

CAPITAL COMMITTEE

February 14, 2013

MEETING AGENDA

8:00 a.m.

125 Worth Street,
Room 532
5th Floor Board Room

CALL TO ORDER

Emily A. Youssouf

- ADOPTION OF MINUTES January 10, 2012 Emily A. Youssouf
- ASSISTANT VICE PRESIDENT'S REPORT Alfonso C. Pistone

ACTION ITEMS

- **Resolution** Ann Sullivan, MD
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve the budget for relocation of the "T" Building at Queens Hospital Center, estimated to be \$8.4 million.

INFORMATION ITEMS

- Gouverneur Healthcare Services – Major Modernization – Status Report Mendel Hagler
- **Project Status Reports**
North Bronx Health Network
South Manhattan Health Network*
South Brooklyn/Staten Island Health Network*
* Network contains project(s) that require a delay report

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

JANUARY 10, 2012

MINUTES

Capital Committee

Meeting Date: January 10, 2013

Time: 11:00 A.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

Emily A. Youssouf, Chair

Josephine Bolus, RN

Michael A. Stocker, MD, Chairman of the Board

HHC Staff:

Jeremy Berman – Deputy Counsel, Legal Affairs

Michael Buchholz – Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility

Deborah Cates – Chief of Staff, Office of the Chairman

Jonathan Goldstein – Senior Consultant, Corporate Planning

Anthony Gounaris – Senior Project Manager, Office of Facilities Development

Trevor Henry – Assistant Executive Director, Harlem Hospital Center

Robert Hughes – Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility

Louis Iglhaut – Associate Executive Director, Lincoln Medical and Mental Health Center

Juan Izquierdo – Associate Executive Director, Queens Hospital Center

William Hicks – Deputy Executive Director, Lincoln Medical and Mental Health Center

James King, MD – Chief of Dentistry, Harlem Hospital Center

JoAnn Liburd – Senior Director, Patient Safety

Liny Liu – Senior Project Manager, Lincoln Medical and Mental Health Center

Patricia Lockhart – Secretary to the Corporation, Office of the Chairman

Peter Lynch – Senior Director, Office of Facilities Development

Tamiru Mammo – Chief of Staff

Nini Mar – Director, Finance

Dean Moskos – Director, Office of Facilities Development

Anita O'Brien – Associate Executive Director, Harlem Hospital Center

Dean Pearce – Senior Director, Office of Facilities Development

Alfonso Pistone – Assistant Vice President, Office of Facilities Development

Marsha Powell – Director, Office of Facilities Development

Christopher Provenzano – Associate Executive Director, Generations+/Northern Manhattan Health Network

Michael Rawlings – Associate Director, Bellevue Hospital Center

Robert Rossdale – Deputy Executive Director, Queens Hospital Center

Denise Soares – Executive Director, Harlem Hospital Center

Cyril Toussaint – Director, Office of Facilities Development

Ksenija Vukov-Drazevic – Senior Associate Director, Queens Hospital Center
Roslyn Weinstein – Senior Assistant Vice President, Office of the President
Manasses Williams – Assistant Vice President, Affirmative Action/Equal Opportunity Employment
Dion Wilson – Assistant Director, Office of Facilities Development
Mark Winiarski – Assistant Director, Corporate Planning
Elizabeth Youngbar – Assistant Director, Office of Facilities Development
Frank Zanghi – Supervising Confidential Examiner, Internal Audits

Other Attendees:

Melissa Dubowski – Office of Management and Budget (OMB)
Christina Fiorentini – New York City Independent Budget Office
Michael Kimura – Project Director, Capital Programs, New York City Economic Development Corporation
Jon Levy – Base Tactical
Emil Martone – Vice President, Capital Programs, New York City Economic Development Corporation
Odit Oliner – Project Director, Capital Programs, New York City Economic Development Corporation
John Pasicznyk – Managing Director, Construction and Metro New York Operations, Dormitory Authority of the State of New York
Randy Retkin – New York Legal Assistance Group
Joseph Shein – Principal, Perkins Eastman Architects

CALL TO ORDER

The meeting was called to order by Emily A. Youssouf, Chairman of the Capital Committee, at 11:11 A.M.

