

**CAPITAL COMMITTEE
MEETING AGENDA**

April 12, 2021

12:30 PM

Virtual Meeting

CALL TO ORDER

Feniosky Peña-Mora

- **ADOPTION OF MINUTES – February 8, 2021**
- **SENIOR VICE PRESIDENT’S REPORT**

Feniosky Peña-Mora

Christine Flaherty

ACTION ITEMS

- **Resolution** **Christine Flaherty**
Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to execute Job Order Contracts (“**JOCs**”) with three firms: Volmar Construction Inc.; BA Global Construction, Inc.; and Carefree Improvements Inc, (the “**Contractors**”), that were selected through the System’s public bid process, to provide general construction services on an as-needed basis at various facilities throughout the System with each contract to be for a term of two years, for an amount not to exceed \$10,000,000 for each contract for a total authorized value of \$30 Million.

Vendex: Approved for all vendors

EEO: Approved for all vendors

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

Capital Committee Meeting - February 8, 2021

As reported by Feniosky Peña-Mora/José Pagán

Committee Members Present: Feniosky Peña-Mora, Freda Wang, Sally Piñero-Hernandez, Mitchell Katz - left at 10:30.

Mr. Peña-Mora called the meeting to order at 10:05 a.m.

Upon motion made and duly seconded the minutes of the Capital Committee meeting held on December 3, 2020 were approved.

Senior Vice President's Report

Christine Flaherty, Senior Vice President, Office of Facilities Development presented her report.

Mrs. Flaherty stated that while there was only one capital energy related resolution on the agenda, her team had been finalizing contracts with Supply Chain, issuing task orders for the new bond work and the office continued to support the COVID emergency management efforts for the system.

She stated that she was looking forward to opening the COVID Center of Excellence in Queens later in the month, with Brooklyn anticipated in the coming months.

The emergency physical enhancements for surge spaces in the hospitals was 95% complete and had supported the hospitals' care environments to care for COVID positive patients.

She reported the receipt of over \$300M in city capital dollars to support aging facilities. She and her team were revamping the capital intake process and would be allocating the dollars towards carbon reduction energy investments, similar to the resolution for consideration today, as well as critical state of good repair infrastructure needs and improving our care environment in alignment with strategic pillars. Additionally, the system had received over \$60M in DCAS Energy funds for critical projects at Harlem, NCB and Bellevue.

The housing team had identified a pipeline of 700 units and were working closely with MetroPlus on the rent-up of the T-Building on the Queens Hospital campus.

Mrs. Flaherty ended her remarks.

Mr. Peña-Mora commended Mrs. Flaherty and her team for their amazing work on creating an environment focus on patient care needs during COVID, with the Board receiving many letters of commendation from patients regarding their positive experiences during this time.

Mrs. Flaherty read the resolution:

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a Customer Installation Commitment ("CIC") with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$8,212,020, including a 10% contingency of \$597,318, for the planning, design, procurement, construction, construction management and project management services necessary for energy efficiency upgrades (the "Project") at NYC Health + Hospitals/Queens (the "Facility").

Mrs. Flaherty narrated a power point presentation that overviewed the project background, financing, relationship with NYPA, procurement path for the construction management contract, commitment for Minority, Women and Business Enterprises (MWBE) subcontracting, and full project budget.

Clarifications were provided to the following question:

