooklyn, New York, to house the Women, Infants and Children Program (the “WIC Program”) operated by NYC Health + Hospitals/South Brooklyn (the “Facility”) at a cost of \$24.00 per square foot, or \$14,4000 per year, to escalate by 2.25% per year for a total rent amount over the five-year term of \$75,313.72. In addition, there will be a \$200/month utility payment, or \$2400/year, for a total utility cost of \$12,000 over the course of the five-year term, making a total cost of occupancy over five years to be \$87,314.
Vendex: NA
EEO: NA
- **Resolution** **Manuel Saez, PhD**
Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a contract with National Environmental Safety Company, Inc. (“NESC”) for the Early Demolition & Abatement Package at NYC Health + Hospitals/North Central Bronx Outposted Therapeutic Housing Unit (“OTxHU”) Project, with a contract amount of \$4,956,151, and a 10% contingency of \$495,615, for a total authorization of \$5,451,766 with an anticipated duration of 6 months.
Vendex: Approved

EEO: Pending

- Resolution** **Manuel Saez, PhD**
 Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a contract with Kinsley Energy Systems, LLC (“Kinsley”) for maintenance and repair services for the newly installed 4 MW Combined Heat and Power (CHP) COGEN system at Bellevue Hospital, with a total not-to-exceed amount of \$4,684,448, and a 20% contingency of \$939,890, for a total authorization of \$5,624,338 with an initial contract duration of three years with the option of two one-year extensions exercisable at the discretion of the System.
Vendex: Pending
EEO: Pending
- Resolution** **Manuel Saez, PhD**
 Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a Best Interest Renewal contract with NorthStar Recovery Services, Inc. (“NorthStar”) for the provision of Emergency Incident Recovery Services for NYC Health + Hospitals, extending the term of the existing contract to December 31, 2028, with all other terms and conditions remaining unchanged.
Vendex: Pending
EEO: Pending

OLD BUSINESS

José Pagán

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MINUTES

SEPTEMBER 8, 2025

Capital Committee Meeting – September 8, 2025

As reported by: José Pagán

Committee Members Present: Dr. Mitchell Katz, Freda Wang, Karen St. Hilaire, Erin Kelly

José Pagán called the meeting to order at 10:10 a.m. and stated for the record that Erin Kelly would be representing Suzanne Miles-Gustave, and Karen St. Hilaire would be representing Molly Wasow Park, both in a voting capacity.

Mr. Pagán called for a motion to approve the minutes of the July 16, 2025 Capital Committee meeting.

Upon motion made and duly seconded the minutes of the Capital Committee meeting held on July 16, 2025, were unanimously approved.

VICE PRESIDENT REPORT

Mr. Saez highlighted accomplishments from Fiscal Year 2025.

He noted that we ended the year with \$227 million capital dollars committed.

The capital budget and payments team facilitated 632 purchase orders and processed over 2,379 payment vouchers to authorize \$399M.

The contracts team bid 12 capital projects totaling \$82.952 million, and 10 Job Order Contracts totaling a not-to-exceed (NTE) amount of \$66 million, for a total of \$148.952 million.

The average number of bids received per project was five. 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 \$18.907 million, and 80 work orders were issued for JOCS totaling \$14.465 million.

The 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.

ACTION ITEMS

Mr. Saez read the resolution into the record:

Authorizing New York City Health and Hospitals Corporation (the "System") 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 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.

Mr. Saez, Assistant Vice President, Office of Facilities Development, presented the background and current state information, the of the rationale for the NTE increase in the best-interest of the Corporation and vendor performance.

- Ms. Wang asked noted that there were different elevators throughout the system and some more aged than others and asked if there were plans to update. Mr. Saez said yes, at Bellevue and Lincoln, where very aged cabs are, we will be updating. We have also done various modernization projects throughout the system.
- Ms. Wang asked if projects were for new equipment or upgrading existing equipment. Mr. Saez said at some locations yes new equipment is needed. At other locations upgraded systems requires updated infrastructure so it all dependent on current conditions at the site.
- Ms. Wang noted that the contingency was large and that was likely due to emergency repair needs for aged equipment. Mr. Saez said yes. There is a huge demand for vertical transportation in our facilities and we are upgrading and modernizing where and when we can.

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 10:20 a.m.

VICE PRESIDENT'S REPORT

Vice Presidents Report

Essential infrastructure and clinical renovation projects throughout the system:

- **NYC H+H/Woodhull:** Construction has mobilized for the installation of solar photovoltaic array of panels and interconnection with ConEd, which will have an anticipated CO2 reduction of 89 tons per year. Anticipated construction completion is July 2026. In addition, a medical bed upgrade of 145 new smart patient beds has been completed, with all beds delivered and training complete.
- **NYC H+H/Elmhurst:** Phase 1 of the Elmhurst Emergency Department renovation is at substantial completion– the project moved the ED Admin team from within the ED to a new location on the first floor to allow for more swing space for the upcoming renovation of the main adult ED which is scheduled to begin in late 2025 and last 3 years.
- **NYC H+H/Coler:** Substantial completion was achieved for a building-wide lighting upgrade with fixture replacements and addition of controls to comply with local law 88. Also received \$1.5M from Senator Krueger for renovations to the resident lounge and laundry room, creation of a behavioral group therapy room and purchase and installation of a commercial oven.
- **NYC H+H/South Brooklyn Health:** The Outpatient Infusion Center project was recently completed and provided a modernized space, expanded waiting room and expanded treatment area adding two additional infusion bays.
- **NYC H+H/Kings:** Received \$8M from Council Member Rita Joseph to fund a Primary Care Renovation project and Trauma Room Build Out project. The P Building Local Law 11 project was recently completed allowing for the removal of the sidewalk sheds to support the City's Get Sheds Down Initiative.

LEASE EXTENSION

THE MATTONE GROUP SPRINGNEX, LLC

134-64 SPRINGFIELD BLVD., QUEENS

**GOTHAM HEALTH SPRINGFIELD GARDENS
CLINIC**

NYC HEALTH + HOSPITALS / GOTHAM

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a 5-year lease extension with The Mattone Group Springnexus LLC (“**Landlord**”) for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic (the “**Clinic**”), operated by NYC Health + Hospitals/Gotham Health (“**Gotham Health**”) extending a lease due to expire May 31, 2030 to expire May 31, 2035 with the base rent remaining unchanged at \$53.05/ft plus an estimated annual common area maintenance (“**CAM**”) charge of \$27,233 and an estimated annual charge for real estate taxes of \$51,613 through May 31, 2030 when base rent will increase by 10% for the 5-years renewal term bringing the rate to \$58.35/ft. provided; there will be no rent for the 1st and 13th months of the extension term.

WHEREAS, the Clinic is a community-based health care center that has been providing primary care, including prenatal care and gynecological services, to the community since 2000; and

WHEREAS, in February 2020, the System’s Board of Directors authorized a 10-year renewal of the lease for the Clinic; and

WHEREAS, the System has \$6.75MM in City capital to improve the Clinic by updating the lobby/reception area, reconfiguring the interior layout to increase the number of exam rooms, replacing the HVAC system and other related work to refresh the Clinic; and

WHEREAS, the City will make such funds available only if there is more than 5 years remaining on the term of the Clinic lease; and

WHEREAS, the Landlord was unwilling to extend the lease term for only one year to satisfy the City’s capital eligibility requirement but would extend the lease for five more years and was willing to offer two months of free rent to make the five-year extension more attractive; and

WHEREAS, continuing the pattern of 10% rent increases every five years is within or at the lower end of the fair market value range of rent increases; and

WHEREAS, responsibility for administering the proposed lease will be with the System’s Sr. Vice President for Ambulatory Care.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to sign a 5-year lease extension with the Mattone Group Springnexus LLC (“**Landlord**”) for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic (the “**Clinic**”), operated by NYC Health + Hospitals/Gotham Health (“**Gotham Health**”) extending a lease due to expire May 31, 2030 such that it will expire May 31, 2035 with the base rent remaining unchanged at \$53.05/ft plus an estimated annual common area maintenance (“**CAM**”) charge of \$27,223 and an estimated annual charge for real estate taxes of \$51,613 through May 31, 2030 when base rent will increase by 10% for the remaining five years of the lease term bringing the rate for the final five years to \$58.35/ft. provided; however no rent will be due for the first month of the extension term and for the 13th month of the extension term.

**EXECUTIVE SUMMARY
RENEWAL LEASE
WITH THE MATTONE GROUP SPRINGNEX LLC
FOR
4,218 SQUARE FEET AT 134-64 SPRINGFIELD BOULEVARD, QUEENS**

OVERVIEW: The President seeks authorization from the System's Board of Directors to execute a 5-year lease extension agreement with The Mattone Group Springnex LLC ("Landlord") for space at 134-64th Street, Queens which houses the Gotham Health Springfield Gardens Clinic (the "**Clinic**"), operated by NYC Health + Hospitals/Gotham Health ("**Gotham Health**"). The extension will push off the current lease expiration of May 31, 2030 to May 31, 2035. The extension will make the Clinic eligible for City capital funds for the improvement of the clinic.