ASSISTANT VICE PRESIDENT'S REPORT

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, informed members of the Committee that there were two action items for the Committee's consideration, a report on the progress of the Henry J. Carter facility, and a short progress report on the Corporation's progress on placing back into normal operation the three most adversely affected facilities impacted by Hurricane Sandy – Coney Island Hospital, Coler-Goldwater Specialty Hospital and Nursing Facility, and Bellevue Hospital Center. Finally, there would be delay reports on two projects; the emergency department renovation at Lincoln Medical and Mental Health Center, and the modernization at Queens Hospital Center.

He was pleased to report that the Office of Facilities Development (OFD), with the assistance of team members from internal audits, Lincoln, Elmhurst, Bellevue, and Queens, engaged in a one week rapid improvement event recently. The event focused on the Bid-Award process and resulted in a number of constructive recommendations that are currently being reviewed and prepared for piloting.

Mr. Pistone advised that the next step would be the development of a Value Stream Analysis involving the entire process, which he was expecting to occur next month, as the early stages of the A3 for the event had already begun.

He thanked Joanna Omi and her team; the work of members of his staff, the facilities, and internal audits for their participation.

That concluded his report.

ACTION ITEMS

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a license agreement with the New York Legal Assistance Group (the "Licensee" or "NYLAG") for use and occupancy of space at Coler-Goldwater Specialty Hospital and Nursing Facility (the "Facility") to provide *pro bono* legal services to facility residents and patients, and training to Corporation staff.**

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, read the resolution into the record. Mr. Hughes was joined by Randy Retkin, New York Legal Assistance Group.

Mr. Hughes explained that in July of 2012, a six month agreement was signed for the same services and the facility wished to continue the relationship due to benefits, such as: counsel on immigration, domestic relations, custody and benefit entitlement, and in many cases ultimately assisting residents in becoming Medicaid eligible. It is anticipated that over 60 matters will be addressed throughout the new contract term, and the Corporation would be paying \$36,103 for said services. Mr. Hughes noted

that over the course of the previous agreement, NYLAG assisted with over 90 matters, 15 of which culminated with the resident becoming Medicaid eligible, which assisted with reimbursement to the facility. A number were able to obtain important entitlements which eventually help with their discharge into the community, and a couple of residents were able to obtain passports for eventual return to their country of origin.

Michael Stocker, MD, Chairman of the Board, asked how many NYLAG staff operated at the facility. Ms. Retkin said there would be one attorney on site, the same one who worked through the first six month agreement.

Dr. Stocker asked if NYLAG had been busy over the first term. Ms. Retkin said yes, 90 matters were completed with more already in the pipeline.

Dr. Stocker asked if NYLAG were able to convert residents to Medicaid without going through the usual steps. Ms. Retkin said that NYLAG works with social workers and other staff to get residents to the point where they are eligible to apply for Medicaid, sorting through preliminary issues, such as immigration status, and for other residents, who have unknown histories, NYLAG is doing checks and requesting background information.

Ms. Youssouf asked if the fee of \$36,103 was an average and acceptable fee considering 60 cases would potentially help 60 patients and would therefor amount to approximately \$600 per case. Ms. Retkin said yes. She noted that the attorney spent more than half of her working time on site, and additionally, paralegal assistance is utilized, limited supervision is needed, and time is spent providing training to Coler-Goldwater staff. She added that each case, whether it comes to resolve or not also requires a significant amount of pre-screening.

Mrs. Bolus asked if the attorney would be splitting her time between the new Goldwater site and the Coler campus. Mr. Hughes said the new facility would not be open during the course of this agreement but they would reevaluate those issues at the end of the term, see if they have met necessary goals, and whether services should be continued.

Mrs. Bolus asked about the services that NYLAG performs at other HHC facilities and whether immigration is an issue at those other sites. Ms. Retkin said yes, benefits, immigration and housing are the top three issues that NYLAG assists with at all hospital facilities.

Dr. Stocker said it seemed like a relatively inexpensive agreement considering the benefits, and asked whether NYLAG assists walk-ins. Ms. Retkin said for the most part no, services are typically based on referrals from within the facility, social workers and/or doctors, but there have been a few exceptions, such as; Haitian nationals when they were allowed Temporary Protective Status (TPS), Deferred Action Dreamers, and recently for storm relief legal services, which were open to staff and community.