- Is this project to address a specific need in regards to useful life - Mrs. Flaherty responded that were a number of identified characteristics that needed enhancement and replacement driven by a System-wide energy assessment, with Queens Hospital being in highest need to realize efficiency and reduce our usage of carbon, save energy and provide enhancement in the System.
- Is the 12 percent NYPA fee fixed? Yes, that fee is a fixed for program management of the project.
- Are we keeping track of our energy and carbon footprint and the savings realized by these efforts? Yes - the energy team is diligently tracking our carbon reductions since the passage of the local law was passed.
Follow-up - the committee requested a report in the future on the tracking of the System's carbon footprint.
- The presentation indicated a return on investment of 21 years, is that the expectation or is there things we can do to reduce that pay-back period. Mrs. Flaherty indicated that is what was expected.
- What is the life expectancy or useful life of the new controls and the equipment affiliated with those enhancements?
Follow-up: that information is not available, Mrs. Flaherty will follow up in writing to the committee with the information.
- The Committee requested an elaboration on the point of the vendor being the most-cost effective project manager - NYPA currently has a group of 10-12 construction management providers where fees are based on the percentage per phase and the vendor is the most cost effective. Mrs. Flaherty will follow up with NYPA to ensure capacity moving forward for future projects.
- Regarding the budget are we borrowing money to conduct this project? NYPA initiates the work in advance of NYC H+H having all the funding in-place, they float some of the capital.

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

Sally Piñero-Hernandez asked for an update on the educational sessions that had been scheduled prior to the COVID emergency.

Mrs. Flaherty confirmed that educational sessions will be rescheduled when the calendar permits, being that the department was still highly involved in COVID surge and vaccine roll-out efforts.

Ms. Wang asked if there was any news on the infrastructure bill. Mrs. Flaherty said she and her team was excited about the FEMA match that was approved, and they had provided notes on infrastructure but she did not have any further details at the time.

There being no further business, the Committee Meeting as adjourned at 10:40 AM.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "**System**") to execute Job Order Contracts ("JOCs") with three firms: Volmar Construction Inc.; BA Global Construction, Inc.; and Carefree Improvements Inc, (the "**Contractors**"), that were selected through the System's public bid process, to provide general construction services on an as-needed basis at various facilities throughout the System with each contract to be for a term of two years, for an amount not to exceed \$10,000,000 for each contract for a total authorized value of \$30 Million.

WHEREAS, the facilities of the System require, from time to time, construction services; and

WHEREAS, the System has determined that such needs can best be met by utilizing outside firms, on an as-needed basis, through JOCs; and

WHEREAS, the System published a request for bids for general construction services, bids were received from 17 companies, and were publicly opened on February 24, 25, and 26 2021, and the System determined that the three Contractors are the lowest responsible bidders for these contracts; and

WHEREAS, the Contractors have met all, legal, business and technical requirements and are qualified to perform the services as required in the contract documents.

NOW, THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation (the "**System**") be and hereby is authorized to execute Job Order Contract with three firms: Volmar Construction, Inc.; BA Global Construction, Inc.; and Carefree Improvements Inc that were selected through the System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the System with each contract to be for a term of two years, for an amount not to exceed \$10,000,000 for each contract for a total authorized value of \$30 Million.

EXECUTIVE SUMMARY

CONSTRUCTION SERVICES JOB ORDER CONTRACTS

VOLMAR CONSTRUCTION SERVICES

BA GLOBAL CONSTRUCTION, INC. and CAREFREE IMPROVEMENT, INC

- OVERVIEW:** The New York City Health and Hospitals Corporation (the “**System**”) seeks to execute three Job Order Contracts (“**JOCs**”) for a term of two years each, for individual amounts not-to-exceed \$10,000,000, to provide general construction services on an as-needed basis at any System facility. The total authorized to be spent under these contracts is \$30 Million.
- JOCs work off of fixed prices for thousands of materials utilized in typical construction projects. The prices are derived from widely published construction reference works to which the System subscribes that are updated at frequent intervals. Contractors awarded JOCs under the proposed resolution will be invited to submit proposals for particular projects. JOCs contractors submit proposals based upon acceptance of the fixed material prices and a multiplier based on such material costs to determine their labor cost proposals. For example, if a material to be installed is priced at \$10.00, and the contractor’s labor multiplier to install that material is 1.0, the cost of that material and labor is \$10.00, inclusive of overhead and profit. If the multiplier is 1.2, then the cost of that material and labor is \$12.00, inclusive of overhead and profit.
- This format has been used in previous System JOCs, and is used by the New York City School Construction Authority, the Dormitory Authority of the State of New York State, the New York City Department of Design and Construction, the New York City Department of Environmental Protection, the United States Postal Services and others.
- NEED:** The various facilities of the System are likely to require general construction services that vary in frequency, size and urgency, which cannot be timely and cost effectively completed through a dedicated design, bid and award process. Due to fluctuating demands, the System has determined that these needs can often best be met by outside firms on an as-needed basis through requirements contracts.
- TERMS:** The construction services will be provided via a work order system within a two year period, each for an amount not to exceed \$10,000,000.
- COSTS:** Not-to-exceed \$10,000,000 over two years, for each of the three contracts for a total of \$30 Million.
- FINANCING:** Job Order contracts provide a pre-qualified approved mechanism for facilities to access construction services. The facilities establish funding sources such as capital funds from bond proceeds, grants or expense (Other Than Personnel Services - OTPS) funds.
- SCHEDULE:** Upon contract execution these contracts shall be in effect for two years or until funds are exhausted.