PROGRAM: The Springfield Gardens clinic has been providing primary care services to residents of the community since 2000. The clinic is one of seven primary care clinics operated by Gotham Health in Queens. It offers a full range of primary care services including adult medicine, pediatrics and OB/GYN. There remains a need for primary care services in this section of Queens and extending the lease for this site will allow the clinic to continue to serve the community. The clinic is open Monday, Tuesday, Thursday, Friday from 8:30 a.m. to 5:00 p.m., Wednesdays from 11:30 a.m. to 8:00 p.m. and Saturday.

Gotham Health wishes to refurbish the clinic. The System has \$6.75MM in City capital funding to update the lobby/reception area, reconfigure the interior layout to increase the number of exam rooms, replace the HVAC system, and do other associated work. This City-funded work will be combined with some System-funded work to refresh the entire Clinic. Pursuant to City Comptroller Directive 10, the City cannot use bond funds on infrastructure assets having a useful life of less than five years and rented facilities must therefore be leased for more than five years. The current lease will expire in less than five years. Landlord was reluctant to extend the lease term by only one year but was willing to do so for five years and to also provide two months of free rent.

TERMS: The System will continue to occupy approximately 4,218 square feet of ground floor space at 134-64 Springfield Boulevard, Queens. Under the existing lease, the base rent is \$53.05/ft through May 31, 2030 plus an estimated annual common area maintenance ("CAM") charge of \$27,223 which will increase at approximately 2.5% annually and an estimated annual charge for real estate taxes of \$51,613. Starting June 1, 2030 base rent will increase by 10% to \$58.35/ft. provided; there will be no rent payable for the 1st and 13th months of the extension term.

The rent for this lease was found to be at the fair market value when it was presented to the Board of Directors in February 2020. The further increase of 10% for the five-year extension is well within the customary market rate of increase. The increase at 2% per year for the five-year term is below the normal rate but having the full 10% increase take effect at the beginning of the extension term brings the increase up to standard rate common in the market.

As under the current lease, during the renewal term, Landlord will be responsible for structural repairs and maintenance and the repair and maintenance of all common areas including sidewalks, curbs and parking lots. The Tenant will be responsible for interior non-structural repairs and maintenance. The Tenant will be responsible for payment of separately metered utilities.

September 24, 2025

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

Re: Updated Fair Market Value of Springfield Medical Center
Located at Springnexus Plaza, 134-64 Springfield Blvd, Springfield Gardens, NY 11413
On behalf of NYC Health & Hospitals Corporation

Dear Ms. Morris:

You have asked that I comment on the value of the referenced premises for a second rental renewal of Springfield Medical Center. The original valuation report dated August 25, 2015 describes the referenced premises and gives a valuation of \$44-\$47 per rentable square foot (RSF) at that time. This shall serve to update the valuation of the premises.

Pursuant to your request, the referenced property was initially inspected in August 2015 in order to assess the Fair Market value (FMV) of the designated office/retails medical offices. This assessment was inclusive of the value of the tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, repairs and maintenance, etc. The tenant is designated as a not-for-profit (501(c) 3), and real estate taxes may not be applicable, however this expense is considered when evaluating the value of the space in order to provide a comprehensive value. This updated valuation will assess the estimated value of the base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The unit remains occupied and zoned for use as a medical office
- The lease will expire on May 31, 2030 and tenant wishes to further extend for an additional 5-year term
- The current proposal is for a renewal term for an additional 5-year period, with a 10% rent increase at the commencement of this new extension
- The unit is approximately 4,218 RSF
- This evaluation is for the purpose of a new lease extension/renewal

Medical offices in this area are typically situated in stand-alone medical office buildings, strip malls or converted residential houses. Rents for turnkey (ready to use) medical space range from approximately \$55-\$65/RSF. The residential conversions and the more dated (10+ years) spaces garner the lower rents with the larger malls, “strip” centers and medical office buildings with relatively new or newer tenant improvements receiving the higher rents. These properties typically offer more amenities, i.e. on-site property management, parking, security, etc.

Rents in the Springfield Gardens area garner higher retail/commercial rents than in neighboring areas. However, the range of difference between these market areas is a modest \$8-\$15 per RSF. Most of the opportunities for medical office space in these markets are for undeveloped offices in commercial buildings, which will require extensive capital improvements.

Retail transactions typically do not provide for landlord concessions other than rent abatements, which are often considered or applicable in a renewal, although always negotiable.

Most of the opportunities for medical office space in these markets are for undeveloped office in commercial buildings or strip malls where the tenant will be offered few concessions by the landlord despite market conditions. Concessions are minimal. Rents post-Covid in general have been increasing and have shown consistent improvements through 2024-2025 as the economy has improved but has leveled as online retailing has impacted traditional brick and mortar real estate.

This requires that the tenant improvements be provided greater weight as an overall factor in the assessment of the FMV rental due to the cost associated with relocation; relocating would entail an up-front expense of no less than \$175/RSF or approximately \$740,000 for construction. Despite possible lower rent opportunities in the same market area, this expense cannot be appropriately amortized over the proposed extension renewal term of 5 years but can be if inclusive of the 5 years which remained on the existing lease plus this proposed extension.

The referenced medical office is a retail tenant located within an outdoor plaza retail center. The anchor tenant is a supermarket. There are numerous smaller retail units within the plaza. This retail center provides ample parking, and the lot is maintained in good condition. The center is easily accessible off Springfield Boulevard which is a major thoroughfare in the immediate market area. NYCTA buses stop immediately in front of this location.

Anchor and (larger) tenants are provided with signage on the primary mall sign (billboard) visible off Springfield Boulevard and includes this Springfield Medical Tenant's name as well. The tenant also has signage on the main entrance door to the offices, and on the "eyebrow" (upper façade) of the building.

The office is comprised of 4,218 RSF on the ground floor. The front entrance and interior are accessible via wheelchair and compliant with the American Disabilities Act. The office was originally built and consists of the following:

- Four seats at desk
- Waiting room with 35 seats
- Eight exam rooms
- Men's & Women's ADA bathrooms and an additional bathroom in back
- Clean utility and storage
- Soiled utility
- Financial services office
- Administrative office
- Staff room (lounge with kitchen)
- Nurse's office
- Janitor's closet
- Phone room
- Roof mounted HVAC and maintained by tenant
- Fire alarm is through Pathmark Supermarket, and adjacent tenant
- Snow and outdoor maintenance provided by Pathmark
- Monday-Friday 8:30am-5:00pm alternating Saturdays from 9:00am-3:00pm

Rents in the commercial and retail markets within the Springfield Gardens area, which had been flat during Covid, have shown steady improvement. The tenant improvement (T.I., buildout of the space) has not been fully depreciated and should remain in fair to good condition with continued proper maintenance through the five-year extension, however, it will require cosmetic renovation, specifically repainting, lighting, and/or carpeting. The value of the original capital expenditure is estimated at \$90-\$120 per RSF. The current value is almost fully depreciated.

The proposed terms of the extension period are as follows:

- 5-year lease extension to bring lease term to May 31, 2035
- Space is confirmed to be 4,218 RSF
- Current base rent is \$53.05 plus RE taxes of \$51,613 and CAM (Common Area Maintenance) of approximately \$27,223
- Base rent increase of ten percent (10%) beginning the lease extension period, bringing the base rent for the extension period to begin at \$58.35/PSF
- 2 months' rent concession for the extension period

The renewal terms presented by the landlord are commercially fair and reasonable based on this assessment. It is our conclusion that the fair market value of this space with the referenced services and amenities is between \$52-\$55/RSF net currently and expect that this base rent at the new term will be at or below that of the then current market. This takes into consideration comparable commercial/retail rents within the immediate market areas (previously denoted and enclosed) and the subsequent tenant improvements of the space, as well as current availability for similar opportunities.

While the proposed rent fair market rental rates are consistent with the market, it's important to point out that the space subject to the renewal is located in a "strip center" outdoor retail mall. As part of occupancy in these locations, tenants typically are required to pay their proportionate share of real estate taxes and CAM (Common Area Maintenance) which would not be passed through to tenants located outside of these types of locations. The taxes and CAM charges at this location will increase the rent by approximately \$5-\$6/RSF.

It is our professional observation that the terms are fair and reasonable given current conditions and immediate vacancies within the center as well as the surrounding areas.

In the event I can be of any further assistance to you, please do not hesitate to call.

Thank you.

Very Truly Yours,



Michael E. Dubin
Partner

Comps for Springfield Medical Center

Address	Cross Streets	Square Feet	Price Per SF
153-41 Rockaway Blvd.	135 th & 136 th Avenues	4,100	\$52.68
23416 Merrick Blvd.	234 th Street & Laurelton Pkwy	700	\$51.00
153-41 Rockaway Blvd.	135 th & 136 th Avenues	900	\$57.33
23112-23122 Merrick Blvd.	Francis Lewis Blvd. & 231 st Street	800	\$60.00

Request to Lease with Mattone Group SpringNEX LLC for 134-64 Springfield Blvd

**Capital Committee
November 3, 2025**

**Ted Long, MD, MHS, SVP, Ambulatory Care and Population Health
Leora Jontef, AVP, Real Estate & Housing
Deborah Morris, AICP, Senior Director, Real Estate & Housing
Jeremy Berman, Deputy General Counsel**

For Capital Committee Consideration

- Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a 5-year lease extension with The Mattone Group Springnex LLC (“Landlord”) for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic (the “Clinic”), operated by NYC Health + Hospitals/Gotham Health (“Gotham Health”) extending a lease due to expire May 31, 2030 to expire May 31, 2035 with the base rent remaining unchanged at \$53.05/ft plus an estimated annual common area maintenance (“CAM”) charge of \$27,233 and an estimated annual charge for real estate taxes of \$51,613 through May 31, 2030 when base rent will increase by 10% for the 5-years renewal term bringing the rate to \$58.35/ft. provided; there will be no rent for the 1st and 13th months of the extension term.