Dr. Stocker asked what these services would cost if recipients went to a law firm for assistance. Ms. Retkin said she was unsure but for immigration type issues charges can run at an exorbitant rate.

Ms. Retkin stated that this agreement was slightly different from other models because many of the other agreements have some sort of other supportive funding, from organizations like the Robin Hood

Foundation, and that support usually funds the bulk of NYLAG services. In those cases, facilities often make an additional contribution but there was no such funding behind this agreement.

There being no further questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve a Capital Project for Harlem Hospital Center to Relocate and Modernize the Dental Clinic for a total project cost of \$9.0 million.**

Denise Soares, Executive Director, Harlem Hospital Center, read the resolution into the record. Ms. Soares was joined by Anita O'Brien, Associate Executive Director, James King, MD, Chief of Dentistry, Harlem Hospital Center, and Louis Ighhaut, Associate Executive Director, Lincoln Medical and Mental Health Center.

Ms. Soares explained that a HEAL 21 Grant of \$3.8 million had been awarded to the facility as well as \$1.8 million, for new equipment, from City Council Fiscal Year 2012. Ms. Soares noted that the dental clinic is currently located in Women's Pavilion (WP), which is slated for demolition, so this project would help in decanting that building as well as expanding the clinic's services.

Ms. Youssouf asked if the total funding from other sources would be \$5.8. Mrs. O'Brien said that is the total confirmed at this time but the remainder would be reallocated from funding that was previously approved by the Office of Management and Budget (OMB) for WP decanting and demolition. Alfonso Pistone, Assistant Vice President, Office of Facilities Development added that the additional funding, to be reallocated, was contingent upon formal OMB approval.

Ms. Youssouf asked for an explanation of the need, in comparison to current services that are provided, and an overview of the actual cost.

Dr. King explained that the present facility was constructed in 1984 and provided services for 6,000 patients. Prior to the institution of mandatory Medicaid Managed Care, in the late 1990s, the patient number had increased to 27,000 visits per annum. Currently, the facility offers comprehensive dental services, acting as a full service clinic that takes appointed patients as well as walk-ins. It provides a service for the community, and access to care to people that don't have access any other way.

Dr. Stocker asked how much the project would cost to HHC. Ms. O'Brien said that the cost would be the difference between the HEAL funds and the \$9 million total; the city council funds are an allocation of discretionary funding, the HEAL grant is a grant, so there is no cost for that, so the remainder of the \$3.3 million, from previous WP decanting funding, are GO bonds that will be paid back. Ms. Youssouf asked for clarification of the \$1.8 million in city council funds. Ms. O'Brien stated that those monies would in fact be charged back by the Corporation.

So, Ms. Youssouf asked, the total cost to us would be the \$3.3 million and the \$1.8 million. Ms. O'Brien said yes.

Ms. Youssouf said an enormous amount of money had been spent on redoing Harlem Hospital Center and she was unaware that a new dental clinic was needed.

Ms. O'Brien advised that the dental clinic was part of the original modernization project and the remaining need to complete this is partially due to the fact that in 2008/9 the project lost funding for MLK renovations and infrastructure work totaling \$47 million. Ms. Youssouf said she didn't think that the decrease in funding was the problem with the project. She thought the project was severely over budget. Ms. O'Brien disagreed.

Mr. Pistone rephrased the question, saying was the anticipated scope of the project adequately funded. Ms. O'Brien said she did not think that it was.

Dr. Stocker said that at a time when almost all budgets with relation to capital projects have been overrun, particularly Harlem, it is disconcerting to hear that information has not reached certain persons working on the project. Ms. Youssouf added that she was surprised Ms. O'Brien was unaware of that fact that the project had gone over budget since the Committee had discussed that matter a number of times.

Ms. O'Brien said the original estimate for the whole project included; renovations for the Martin Luther King (MLK) Pavilion, WP demolition, demolition of the New Nurse's Residents, and construction of a new garage and Emergency Medical Services (EMS) station. At the time the mural pavilion was started, she added, full funding was not in place. There was a promise for \$325 million, but not enough for specific parts of the project. Ms. Youssouf said there was clearly a disconnect happening from other presentations regarding the Harlem modernization.