SIMILAR EXPERIENCE:

VENDOR	PROJECT/CONTRACT	STATUS	AMOUNT
Volmar	General Construction	Completed 2019	\$10,000,000
Volmar	Heating and Ventilation	Completed 2018	\$6,000,000
BA Global Construction	Façade Restoration at Woodhull	In Progress	\$7,143,946
Carefree Improvements	General Construction Work	Completed	\$1,200,000
Carefree Improvements	OM Properties – Building Upgrade	Completed	\$2,300,000
Carefree Improvements	Momut Group – General Construction	Completed	\$3,000,000

EVALUATION SCORES: ON PRIOR WORK Volmar had a **96.5%** rating by users throughout the system (rated by 4 facilities on 20 GC projects). Volmar completed 4 HVAC projects at 3 facilities and received a 95% rating.

This is **BA Global's** first JOCS Contract. However, they were awarded an Exterior Restoration Contract at Woodhull which is in progress. Three private entities with whom BA Global had recently worked gave the firm excellent references when we inquired. .

Carefree Improvements had an **87%** rating by contract users throughout the system (rated by 4 facilities on 6 GC projects). Completed 6 projects at 4 facilities.

MWBE UTILIZATION: Volmar presented a 31% utilization plan. BA Global presented a 45% utilization plan. Carefree will self-perform 60% of the work and presented a 10% utilization plan for a total utilization plan of 70%.

VENDEX: Approved.

EEO: Approved.

General Contracting(GC) Job Order Contracts

Capital Committee Meeting
April 12th , 2021

Christine Flaherty, Senior Vice President, Office of Facilities Development

Background / Current State

- Job Order Contracting (JOCs) are Construction Contracts that are awarded based on public bid, whereby bidders use a multiplier, against an itemized catalog of services, to establish their base bid. Solicitation and award in alignment with NYC Health + Hospitals Operating Procedure 100-5.
 - Enable contractors to complete a substantial number of individual projects with a single bid
 - Tasks based on competitively-bid, preset prices

- Current General Construction (GC) contracts were awarded in 2019 will expire in June 2021.

- Proposals for work related to these contracts are created using pricing from the Gordian itemized catalog of services and the vendors multiplier

- Gordian maintains RSMeans data and annually updates a proprietary price book which is based on published CCI (NYC ENR)

- JOCs contracts are deployed across all facilities to quickly move into construction within a defined scope for smaller scale and urgent projects

2019-2020 GC JOCs Firm

Contractor	Multiplier	Original Contract Award	Work Issued to Date	Remaining	MWBE Spend to Date	MWBE %	Contract Expiration
Rashel Construction (MBE)	0.8342	\$10,000,000	\$6,973,565	\$3,026,435	\$4,397,538	63%	6/12/2021
Carefree Improvements (MBE)	0.9	\$10,000,000	\$3,899,849	\$6,100,151	\$3,899,849	100%	6/12/2021
Jemco	0.9382	\$10,000,000	\$9,893,265	\$106,735	\$2,588,658	26%	6/12/2021

- Bids received by up to 6 discreet firms
- Three vendors available for facilities to utilize as projects arise