- CORONA DISTRICT HEALTH CENTER AKA JUNCTION
 - 34-33 Junction Blvd
- PARSONS MEDICAL CENTER
 - 90-37 Parsons Blvd
- SOUTH QUEENS COMMUNITY CENTER
 - 114-02 Guy Brewer Blvd
- RIDGEWOOD MEDICAL CENTER
 - 769 Onderdonk Avenue
- ROOSEVELT DIAGNOSTIC & TREATMENT 37-50 72nd Street
- SPRINGFIELD COMMUNITY HEALTH CENTER
 - 134-64 Springfield Blvd
- WOMEN'S MEDICAL CENTER AT CORONA (LEFRAK) 59-17 Junction Blvd%
- WOODSIDE MEDICAL CENTER
 - 50-53 Newtown Rd

Clinical Services: Primary Care, Pediatrics, Women's Health

History

- Springfield has been offering primary care services since 2008
- Springfield/Laurelton is a medically underserved area.
- Springfield Health Center has seen a 20% increase in patient volume since 2022
- The currently lease is in year 6 of 10.

Building Location

- Occupies 4,218 SF within a larger commercial building
- Proximate Laurelton LIRR station

Capital Investment Plan

- H+H Capital investments to replace HVAC, reconfigure layouts, update reception area, and refresh flooring and walls requires longer lease term to satisfy OMB requirements.



Gotham Health/Springfield

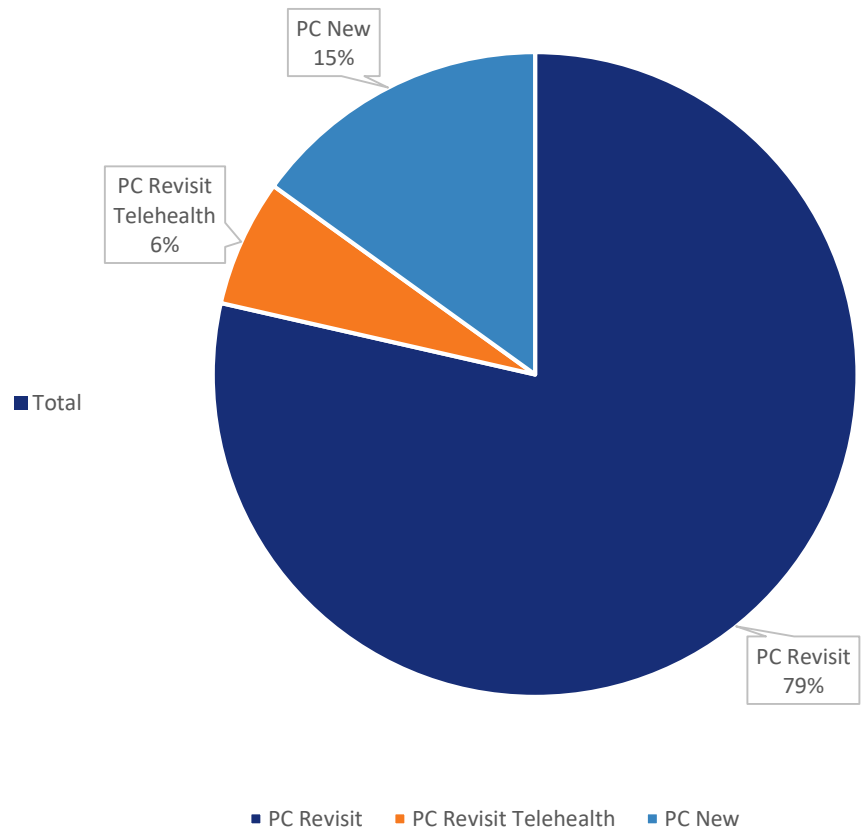
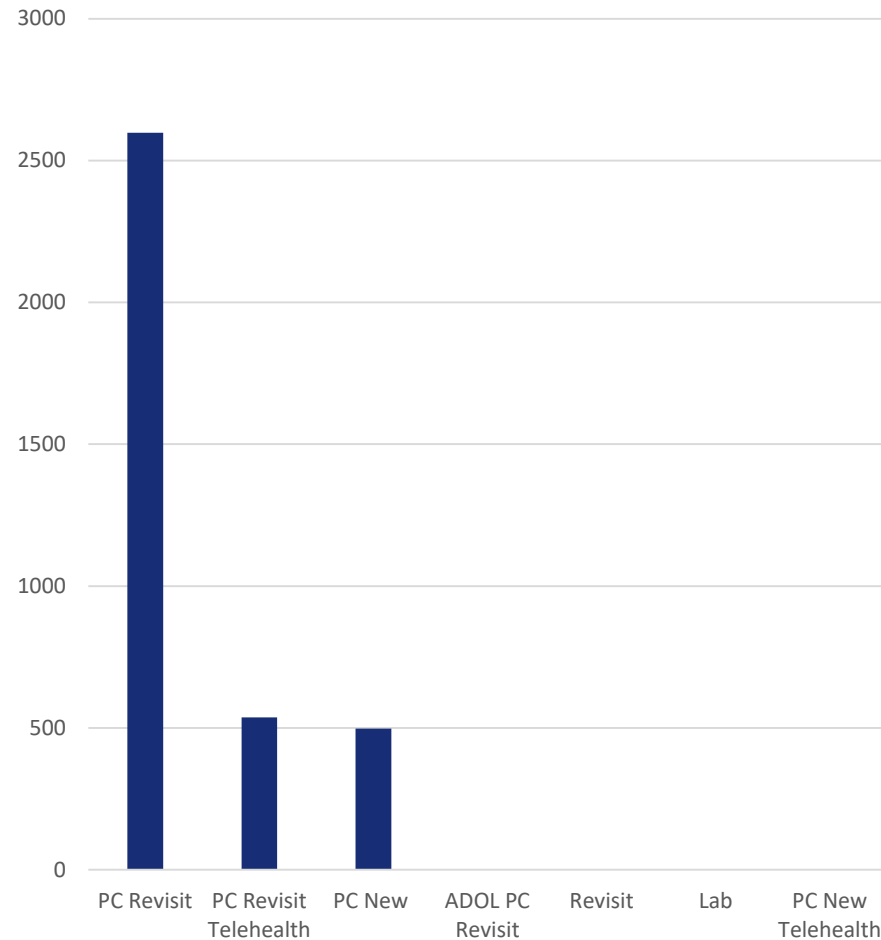


Community Health Needs Assessment

- **Health Resources and Services Administration (HRSA)** has identified Springfield as a **medically underserved area**, with a score of **17 out of 26**, where 26 indicates the highest need for medical services. The community faces numerous health challenges, including:
 - **Poverty Rate:** 17%
 - **Obesity Rates:** 25% of adults, 24% of children
 - **Chronic Conditions:** 16% of the community has diabetes, and 25% has hypertension—both of which are above the citywide average.
 - **Impact of Long COVID:** The community has been particularly affected by long COVID, which exacerbates existing health issues.