Ms. Youssouf stated that the amount of money appropriated and approved for the project was supposed to cover certain things but did not cover them because the project was over budget. She asked Mr. Pistone whether he agreed.

Mr. Pistone said that the original scope included razing the WP, a new garage, and partial renovation of the MLK Pavilion. In FY 2009 the project had a 15-20% budget reduction of approximately \$48 million because that was the only place funding was available for budget reduction measures. He advised that when the project was reviewed after the cut it was determined what could be done with the remaining money and that various parts of the project, including the garage construction and the relocation of WP programs could not be completed even though some funding was already in place.

Ms. Youssouf said the reason was not the \$48 million budget cut and asked how much the budget variance was at the end of the project. Mr. Pistone said the entire project was approximately \$424 million but the project was budgeted for \$328 million. Ms. Youssouf said that for whatever reason, and she knows that people are actively trying to fix the issues, the project was way over budget, a number of increases had to be approved, and all the work was not even able to be completed. She said this has happened on every major project that has come before the committee and to say that the budget was taken away is not accurate. Mr. Pistone said that is part of the problem but not the whole cause. A small part, said Ms. Youssouf.

Dr. Stocker said the Committee has watched overruns on almost all capital projects, a problem for which a consultant has been hired to review, and to see the team unaware that there were budget overruns on the project is disconcerting.

Ms. O'Brien advised that she had been involved with the modernization for over five (5) years and didn't exactly agree with the analysis. She stated that the project was never fully funded and an estimate provided an overview of what the available funding covered. Ms. Youssouf said the problem was that when you are doing a Capital project, you need to know what the whole cost is, everything included, and if you don't have the full funding then don't start with the piece that you do have, not explain what the total project cost would be, and then come back later. Ms. Youssouf suggested that time be spent reviewing all past presentations regarding Harlem, reviewing the significant number of increases provided over the past few years, and fully informing the current team of what happened in the past, to ensure that it does not happen again in the future.

Mr. Pistone asked whether this specific project could be discussed due to the criticality of the timeliness of the HEAL funding. He noted that the grant money must be spent by the end of the calendar year. Ms. Youssouf advised that it was only January and that a few weeks delay shouldn't impact anything. She offered the opportunity to hold a special meeting if necessary but said she would not be doing her fiduciary responsibility deciding now just because of the spend-down date.

Mrs. Bolus asked when the money had to be spent by. Ms. O'Brien advised that bills had to be paid by the end of the 2013 calendar year. Ms. Youssouf and Mrs. Bolus said a couple of weeks to circulate information, discuss this project and review the whole modernization wouldn't kill the project. We need to see information and you need to see information, she advised, because as Dr. Stocker said, the idea that you don't agree with what happened with the budget raises concerns.

O'Brien said she would welcome an opportunity to review everything, and it was agreed that meetings would be scheduled for the following week.

Roslyn Weinstein, Assistant Senior Vice President, stated that the item was reviewed, in depth, to be sure that all budget numbers were accurate prior to being placed on the agenda and being brought before the Committee. She said that she hoped that fast-tracking would be possible and she looked forward to learning more about the history of the project.

Ms. Youssouf appreciated that assurance but said that the fact that everyone seems so shocked to hear comments about the Harlem project being over budget is shocking. Mrs. Weinstein said she was anxious to reestablish credibility so that the Committee knows when projects are presented in the future the budget and the dollar amount will be accurate. Ms. Youssouf also asked that sources and uses be presented in the future. It's great to have a budget, she said, but where the money comes from is equally important.

Dr. Stocker asked about contingency. Ms. O'Brien said that contingency is just under \$1 million. Ms. Youssouf said a contingency should always be calculated by a percentage. Ms. O'Brien said it was. It was 20% of the construction cost.

Mrs. Bolus asked for an explanation of the OMB funding that was mentioned. Mr. Pistone said that those funds would be transferred from another project and that had to be formally approved by OMB. Dean Moskos, Director, Capital Budget, advised that discussions were in progress regarding said transfer and he hoped to have more information by next week.

Mrs. Bolus asked that the meeting be scheduled after OMB determines whether the funding will be reallocated. Ms. Youssouf agreed and said the meeting should be coordinated for next week.

Mrs. Bolus asked if the Harlem Dental Clinic had the only Periodontist in the system. Mr. King said yes.