Procurement

- Public bids opened on February 24th, 25th and 26th of 2021 for three contracts, each for \$10M, to provide General Construction services. The contracts will be for a two year term. Bids were received by 17 discreet firms

- Volmar Construction was the lowest responsible bidder for GC1
 - Lowest multiplier submitted by Volmar – 0.7980
 - 17 bids submitted
 - MOCs Evaluation - Satisfactory
 - **Volmar H+H User rating – 96.5% (4 facilities on 20 projects)**

- BA Global Construction was the lowest responsible bidder for GC2
 - Lowest multiplier submitted by BA Global – 0.7844
 - 11 bids submitted
 - Private references - Excellent
 - **BA Global H+H User rating - only one previous contract with H+H**
 - Recently awarded
 - Currently in design
 - Work to date has been satisfactory

- Carefree Improvements (MBE) was the lowest responsible bidder for GC3
 - Lowest multiplier submitted by Carefree – 0.7869
 - 9 bids submitted
 - MOCs Evaluation – No evaluations within the last three years
 - **Carefree H+H User rating - 87% (4 facilities on 6 GC projects)**

MWBE Utilization Plans

➤ Volmar: 31% MWBE Utilization Plan

Subcontractor	Certification	Supplies/Services	Utilization Plan
Infinity Contracting	MBE	Heating and Ventilation	10%
Eastern Plumbing	WBE	Plumbing	7%
American Building Contractors Association	MBE	Milwork Fabrication	4%
ANR Mechanical		Refrigeration, A/C, Mechanical	5%
RJ Green	MBE	Piping	
Duetscher & Daughter	MBE	Site Work	2%
	MBE	Carpentry	3%
TOTAL			31%

➤ BA Global*: 45% MWBE Utilization Plan

Subcontractor	Certification	Supplies/Services	Utilization Plan
Kensington Park Mechanical	MBE	Mechanical	15%
AV Steel	MBE	Steel and Structure	7.5%
Robert Parchment	MBE	Plumbing	12.5%
Lestest Electrical	WBE	Electrical	10%
TOTAL			45%

➤ Carefree Improvements (MBE) – 70% MWBE Utilization Plan

➤ Will self perform 60% of work

Subcontractor	Certification	Supplies/Services	Utilization Plan
JH Electric	WBE	Electric	10%
TOTAL			70%

* Pending NYC MWBE Certification

Capital Committee Request

- Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to execute Job Order Contracts (“JOCs”) with three firms: Volmar Construction Inc.; BA Global Construction, Inc.; and Carefree Improvements Inc, (the “**Contractors**”), that were selected through the System’s public bid process, to provide general construction services on an as-needed basis at various facilities throughout the System with each contract to be for a term of two years, for an amount not to exceed \$10,000,000 for each contract for a total authorized value of \$30 Million.

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

From: Keith Tallbe, Tallbe, Keith
Senior Counsel
Office of Legal Affairs

Re: Vendor responsibility, EEO and MWBE status

Vendor: Volmar Construction Inc.

Date: March 31, 2021

Digitally signed by
Tallbe, Keith
Date: 2021.03.31
06:47:00 -04'00'

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:


Vendor Responsibility
Approved

EEO
Approved

MWBE
31% Utilization Plan

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

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

From: Keith Tallbe Tallbe,  Digitally signed by
Senior Counsel Keith Tallbe, Keith
Office of Legal Affairs
Date: 2021.03.31
06:48:27 -04'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: BA Global Construction Inc.

Date: March 31, 2021

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility
Approved

EEO
Approved

MWBE
45% Utilization Plan

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

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

From: Keith Tallbe Tallbe, Digitally signed
Senior Counsel Keith by Tallbe, Keith
Office of Legal Affairs Date: 2021.03.31
06:51:14 -0400

Re: Vendor responsibility, EEO and MWBE status

Vendor: Care Free Alarms Inc.

Date: March 31, 2021

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility
Approved

EEO
Approved

MWBE
NYC MBE
10% Utilization Plan

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.