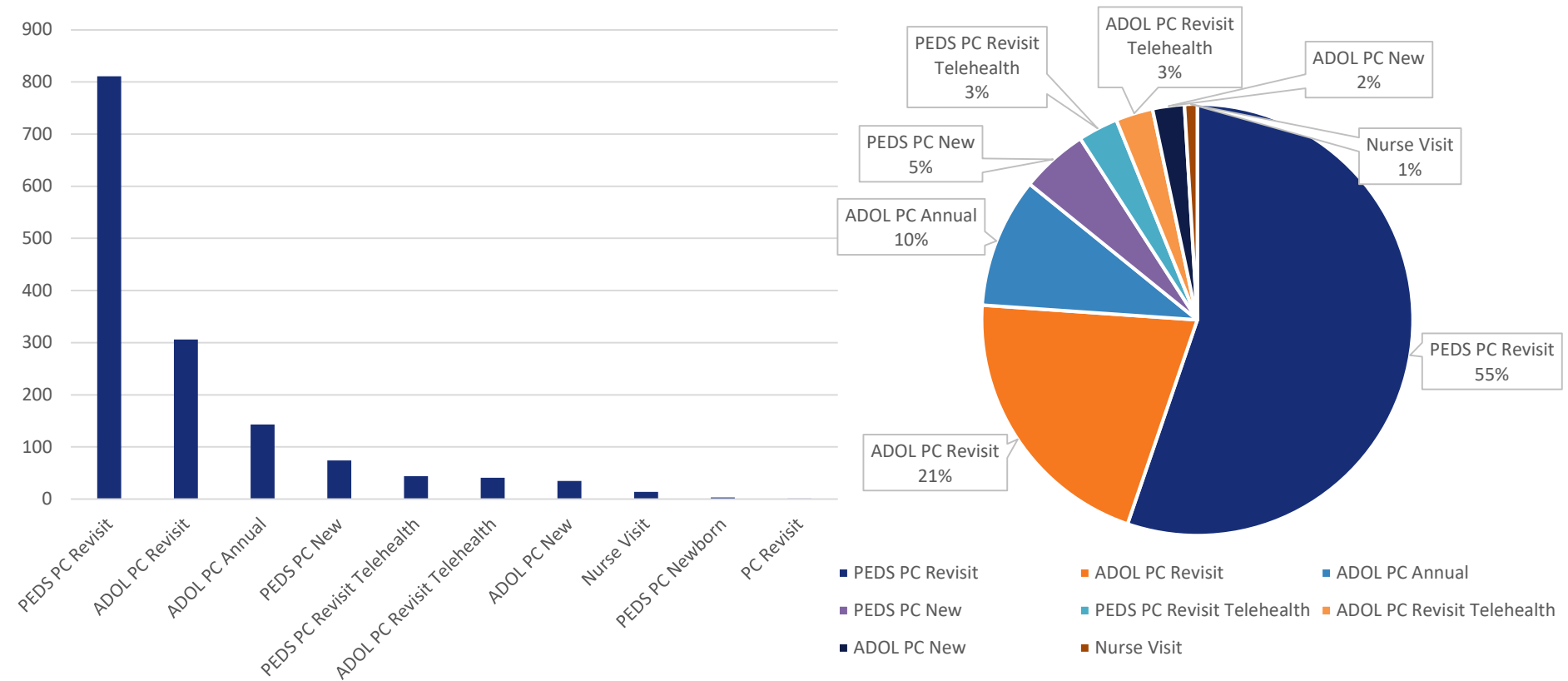
Gotham Springfield: 2025 Patient Data

Primary Care Visit Volume Total – 3,637



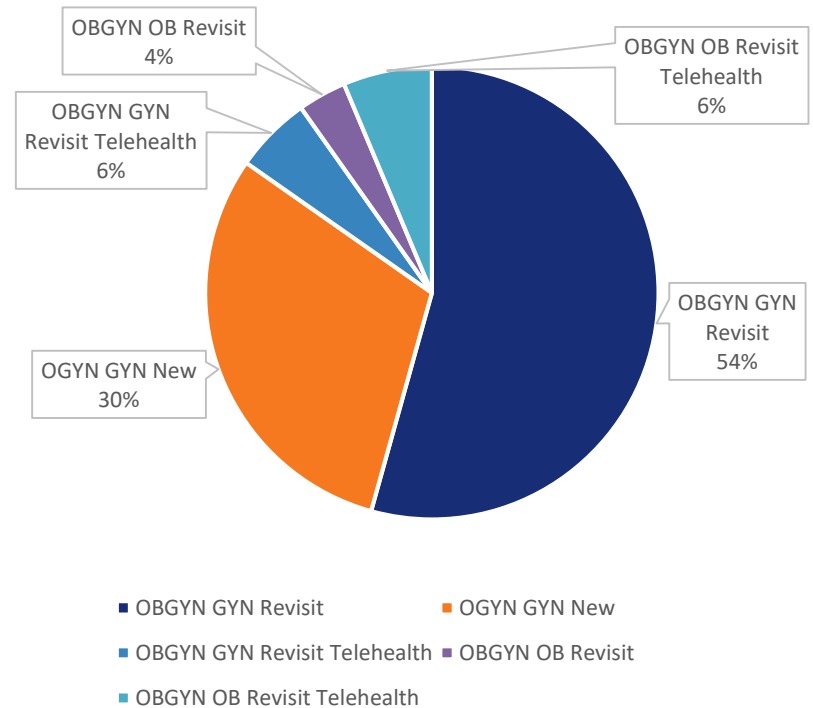
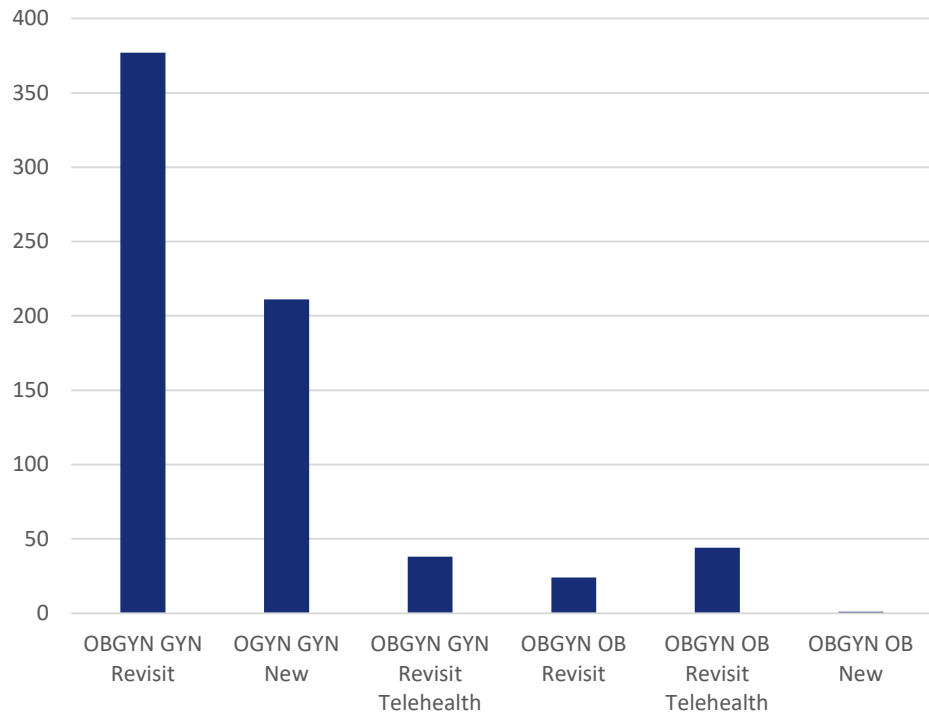
Gotham Springfield:2025 Patient Data

Pediatric & Adolescent Visit Volume Total – 1,472



Gotham Springfield:2025 Patient Data

OBGYN Visit Volume Total - 652



Lease Terms

- Gotham/Lefrak will continue to occupy a 4,218 SF space located within a commercial building located at 134-64 Springfield Blvd, Queens.
- **Term:** Extension of existing 10 year lease, currently in year 6, to a total term of 15 years
- **Base Rent:** Fair Market Value: Unchanged until May 31, 2030, on May 31, 2030 base rent will increase by 10% to 58.35/SF for the new 5-year renewal term.
- **Common Area Maintenance:** Estimated charge of \$27,233 annually
- **Real Estate Taxes:** Estimate to be \$51,613 annually.
- **The Total Occupancy Costs:** Over the potential 10-years will be approximately \$3,096,866

Years	Cost
1-5 Existing term remainder	\$ 1,513,055
New Extension 5-10	\$ 1,583,811
Total	\$ 3,096,866

For Capital Committee Approval

- Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a 5-year lease extension with The Mattone Group Springnex LLC (“Landlord”) for 4,218 square feet at 134-64 Springfield Boulevard, Queens, to house the Gotham Health Springfield Gardens Clinic (the “Clinic”), operated by NYC Health + Hospitals/Gotham Health (“Gotham Health”) extending a lease due to expire May 31, 2030 to expire May 31, 2035 with the base rent remaining unchanged at \$53.05/ft plus an estimated annual common area maintenance (“CAM”) charge of \$27,233 and an estimated annual charge for real estate taxes of \$51,613 through May 31, 2030 when base rent will increase by 10% for the 5-years renewal term bringing the rate to \$58.35/ft. provided; there will be no rent for the 1st and 13th months of the extension term.

LEASE

HARVILENE, LLC

2101 MERMAID AVENUE, BROOKLYN

**WOMEN'S INFANTS & CHILDREN (WIC
PROGRAM)**

NYC HEALTH + HOSPITALS / SOUTH BROOKLYN

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the "System") to execute a five-year lease agreement with HARVILENE LLC for approximately 600 square feet of ground floor space at 2101 Mermaid Avenue, Brooklyn, New York, to house the Women, Infants and Children Program (the "WIC Program") operated by NYC Health + Hospitals/South Brooklyn (the "Facility") at a cost of \$24.00 per square foot, or \$14,4000 per year, to escalate by 2.25% per year for a total rent amount over the five-year term of \$75,313.72. In addition, there will be a \$200/month utility payment, or \$2400/year, for a total utility cost of \$12,000 over the course of the five-year term, making a total cost of occupancy over five years to be \$87,314.

WHEREAS, such clinics are federally grant funded; and

WHEREAS, the System and the Facility have a need for WIC clinical sites; and

WHEREAS, the System and Facility have been successfully leasing the same space and operating a WIC clinic at such space since 2016; and

WHEREAS, the WIC Program is entirely funded through a NYSDOH grant.

WHEREAS, the administration of the proposed lease shall be the responsibility of the Senior Vice President overseeing the NYC Health + Hospitals Central Office Real Estate unit.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute a five-year lease agreement with HARVILENE LLC for approximately 600 square feet of ground floor space at 2101 Mermaid Avenue, Brooklyn, New York, to house the Women, Infants and Children Program (the "WIC Program") operated by NYC Health + Hospitals/South Brooklyn (the "Facility") at a cost of \$24.00 per square foot, or \$12,000 per year, to escalate by 2.25% per year for a total rent amount over the five-year term of \$75,313.72. In addition, there will be a \$200/month utility payment, or \$2400/year, for a total utility cost of \$12,000 over the course of the five-year term, making a total cost of occupancy over five years to be \$87,314.