There being no questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee tabled the resolution pending further information.

INFORMATION ITEMS

- **Henry J. Carter Specialty Hospital & Nursing Facility – Major Modernization – Status Report**

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, provided the status report on the Henry J. Carter Specialty Hospital and Nursing Facility major modernization project. Mr. Hughes was joined by Michael Buchholz, Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, and Emil Martone, Odit Oliner, and Michael Kimura, New York City Economic Development Corporation.

Mr. Hughes advised that considerable progress had been made on the project as the move-in date has approached. He noted that the project was on budget but a little behind schedule due to the hurricane, but a plan is being discussed to make up any lost time. He explained that the hurricane had caused re-evaluation of life-safety and emergency equipment locations, reviews have been done and recommendations are being put forward.

Aside from the construction aspect of the project, planning of deactivation and relocation plans continue, as Gilbane works with the facility to coordinate planning. Various numbers and types of staff have been identified and meetings are being held to discuss concrete relocation plans, the number of days it will take to relocate patients and residents is being finalized, and procurement for transportation will be done shortly. He said that a training unit had been set up at the Coler campus that will contain some of the new equipment that will be located in the new facility, so staff can get acclimated prior to the move.

Mr. Martone advised that progress is a result of the facility staff, central office staff, and his fellow EDC staff as well. He narrated a power point presentation detailing progress on both the interior and exterior of the Skilled Nursing Facility (SNF), and interior work being completed at the Long Term Acute Care Hospital (LTACH). He said an extraordinary amount of work had been completed in the past few months; duct work has been completed to the 4th floor, the 7th floor is being sheet-rocked, the pre-cast façade of the SNF is complete and windows have been closed out so that heat can flow and interior work can be completed without interference from outside elements.

He stated that the project remained on budget with \$13.2 million in contingency remaining to complete the project, which should be adequate. Additionally, he noted that \$1.7 million had been allocated to decommission the Goldwater facility. While that is not the entire cost, the balance is being estimated and at that time the entire cost will be known. Ms. Youssouf asked if the decommissioning cost was expected to be more than the contingency. Mr. Martone said no, but the project team needs a full cost for de-commissioning soon because at present they are being very cautious not to tap into the

contingency because they want to be sure that there is enough money to complete the project and provide fully for de-commissioning.

Ms. Youssouf asked if any money had been set aside for de-commissioning the Goldwater facility. Mr. Martone said no.

Mrs. Bolus asked if the oil drums were part of the de-commissioning. Mr. Buchholz said no, and explained that the fuel tanks Mrs. Bolus was referring to were a separate project related to the power plant on the Coler campus.

Ms. Youssouf asked Jeremy Berman, Deputy Counsel, to provide an update on the power plant project. Mr. Berman advised that he was unable to confirm any cost for closing the fuel tanks connected to the steam plant but studies have been completed regarding contamination studies and that could be shared at a future time. He noted that progress had been made regarding surrender of the power plant and where responsibility lies. He said that City Hall seems to be in agreement that obligations are only to follow regulations concerning the fuel storage tanks. There is no obligation with respect to the building or further remediation of the building. Just as HHC has turned over some buildings on their property, this is the same type of situation, the developer will be responsible for the parcel of land.

Mrs. Bolus asked if the Roosevelt Island Operating Corporation (RIOCC) agreed with this determination. Mr. Berman said he thinks they want HHC to take care of the building but typically that is not part of a development deal.

Dr. Stocker asked if the project would be part of the contingency. Mr. Berman said it was not part of the same project.

Mr. Buchholz explained that the project is a separate project and only a very preliminary number has been brought before the committee. That number was for preliminary studies that would help determine what the full project would cost. Dr. Stocker asked if that project would be on budget. Mr. Buchholz said they hope to have more complete budget information soon.

Dr. Stocker asked about the cost for closing off the tanks. Mr. Berman said that is what was being discussed. They are unsure whether the tanks will be filled with soil or removed, how to proceed and/or what the total cost will be. Mr. Berman added that is all that needs to be done to the site. HHC is not responsible for anything else prior to turning the parcel over, only as per requirements set forth by the Department of Environmental Protection (DEP), all we have to do is address the tanks.

Dr. Stocker asked whether they were accounted for and whether issues would hold up the real estate deal planned for the site, and who owns the tanks. Mr. Berman said that they are located on City owned land, occupied by HHC. It isn't a defined situation. Dr. Stocker again expressed concern that the real estate deal not be delayed.

Ms. Youssouf asked when this information would be presented to the Committee and Board, so that the full cost would be known. Mr. Buchholz said hopefully March.

Dr. Stocker advised that Cornell would be taking over the parcel and they may not like the situation. Mr. Berman said that he did not believe that it would be an issue. He noted that the site is not where they plan to develop, there are no serious environmental concerns, and it should not be a problem.

Ms. Youssouf asked what the cost of decommissioning the Goldwater facility would be. Will it be \$1.77 million? Mr. Martone explained that is a soft-cost for planning and undertaking. The hard-cost, which would provide cost/budgeting for removal of equipment, etc., should be in by the end of the month.

Mrs. Bolus asked for an accurate figure and a breakdown of where that money would be coming from. Mr. Martone advised that when the overall cost has been determined then OMB will be asked to assist with funding for that part, but it is based on what the total cost comes out to.

Mrs. Bolus asked if HHC would get stuck paying for it if OMB did not approve funding. Mr. Martone said we will be paying for it either way. The worst case scenario, he explained, would be if OMB says the decommissioning costs must come out of the current modernization project, in which case there is concern that there wouldn't be enough money to complete the modernization with the decommissioning included.

Ms. Youssouf asked why this wasn't thought about in the beginning. Mr. Pistone said that OMB has advised that will make the project whole if it turns out that the decommissioning is of significant cost. Ms. Youssouf asked if HHC had received that assurance in writing. Mr. Pistone said no but he would follow up with OMB. Ms. Youssouf recommended that Mr. Pistone receive confirmation in an email, print it, and bring it before the Committee.

Mr. Martone said that the project was 31% complete as of December, 97% complete with contracts, and barring any unforeseen issues, procurement should be wrapped up by the end of the month.

Ms. Bolus asked whether Affirmative Action and EEO requirements were being met. Mr. Martone said that the Minority and Women owned Business Enterprise (MWBE) component of their contract is in place and being met. He said that contracting goals are at 75% for contracts, over \$1 million, and EDC is pushing to be sure that prime and sub-contractors are meeting goals, and that the primes are identifying the subs which should make up for the remaining 25%. He said that the goals have not yet been met but the team is confident that they will be.

Mrs. Bolus asked if sub-contractors are getting paid in a timely manner. Mr. Martone said yes, EDC is getting waivers with each payment so that they know who got paid.

Mrs. Bolus asked if the Community Advisory Board (CAB) had been contacted because they have voiced concerns about environmental conditions. Mr. Martone said that he and LaRay Brown have been in frequent discussions with the CAB and he was unaware of any concerns. He advised that he would follow up with Ms. Brown.

Mr. Martone said that luckily a majority of design was completed after hurricane Irene so life-safety and emergency concerns had already been thought of prior to hurricane Sandy, but he noted that the Carter site was not in an A flood zone and there wasn't much redundancy or many mitigation issues to address.

Dr. Stocker asked if the 100 year flood plan is the current requirement from the Federal Emergency Management Agency (FEMA), or if they were working with a 500 year plan. Jon Levy, Base Tactical, advised that there are in fact 500 year plans being released and those will be the plans that the hospitals will need to follow. He advised that the 500 year plans seemed to average around 2-3 feet higher than the 100 year estimates.

Dr. Stocker asked if the Carter site would be affected by the 500 year plan. Mr. Levy said that it is likely that the 500 year plan would have levels above the cellar but he would have to research it because he was not looking at any current statistics he was estimating.

Dr. Stocker acknowledged that much has been done to mitigate future problems but asked if there are there more things that should be done with these new buildings. Mr. Levy said he would have to look at information specific to the project. Dr. Stocker asked that Mr. Martone discuss the issue(s) in further detail with Mr. Levy.