EXECUTIVE SUMMARY

LEASE AGREEMENT WOMEN, INFANTS AND CHILDREN PROGRAM NYC HEALTH + HOSPITALS/SOUTH BROOKLYN

Overview	Authorization is sought to execute a five-year lease agreement with HARVILENE LLC for ground floor space at 2101 Mermaid Avenue, Brooklyn, New York, to house the Women, Infants and Children Program (the “WIC Program”) operated by NYC Health + Hospitals/South Brooklyn.
Need/Program	Pregnant, breastfeeding and postpartum women, infants and children less than five years of age who are determined to be at nutritional risk are eligible for WIC Program services which include monitoring children’s growth rates, nutrition education, breastfeeding support, and high-risk counseling. Most program participants are of low income. The New York State Department of Health has authorized and funded this site since 2016.
Terms	The System occupy approximately 600 square feet of space on the ground floor. The lease will be for a term of five years. The base rent will be \$20.00 per square foot or approximately \$12,000.00 per year. The base rent will escalate 2.25% per year. The lease term will commence upon lease execution. The landlord will provide heat, air conditioning, electricity, water, sewer and housekeeping at its own expense. The landlord will be responsible for payment of real estate taxes. The landlord will be responsible for all interior and exterior structural and non-structural repairs to the premises, including repairs to the roof, infrastructure, mechanical systems, window frames, plumbing, electrical, waste utility lines, common areas, curbs and sidewalks.
Financing	NYSDOH grant (rent and operating expenses are covered by the grant.)

September 24, 2025

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

Re: Updated Fair Market Value of 2101 Mermaid Avenue, Brooklyn, NY 11224/Block 7017, Lot 43
On behalf of NYC Health & Hospitals Corporation

Dear Ms. Morris:

You have asked us to provide an FMV rent reasonableness letter to establish, or in this instance, confirm the area's market rent for this location as well as for the intended use. The original valuation report dated October 28, 2015 established a rent of \$16.66 per rentable square foot (RSF) at that time. This shall serve to update the valuation of the referenced premises.

This assessment was inclusive of the value of the tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, repairs and maintenance, etc. The tenant is designated as a not-for-profit (501(c) 3), and real estate taxes may not be applicable, however this expense is considered when evaluating the value of the space in order to provide a comprehensive value. This updated valuation will assess the estimated value of the base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The unit remains occupied and zoned for its existing use
- The unit is approximately 600 SF
- This evaluation is for the purpose of a lease term extension
- The space is located on the ground floor of the referenced premises

The referenced WIC office(s) sit within a larger medical office of approximately 2700 feet and the benefits from some common area access for its space. The program is operated by Coney Island Hospital. The landlord was initially responsible and required to provide heat, air conditioning, electricity, water (both hot and cold) and housekeeping. The landlord also provides for the payment of real estate taxes on the premises. The location is accessible to the Coney Island Hospitals catchment area to comfortably allow its WIC referrals access to the premises. The proposed lease extension is subject as follows:

- The base rent will be \$1200 per month which is equivalent to \$24/PSF
- Rent escalation is set at 2.25%/year compounded
- Tenant will now be required to pay for electricity equal to \$200, which is equivalent to \$4/PSF

The renewal terms presented by the landlord are commercially fair and reasonable based on this assessment. It is our conclusion that the fair market value of this space with the referenced services and amenities is between \$24-\$32/RSF net currently and expect that this base rent at the new term will be at or below that of the then current market. This takes into consideration comparable commercial/retail rents within the immediate market areas (previously denoted and enclosed) and the subsequent tenant improvements of the space, as well as current availability for similar opportunities.

While the proposed rent is at or below current rental rates within the immediate vicinity the landlord has proposed for this renewal that tenant be responsible for electric service amounting to an additional \$200 for electric service (\$4/PSF). Even considering this electrical service increase, this space remains at or below the market and it is our opinion that the economic terms are appropriate for a renewal.

It is our professional observation that the terms are fair and reasonable given current conditions and immediate vacancies within the center as well as the surrounding areas.

In the event I can be of any further assistance to you, please do not hesitate to call.

Thank you.

Very Truly Yours,



Michael E. Dubin
Partner

Comps for 2101 Mermaid Avenue

Address	Cross Streets	Square Feet	Price Per SF
2726 Mermaid Ave.	West 27 th & West 28 th Sts.	600	\$48.00
2415-2417 Coney Island Ave.	Avenue U & Avenue V Sts.	1,000	\$33.00
2407 E. 23 rd St.	Avenue X & Avenue Y Sts.	1,200	\$25.00

**Request to Lease with
Harvilene LLC
for New York City Health + Hospitals / South
Brooklyn Health
2101 Mermaid Avenue, Brooklyn 11224**

**Capital Committee
November 3, 2025**

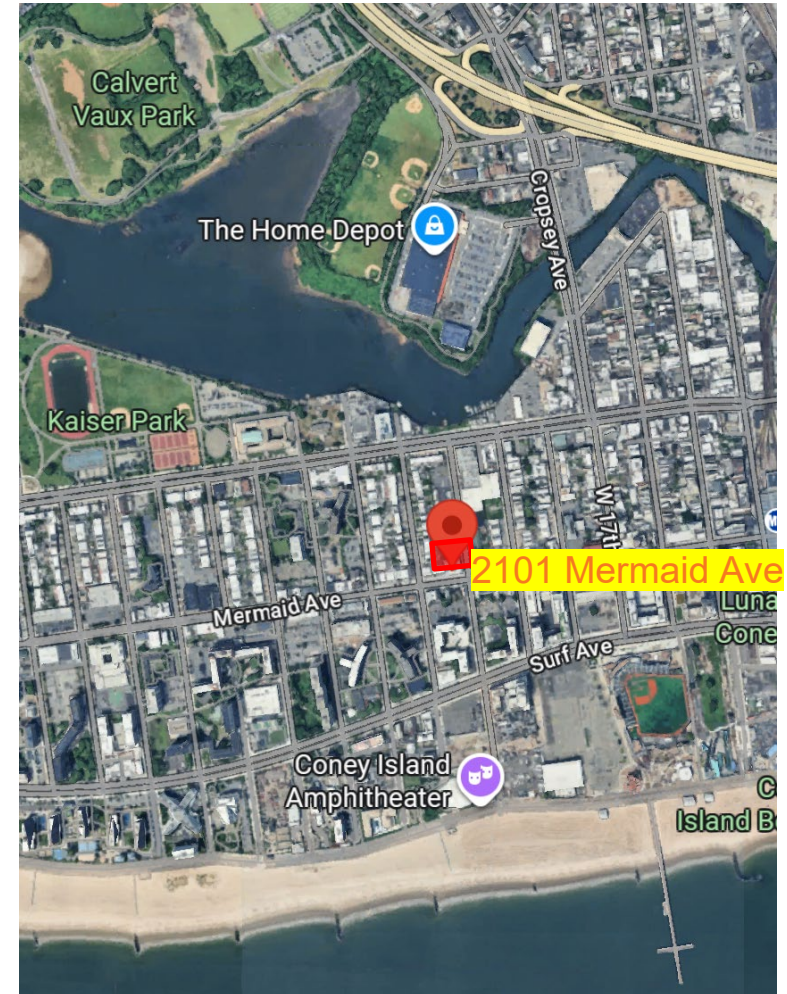
**Svetlana Lipyanskaya, MPA, CEO, NYC H+H/South Brooklyn Health
Leora Jontef, AVP, Real Estate & Housing
Deborah Morris, AICP, Senior Director, Real Estate & Housing**

For Capital Committee Consideration

- Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a five-year lease agreement with HARVILENE LLC for approximately 600 square feet of ground floor space at 2101 Mermaid Avenue, Brooklyn, New York, to house the Women, Infants and Children Program (the “WIC Program”) operated by NYC Health + Hospitals/South Brooklyn (the “Facility”) at a cost of \$24.00 per square foot, or \$14,4000 per year, to escalate by 2.25% per year for a total rent amount over the five-year term of \$75,313.72. In addition, there will be a \$200/month utility payment, or \$2400/year, for a total utility cost of \$12,000 over the course of the five-year term, making a total cost of occupancy over five years to be \$87,314.

South Brooklyn WIC

- The Women Infant Children Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income.
- The New York State Department of Health awarded a WIC Program grant to South Brooklyn for service within the zip codes 11224
- South Brooklyn is assigned to serve a population of 1900 people through this grant.
- South Brooklyn has successfully operated a WIC program in this space since Jan 2016.
- The New York State Department of Health approved use of this site for the WIC program.



Lease Terms

- NYC Health and Hospitals/South Brooklyn Health will occupy 600 SF at 2101 Mermaid Avenue, Brooklyn, NY
- A 5-year lease term will commence upon execution of the lease.
- Base Rent: \$24/square foot to escalate 2.25% each year and \$200/month in utilities.
 - The System and the Landlord will hold an option to terminate the lease with 90 days notice. To exercise such termination option, the System shall pay a termination fee equal to three months rent.
- The total annual occupancy fee for base rent over the potential 5-year term will be approximately \$87,314.