Dr. Stocker asked whether the site had elevators that did not go to the cellar. Mr. Martone said yes, there are a few. Mr. Martone advised that in the LTACH the emergency switch-gear is in the cellar, which is not ideal, but that was an existing condition that had to be dealt with. However, he noted, in the SNF, which is a new building, it has been placed on the 1st floor. He explained that both fuel-oil transfer pumps are currently in the cellar but relocating is being discussed to see if they can be moved between the two buildings. The only thing that would prevent that would be code issue and the architects are investigating. He added that there are two (2) 1250kw generators on the roof of each building as additional emergency back-up.

Mrs. Bolus asked for a copy of the information regarding 100 and 500 year flood plans, as displayed in the power point. Mr. Martone advised that the 100 year plan information, related to HHC facilities would be available but he did not have to 500 year. He added that both buildings have been equipped with emergency generator connections for back-up and they would provide heating and cooling as well electricity.

Dr. Stocker asked whether fuel pumps could be located higher up in a building. Mr. Martone said no, he was not entirely sure why but has been told it is not possible. Marsha Powell, Director, Office of Facilities Development, advised that it is a hydraulics issues, a column of oil cannot be pulled up.

Mr. Martone said all smaller pumps; natural gas, mechanical air compressors, will be elevated as high off the ground as possible to afford another level of protection. Also elevator pits that service the buildings cellar have been outfitted with alarms that will trigger during any flooding so that the elevator cabs are raised to a higher level.

In conclusion Mr. Martone stated that, as previously mentioned, the project is slightly behind schedule but plans are already being made to make up any time lost as a result of the Hurricane. Additionally, the Institute of Family Health (IFH) has been successfully moved out of the facility and into their new location nearby, and decommissioning planning is under way.

- **Project Status Reports**
Central/North Brooklyn Health Network
Generations+/Northern Manhattan Health Network*
Queens Health Network*
* Network contains project(s) that require a delay report

Generations+/Northern Manhattan Health Network – Lincoln Emergency Department

William Hicks, Deputy Executive Director, Lincoln Medical and Mental Health Center, provided an update on the delayed Emergency Department (ED) project. Mr. Hicks was joined by Louis Iglhaut, Associate Executive Director, Lincoln Medical and Mental Health Center.

Mr. Hicks advised that the project had been moving forward smoothly since the last report. He noted that the project was on schedule and on budget. He said that approximately 60% of the space would be beneficially useful by the end of the month; the Psychiatric ED, Pediatric ED, and rapid or fast-track adult services.

Dr. Stocker asked how fast patients would come back after the new department opened. Mr. Hicks advised that Lincoln is still serving emergency patients and that they hope to continue serving at capacity when the new site is fully opened.

Queens Health Network – Phase III Modernization Project

Robert Rossdale, Deputy Executive Director, Queens Hospital Center, provided an update on the delayed Phase III Modernization at Queens Hospital Center. Mr. Rossdale was joined by Juan Izquierdo, Associate Executive Director, Queens Hospital Center.

Mr. Rossdale advised that recent delays were due to an ongoing dispute between a contractor and their sub-contractor regarding the delivery of exterior stone. Ms. Youssouf asked how long the delay had been going on. Mr. Rossdale advised that delivery was expected in October 2012. Dr. Stocker asked what the dispute was over. Mr. Rossdale advised that the sub-contractor expected full payment prior to shipping and the contractor expected to pay 30 days after receipt so that inspections could be performed.

Dr. Stocker asked what the contract says. Mr. Rossdale said there are separate contracts that say separate things.

Ms. Youssouf asked what HHC thought, being that they are paying for the stone. Mr. Rossdale said that the facility is attempting to mediate as well as pay the General Contractor in an expedited manner so that they may not be as concerned about payment.

Dr. Stocker asked how much the stone cost. Mr. Rossdale said \$80,000. Mr. Rossdale advised that the interior of the building was complete and testing and inspections are going on.

Ms. Youssouf said that HHC had to set limits, and they needed to be more involved in a resolution. Mr. Rossdale said the dispute has been going on for about 3 months but it was not until January that the facility was aware of the exact cause of the delay. He said that he hopes that in the next few weeks mediation will resolve the issue.

Dr. Stocker asked if mediation was necessary. Mr. Rossdale said no. Mrs. Bolus advised that, if the contract allows, the facility should threaten to do business with someone else. Give them a week, she said. Ms. Youssouf and Dr. Stocker agreed that the facility should give the contractor and sub-contractor a week to solve the dispute.