Years	Occupancy Cost
1	\$16,800
2	\$17,124
3	\$17,455
4	\$17,794
5	\$18,140
Total	\$87,314

For Capital Committee Approval

- Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a five-year lease agreement with HARVILENE LLC for approximately 600 square feet of ground floor space at 2101 Mermaid Avenue, Brooklyn, New York, to house the Women, Infants and Children Program (the “WIC Program”) operated by NYC Health + Hospitals/South Brooklyn (the “Facility”) at a cost of \$24.00 per square foot, or \$14,4000 per year, to escalate by 2.25% per year for a total rent amount over the five-year term of \$75,313.72. In addition, there will be a \$200/month utility payment, or \$2400/year, for a total utility cost of \$12,000 over the course of the five-year term, making a total cost of occupancy over five years to be \$87,314.

CONTRACT APPROVAL

**NATIONAL ENVIRONMENTAL SAFETY
COMPANY, INC.**

EARLY DEMOLITION & ABATEMENT PACKAGE

**NYC HEALTH + HOSPITALS / NORTH CENTRAL
BRONX – OUTPOSTED THERAPEUTIC HOUSING
UNITS (OTXHU)**

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a contract with National Environmental Safety Company, Inc. ("NESC") for the Early Demolition & Abatement Package at NYC Health + Hospitals/North Central Bronx Outposted Therapeutic Housing Unit ("OTxHU") Project, with a contract amount of \$4,956,151, and a 10% contingency of \$495,615, for a total authorization of \$5,451,766 with an anticipated duration of 6 months.

WHEREAS, the System is undertaking the Outposted Therapeutic Housing Unit ("OTxHU") Project at NYC Health + Hospitals/North Central Bronx, which will be located on the 13th, 14th, 15th, and 16th floors of the facility, with an anticipated completion date of December 2028; and

WHEREAS, the Early Demolition & Abatement Package ("the Project") includes the demolition of the partial 13th floor and the 14th, 15th, and 16th floors; abatement work on the 13th and 14th floors; construction of a new bathroom on the 13B side; and construction of a new anteroom for 13B; and

WHEREAS, the Project is scheduled to commence in Winter 2026 and be completed by Summer 2026; and

WHEREAS, the project was posted on the City Record on February 20, 2025 and a site tour was held on May 12 and 13, 2025, attended by ten (10) prospective contractors; and

WHEREAS, bids were received on June 17, 2025, and following a review and determination process completed on September 3, 2025, National Environmental Safety Company, Inc. was determined to be the lowest responsive and responsible bidder; and

WHEREAS, the proposed contract amount is \$4,956,151.00, with a 10% project contingency of \$495,615.10, for a total project authorization of \$5,451,766.10; and

WHEREAS, the contractor has committed to achieving a 32% MWBE participation goal for this contract.

WHEREAS, the administration of the proposed contract shall be the responsibility of the Vice President overseeing the NYC Health + Hospitals Central Office of Facilities Development.

NOW, THEREFORE, BE IT RESOLVED, that the New York City Health and Hospitals Corporation (the "System") is hereby authorized to execute a contract with National Environmental Safety Company, Inc. for the Early Demolition & Abatement Package at the NYC Health + Hospitals/North Central Bronx Outposted Therapeutic Housing Unit (OTxHU) Project, for a total authorization of \$5,451,766.10, including a 10% contingency with an anticipated duration of 6 months.

EXECUTIVE SUMMARY

EARLY DEMOLITION & ABATEMENT PACKAGE FOR THE OTxHU PROJECT AT NYC HEALTH + HOSPITALS/NORTH CENTRAL BRONX NATIONAL ENVIRONMENTAL SAFETY COMPANY, INC.

CONTRACT SCOPE:	The Project includes demolition of the partial 13th floor and the 14th, 15th, and 16th floors; abatement on the 13th and 14th floors; construction of a new bathroom on the 13B side; and construction of a new anteroom for 13B as part of the OTxHU Project at NYC Health + Hospitals/North Central Bronx.
NEED:	The Early Demolition & Abatement Package is necessary to prepare the 13th through 16th floors of North Central Bronx Hospital for construction of the Outposted Therapeutic Housing Unit, a critical component of NYC Health + Hospitals' systemwide behavioral health infrastructure initiative.
PROCUREMENT:	A site tour was conducted on May 12–13, 2025, attended by ten (10) contractors. Two (2) bids were received on June 17, 2025. On September 3, 2025, the System determined National Environmental Safety Company, Inc. to be the lowest responsive and responsible bidder for the Early Demolition & Abatement Package.
PRIOR EXPERIENCE:	Five rated projects in MOCS, one excellent and four good.
CONTRACT AMOUNT:	\$4,956,151.00
PASSPORT APPROVAL:	Approved
EEO APPROVAL:	Pending
MWBE STATUS:	Environmental Safety Company, Inc. has committed to a 32% MWBE participation goal for this contract.



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: National Environmental Safety Company, Inc.

Date: October 15, 2025

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% goal

**Request to Award Contract to National
Environmental Safety Company, Inc. for
Early Demolition & Abatement Package at NYC
Health + Hospitals/North Central Bronx
Outposted Therapeutic Housing Unit (OTxHU)
Project**

**Capital Committee
November 3, 2025**

**Manny Saez, PhD., Vice President, OFD
Menji Indar, Assistant Vice President, OFD
Luis Mendes, Senior Director, OFD
Tim O'Leary, Chief Financial Officer, CHS**

For Capital Committee Consideration

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a contract with National Environmental Safety Company, Inc. (“NESC”) for the Early Demolition & Abatement Package at NYC Health + Hospitals/North Central Bronx Outposted Therapeutic Housing Unit (“OTxHU”) Project, with a contract amount of \$4,956,151, and a 10% contingency of \$495,615, for a total authorization of \$5,451,766 with an anticipated duration of 6 months.

Background & Current State

- On March 4, 2024, the Mayor directed NYC Health + Hospitals to resume the design and construction of the Outposted Therapeutic Housing Units (OTxHU) at Bellevue, Woodhull and North Central Bronx (“NCB”).
- The NCB OTxHU project will be located on the 13th (partial), 14th, 15th and 16th floors. The anticipated substantial completion is December 2028, pending timely finalization of design.
- The NCB project has four components:
 - The first prerequisite component is the renovation of space on other floors at the hospital to accommodate the relocation of EITS, MetroPlus, Hospital Police offices from the 13th floor and Nursing Administration and Training from the 14th floor. That work began in January 2025 and is currently underway.
 - This second prerequisite component to OTxHU construction is demolition and abatement of the future OTxHU space in order to make ready for construction. This project will begin following the relocation of staff in the first prerequisite phase and is being presented today for approval.
 - The third component is design and reconstruction of the ground floor including the emergency department. This component is in design and is expected to be presented to the Capital Committee in Winter 2026.
 - The fourth component is construction of the OTxHU itself. . Pending timely finalization of design, we expect to present to Capital Committee in calendar year 2026, with construction expected to begin December 2026 and last 24 months

Project Scope and Schedule

- The project is comprised of the following work in order to reduce construction duration for the OTxHU project:
 - Demolition of floors 13th (partial), 14th, 15th and 16th floors;
 - Abatement on floors 13th (partial) and 14th;
 - Construction of a new bathroom on 13B side in location of existing lab anti-room; and
 - Construction of a new anti-room for 13B.
 - No anticipated impact to patient care during the construction.

- Expected to begin Winter 2025 with completion expected by Summer 2026.

Overview of Procurement

- 5/2/2025 – Bid posted on City Record
- 05/12/2025 - 5/13/2025: Site tour for bidders. A total of 10 contractors attended.
- 06/17/2025: Bid due date, 2 bids received.
- 09/03/2025: Determination of low bid finalized, and National Environmental Safety Company, Inc. was selected as the lowest responsive and responsible bidder.

Construction Contract

- Procurement is sourced via Public Bid.
- Contract amount is **\$4,956,151.00**
- Expected to begin Winter 2026 with completion expected by Summer 2026 (6 months).
- The vendor has not completed work for NYC H+H, but has received five ratings in MOCS – four good (Parks) and one excellent (DDC).
- National Environmental Safety Company, Inc. has committed to a 32% MWBE Goal :

Subcontractor	Supplies/Services	Certification	Utilization %	Utilization \$
Tameer, Inc.	HVAC	MBE	7%	\$365,000.00
Baybrent Construction	Ceramic Tile	WBE	1%	\$25,000.00
Infinite Consulting	Engineering/SSP	MBE	1%	\$50,000.00
TNS Specialties	Carpentry / Painting / Protection	MBE	7%	\$350,000.00
A&F Fire	Sprinkler	MBE	6%	\$300,000.00
Nunez Electric	Electrical	WBE	10%	\$478,000.00
Total			32%	1,568,000.00

Project Budget

NYC Health + Hospitals/North Central Bronx OTxHU Early Demolition and Abatement Project Budget	
Construction	\$4,956,151
Project Contingency (10%)	\$495,615
Total	\$5,451,766

- Full funding for this project has been allocated. The CP has been submitted to OMB and is pending approval.

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a contract with National Environmental Safety Company, Inc. (“NESC”) for the Early Demolition & Abatement Package at NYC Health + Hospitals/North Central Bronx Outposted Therapeutic Housing Unit (“OTxHU”) Project, with a contract amount of \$4,956,151, and a 10% contingency of \$495,615, for a total authorization of \$5,451,766 with an anticipated duration of 6 months.

CONTRACT APPROVAL

KINSLEY ENERGY SYSTEMS, LLC.

MAINTENANCE & REPAIR SERVICES

NYC HEALTH + HOSPITALS / BELLEVUE

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a contract with Kinsley Energy Systems, LLC (“Kinsley”) for maintenance and repair services for the newly installed 4 MW Combined Heat and Power (CHP) COGEN system at Bellevue Hospital, with a total not-to-exceed amount of \$4,684,448, and a 20% contingency of \$939,890, for a total authorization of \$5,624,338 with an initial contract duration of three years with the option of two one-year extensions exercisable at the discretion of the System..

WHEREAS, the System issued a Request for Proposals (“RFP”) for maintenance and repair services for the newly installed 4 MW Combined Heat and Power (CHP) COGEN system at Bellevue Hospital, which includes preventative maintenance, repairs, and consumable supply; and

WHEREAS, on January 28, 2025, the CRC approved the application to issue the RFP, which was subsequently posted on the City Record on February 20, 2025, and distributed to four vendors; and

WHEREAS, a pre-proposal conference was held on February 27, 2025, attended by all four vendors, and two proposals were received by the submission deadline of June 24, 2025; and

WHEREAS, on August 22, 2025, the evaluation committee completed its review and scoring of proposals and determined Kinsley Energy Systems, LLC to be the highest-rated proposer based on technical merit, experience, and cost; and

WHEREAS, the proposed contract value for Kinsley Energy Systems, LLC is \$4,684,448, with an additional 20% contingency of \$939,890, resulting in a total authorization of \$5,624,338; and

WHEREAS, the System’s Office of Vendor Diversity has approved a waiver of the MWBE requirements for Kinsley Energy Systems, LLC, as the vendor will self-perform the full scope of services outlined in the contract.

WHEREAS, the administration of the proposed contract shall be the responsibility of the Vice President overseeing the NYC Health + Hospitals Central Office of Facilities Development.

NOW THEREFORE, BE IT RESOLVED, that the New York City Health and Hospitals Corporation (the “System”) is hereby authorized to execute a contract with Kinsley Energy Systems, LLC for maintenance and repair services for the 4 MW Combined Heat and Power COGEN system at Bellevue Hospital, with a not-to-exceed amount of \$4,684,448 and a 20% contingency of \$939,890, for a total authorization of \$5,624,338 with a contract duration of three years the option of two one-year extensions exercisable at the discretion of the System.

EXECUTIVE SUMMARY

MAINTENANCE AND REPAIR SERVICES FOR THE 4 MW COMBINED HEAT AND POWER (CHP) COGEN SYSTEM AT BELLEVUE HOSPITAL KINSLEY ENERGY SYSTEMS, LLC

CONTRACT SCOPE:	Maintenance and repair of the COGEN system at Bellevue Hospital
NEED:	NYC Health + Hospitals facilities needs maintenance and repair services for the newly installed 4 MW Combined Heat and Power (CHP) COGEN system at Bellevue Hospital.
CONTRACT DURATION:	Three years with 2 one-year extensions, slated to commence January of 2026.
PROCUREMENT:	A request for proposals was posted on the City Record and sent directly to four vendors on 2/20/2025; four vendors attended the pre-proposal on site visit on 2/27/2025, two proposals were submitted on 7/31/2025 and one vendor was invited to participate in vendor presentations. On 8/22/2025 the evaluation committee selected Kinsley Energy Systems, LLC as the top ranked responsible proposer for a contract not to exceed total of \$5,624,338.
PRIOR EXPERIENCE:	Kinsley Energy Systems, LLC has performed similar services for Vanguard Renewables, Quantum BioPower, and Renew Energy to good reviews.
CONTRACT AMOUNT:	\$4,684,448
PASSPORT APPROVAL:	Pending
EEO APPROVAL:	Pending
MWBE STATUS:	The System's Vendor Diversity Office has approved a waiver of the MWBE requirements since Kinsley Energy Systems, LLC will self-perform the full scope of work under this contract.

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: Kinsley Energy Systems, LLC

Date: October 15, 2025

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

Request for Contract for COGEN Maintenance at NYC Health + Hospitals/ Bellevue with Kinsley Power Systems

**Capital Committee
November 3, 2025**

**Manuel Saez, PhD Vice President, OFD
Mahendranath Indar, Assistant Vice President, OFD
Omer Cabuk, Chief Decarbonization Officer**

- Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a contract with Kinsley Energy Systems, LLC (“Kinsley”) for maintenance and repair services for the newly installed 4 MW Combined Heat and Power (CHP) COGEN system at Bellevue Hospital, with a total not-to-exceed amount of \$4,684,448, and a 20% contingency of \$939,890, for a total authorization of \$5,624,338 with an initial contract duration of three years with the option of two one-year extensions exercisable at the discretion of the System.

Background / Current State

- Combined Heat and Power System (CHP) also known as a COGEN is a machine that produces both electricity and thermal energy from a single energy source (natural gas). The system will be operational year-round 24/7 to produce electricity and hot water for heating.
- Establishing a maintenance contract for our new COGEN system will provide our staff with:
 - Direct control and oversight of performance, scope, and deliverables.
 - Flexibility to tailor maintenance strategies as the system matures allowing our team to adjust maintenance frequencies and scope based on actual needs rather than fixed tasks.
 - Full visibility into pricing, markups (labor, materials), and service schedules which creates transparency to project future costs.

Background / Current State

- Office of Facilities and Development is seeking approval to enter into a contract with Kinsley Energy Systems, LLC for the maintenance and repair services for their newly installed 4 MW Combined Heat and Power COGEN system at Bellevue Hospital. Scope of work covered by the contract includes:
 - Preventative Maintenance
 - Repairs
 - Consumable Supply (e.g urea/oil)

- A maintenance contract ensures the COGEN System is properly maintained, which is essential to:
 - Assure reliable operation and maximize uptime
 - Ensure optimal operational efficiency
 - Extend equipment service life
 - Maintain safety and regulatory compliance
 - Maximize return on investment

Overview of Procurement

- 1/28/25: Application to issue a request for proposals approved by CRC
- 2/20/25: RFP posted on City Record, sent directly to 4 vendors
- 2/27/25: Pre-proposal conference held, 4 vendors attended
- 6/24/25: Proposals due, 2 proposals received
- 7/31/25: Vendor Presentations held, 1 vendor was invited to participate
- 8/22/25: Evaluation committee submitted final scores. Below is the top scoring proposer:
 - Kinsley Energy Systems, LLC

Procurement

➤ Minimum Criteria:

- 5 years in business
- \$500,000 in annual revenue over the last 3 fiscal years
- Minimum of five years of experience providing field service for natural gas generator and/or CHP systems of 1,000 kW or greater within the tristate area
- Provide a list of current manufacturers and distributors that will be used to supply parts and materials to service the equipment

➤ MWBE certification, utilization plan, or waiver

- Substantive Criteria
- 45% - Vendor Experience
- 25% - Ability and feasibility to meet Scope of Work
- 20% - Cost
- 10% - MWBE

➤ Evaluation Committee:

- Senior Director, Office of Facilities and Development
- Chief Decarbonization Officer, Office of Facilities and Development
- Assistant Director, Office of Facilities and Development
- Director, Engineering, Bellevue Hospital
- Assistant Director, Engineering, Bellevue Hospital
- Director, Capital Budget, Office of Facilities and Development
- Assistant Director, Finance, Central Office

Contract

- The Contract duration will begin January 1, 2026 and last three years with two one year extensions
- Contract value is \$4,684,448
- The vendor has done similar maintenance work for Vanguard Renewables, Quantum BioPower, and Renew Energy to good reviews.
- The Vendor Diversity team has approved a waiver for Kinsley Energy Systems, LLC. The vendor will self-perform the full scope of work outlined in the contract award.

Contract Budgets

Kinsley	
Preventative Maintenance	\$4,684,448
Contingency (20%)*	\$939,890
Total	\$5,621,338

- Contingency is 20% to ensure there is enough funds in the contract for repairs, both for labor and parts.

- Authorizing New York City Health and Hospitals Corporation (the “System”) to execute a contract with Kinsley Energy Systems, LLC (“Kinsley”) for maintenance and repair services for the newly installed 4 MW Combined Heat and Power (CHP) COGEN system at Bellevue Hospital, with a total not-to-exceed amount of \$4,684,448, and a 20% contingency of \$939,890, for a total authorization of \$5,624,338 with an initial contract duration of three years with the option of two one-year extensions exercisable at the discretion of the System.



CONTRACT APPROVAL

NORTHSTAR RECOVERY SERVICES, INC

EMERGENCY INCIDENT RECOVERY

SERVICES

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a Best Interest Renewal contract with NorthStar Recovery Services, Inc. (“NorthStar”) for the provision of Emergency Incident Recovery Services for NYC Health + Hospitals, extending the term of the existing contract to December 31, 2028, with all other terms and conditions remaining unchanged.

WHEREAS, the System requires Emergency Incident Recovery Services to ensure a comprehensive response, management, and restoration capability following disruptive events such as natural disasters, fires, or other catastrophic incidents, to stabilize facilities, protect patients and staff, and restore critical operations; and

WHEREAS, these services include, but are not limited to, immediate assessment and mitigation of damage, structural repairs, water and mold remediation, and restoration of electrical and mechanical systems; and

WHEREAS, the System first identified the need for these services following the extensive damage caused by Superstorm Sandy in 2012, and has since maintained an ongoing contract to ensure rapid and compliant emergency recovery capacity; and

WHEREAS, Emergency Incident Recovery Services were initially procured competitively in December 2013 and again in March 2019; and

WHEREAS, following the 2019 solicitation, NorthStar Recovery Services, Inc. was approved for a three-year contract with two one-year renewal options in July 2020, with a contract term set to expire on December 31, 2025; and

WHEREAS, the total System spend under this contract since inception is \$75,552,854; and

WHEREAS, under Operating Procedure 100-05, the System may renew a contract with appropriate vendor and pricing due diligence when it is in the System’s best interest to do so; and

WHEREAS, NorthStar Recovery Services, Inc. is a market leader and the largest environmental remediation and demolition company in the world, with extensive experience providing FEMA-compliant emergency response and reimbursement documentation; and

WHEREAS, NorthStar maintains offices throughout the tri-state area, has supported the System's Emergency Management operations since 2013, and played a key role in providing surge capacity during the COVID-19 pandemic; and

WHEREAS, the pricing under the renewed contract will remain consistent with current rates, with adjustments only for union labor costs, ensuring cost stability and guaranteed vendor availability during emergencies; and

WHEREAS, this renewal is in the best interest of the System, as NorthStar's institutional knowledge of System facilities, infrastructure, and emergency response processes would take years to replicate with a new vendor, leaving the System more vulnerable during critical incidents; and

WHEREAS, the Vendor Diversity Office has recommended a 30% diverse vendor participation goal for this contract; and

WHEREAS, this is a contingency-based contract, activated only upon a Declaration of Emergency by the System's President and CEO and once all other internal and third-party resources have been exhausted; and

WHEREAS, once Declaration of Emergency has been made, notification to the Board of Directors will happen concurrently with monthly reporting of spending related to activation until the emergency has concluded.

WHEREAS, this contract will be managed by the Vice President overseeing the NYC Health + Hospitals Central Office of Facilities Development.

NOW, THEREFORE, BE IT RESOLVED, that the New York City Health and Hospitals Corporation (the "System") is hereby authorized to execute a Best Interest Renewal contract with NorthStar Recovery Services, Inc. for Emergency Incident Recovery Services, extending the term of the existing contract to December 31, 2028, with all other terms and conditions remaining unchanged.

EXECUTIVE SUMMARY
BEST INTEREST RENEWAL – EMERGENCY INCIDENT RECOVERY SERVICES
NORTHSTAR RECOVERY SERVICES, INC.

CONTRACT SCOPE:	Provides comprehensive emergency incident recovery services to restore and stabilize System facilities following catastrophic events, including damage assessment, mitigation, structural repairs, water and mold remediation, and restoration of electrical and mechanical systems.
NEED:	These services are essential to maintain rapid response capability for the System's 11 acute care and post-acute facilities, ensuring continuity of operations and patient safety during and after emergency incidents.
PROCUREMENT:	Originally procured competitively in 2013 and 2019. The current contract with NorthStar was approved in July 2020 for a three-year term with two one-year renewals. Renewal through December 31, 2028, is sought under the System's Best Interest authority (OP 100-05) based on vendor performance and market due diligence.
PRIOR EXPERIENCE:	NorthStar has demonstrated consistent responsiveness, technical expertise, and compliance with FEMA documentation requirements. The vendor has supported the System in major emergency incidents, including COVID-19 surge operations.
CONTRACT AMOUNT:	Pricing to be held consistent with current rates, except for union labor adjustments. Contingency-based activation, requiring CEO Declaration of Emergency.
PASSPORT APPROVAL:	Pending
EEO APPROVAL:	Approved
MWBE STATUS:	NorthStar Recovery Services, Inc. has committed to a 30% diverse vendor participation goal recommended. The utilization to date is 17.4%.



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

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

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

Vendor: NorthStar Recovery Services, Inc.

Date: October 21, 2025

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

Approved

MWBE

30%

Request to Enter into Contract Best Interest Renewal for Emergency Incident Recovery Services

**Capital Committee
November 3, 2025**

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

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a Best Interest Renewal contract with NorthStar Recovery Services, Inc. (“NorthStar”) for the provision of Emergency Incident Recovery Services for NYC Health + Hospitals, extending the term of the existing contract to December 31, 2028, with all other terms and conditions remaining unchanged.

Background / Current State

- Emergency incident recovery services encompass the comprehensive response, management, and restoration efforts required to stabilize facilities, ensure patient and staff safety, and restore critical operations following a major disruptive event, such as natural disasters, fires, or other catastrophic incidents.
 - Services involve, but are not limited to, immediate assessment and mitigation of damage, including structural repairs, water and mold remediation, electrical and mechanical system restoration, etc.
- NYC Health + Hospitals (“the System”) first identified the need for these services following the extensive damage caused by Superstorm Sandy in 2012.

Overview / History of Contract

- Emergency incident recovery services were procured through a competitive procurement process in December 2013, and then again in March 2019.
- A competitive procurement process was initiated in March 2019 for emergency incident recovery services and Belfor Property Restoration, Inc. (Belfor) was the highest-scoring vendor.
 - Approval to enter into a 3-year contract with two 1-year renewal options was granted by the CRC and by the Board of Directors in June 2019.
 - In August 2019, federal guidelines for managing Category A infectious waste required the System to expand Belfor's scope of services to ensure compliance
 - Belfor was both unwilling and unable to meet the new requirements, prompting us to contract with the second-highest scoring vendor, NorthStar Recovery Services, Inc. (NorthStar)
- Approval to enter into a 3-year contract with two 1-year renewal options with NorthStar was granted by the CRC in June 2020 and the Board of Directors in July 2020.
 - The contract with NorthStar expires December 31, 2025
 - The total spend since the inception of the contract is \$75,552,854

Best Interest Renewal

- Under OP 100-05, the System can renew 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:
 - NorthStar is a market leader for emergency incident recovery services
 - NorthStar is the largest environmental remediation and demolition company in the world and has the largest fleet of remediation equipment in North America
 - The vendor has offices in five locations in the tristate area and has significant experience in FEMA-compliant reimbursement documentation
 - Northstar has been providing emergency incident recovery services and Category A waste remediation services for the System since 2013 and Category A Waste Remediation Services since 2020
 - NorthStar's team is familiar with all of the System's Acute Care and Post-Acute Care facilities as well as System processes for Emergency Incident Response and Communicable Disease response
 - The vendor played key role in delivering increased surge capacity for the System during COVID-19

Best Interest Renewal

➤ Pricing Due Diligence:

- NorthStar is only activated when the system has exhausted all other procurement channels or there is an immediate need for which only Northstar can respond
- Since approval of the President and CEO is required to activate the contract, work is only issued on a task order basis
- The vendor has agreed to hold their pricing, with the exception of union labor costs
- Securing this contract upfront guarantees cost certainty when emergencies arise

➤ Best Interest of the System:

- The institutional knowledge that Northstar has regarding System facilities infrastructure and processes would take years to replicate with another vendor
- During this time, the System would be more vulnerable in an emergency response situation working with a vendor who would be new to us and not as familiar with our facilities and our processes

Vendor Performance

Department of Supply Chain Vendor Performance Evaluation DCN 2815 - Emergency Incident Recovery Services Northstar Recovery Services Inc.	
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?	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	Excellent

Contract

- The contract expiration date will be changed to December 31, 2028.
- All other contract terms remain unchanged.
 - With the exception of union labor, NorthStar will hold prices for equipment as listed in the current contract
 - NorthStar will continue working with the System's Emergency Management to update the Operations Plan, conduct annual all-hazard assessments of facilities and, perform onsite stimulated exercises at Bellevue Hospital to prepare for communicable disease responses
- This contingency-based contract does not obligate System to exclusively use Northstar but ensures the firm's availability on an as-needed basis.
 - The contract can only be activated after the System President & CEO issues a Declaration of Emergency and once all internal and third-party resources (e.g., existing vendor contracts) have been exhausted
 - The Office of Facilities Development and Central Office's Emergency Management manages this contract via established Incident Assessment & Activation Matrix
- Once Declaration of Emergency has been made, notification to the Board of Directors will happen concurrently with monthly reporting of spending related to activation until the emergency has concluded
- Funding source for each task order will be determined based on nature of the incident and the scope of services of the mitigation efforts

Vendor Diversity

➤ Current Utilization

Prime Vendor	M/WBE Goal (%)	Utilization to Date (%)
NorthStar Recovery Services Inc.	30%	17.4%
Total Utilization		17.4%

- The Vendor Diversity team recommended a 30% diverse vendor component percentage for this solicitation.

- Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a Best Interest Renewal contract with NorthStar Recovery Services, Inc. (“NorthStar”) for the provision of Emergency Incident Recovery Services for NYC Health + Hospitals, extending the term of the existing contract to December 31, 2028, with all other terms and conditions remaining unchanged.