Mr. Rossdale advised that likely in February, the facility will be coming to capital committee to discuss a change in scope of work for phase II activity that could not be completed until patients vacated the building. He noted that money for the work was already set aside but the work was being performed out of sequence. Mr. Rossdale reiterated that the money was in the scope of the budget but was originally anticipated to be performed by staff instead of by an outside contractor. Dr. Stocker asked why staff could not perform it. Mr. Rossdale said the resources were no longer available.

- **Status of Sandy Reconstruction Efforts**

Mr. Pistone provided a brief overview of the effects of Hurricane Sandy at Coler-Goldwater Specialty Hospital and Nursing Facility, Bellevue Hospital Center, and Coney Island Hospital center.

Beginning with Coler, Mr. Pistone advised that major damage had been sustained to electrical and heating systems caused by flooding in basement areas, and permanent electrical and heating service had been interrupted to the A, B, C and S buildings. He noted that the steam tunnel had been impacted by flooding. That abatement project had been completed and steam pipe re-insulation was in progress. The desired outcome of decommissioning temporary boilers and restoring normal heating function was anticipated to be complete the week of January 13, 2013. With regards to electrical issues; the facility is currently operating on temporary electrical generators. The desired outcome would be to decommission temporary electrical generators by transitioning back on to permanent electrical power grid maintained by Consolidated Edison, which requires switchgear fabrication and electrical power distribution. It is anticipated that that will be complete by May/June 2013. Restoration & environmental issues involve continued remediation within safely maintained and continuously monitored environment. Anticipated completion is March 2013 but the facility has remained open, and continues to remain operational.

Coney Island sustained major damage to electrical and mechanical systems caused by flooding in basement areas. The basement requires remediation which is expected to be complete by February 2013. Electrical issues are as follows: operating off permanent electrical power supplied by Consolidated Edison fed through C/D switch, bypassing A/B switch, which requires replacement. Current temporary solution is sustainable, but may require increased electrical capacity for cooling. Requires design of a temporary or permanent solution and said solution is in design. The hospital is in limited operation, with permanent work and hazard mitigation solutions under development.

Ms. Youssouf asked about the possibility of replacing the Coney Island facility. Asking if there had been any discussion about money from FEMA for replacing the facility since it is a continued risk. Mr. Pistone said yes, there are ongoing discussions about what is better, replacement or repair. Ms. Youssouf asked who was handling the issue. Mr. Pistone advised that a consultant was on the task and he believed that they would be making a presentation at the next Board meeting.

At Bellevue, ambulatory services are open. Emergency department is open, with limited services and the main hospital is expected to open in February 2013. Limited ambulatory services were re-established in November 2012. Limited service of the Emergency Department was re-established in December 2012. Electrical: Replacement of major electrical switchgear onto first floor is proceeding. Mechanical: Replacement of air make-up systems, the new equipment will be replaced in existing location, but will be of outdoor caliber construction to make it more resilient. Submarine doors are being planned as an additional flood mitigation measure. Under further consideration is a strategy to move fuel pumps, domestic water pumps and other critical services into areas above the basement where they resided at the time of the storm. Re-opening of Bellevue expected in February and design hazard mitigation solutions to prevent a similar event from occurring.

Mrs. Bolus asked whether sandbags would assist in flood prevention. Mr. Pistone said that the caliber of flooding would not likely have been prevented by sandbags. Michael Rawlings, Associate

Executive Director, Bellevue Hospital Center, added that the use of sandbags at his facility were of no consequence in protecting against surge.

There being no further business, the meeting was adjourned at 12:39 P.M.

PROJECT APPROVAL

"T" BUILDING RELOCATION

QUEENS HOSPITAL CENTER

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve the budget for relocation of the "T" Building at Queens Hospital Center, estimated to be \$8.4 million.

WHEREAS, the conditions of the "T" Building are deteriorating and require major capital investment if Queens Hospital Center's clinical and non-clinical programs remain in the "T" Building; and

WHEREAS, it is in the best interests of the New York City Health Hospitals Corporation (the "Corporation") to vacate the building within the next eight months; and

WHEREAS, the current estimate for the project is \$12 million, with \$3.6 million of in kind support from Queens Hospital Center's capital plan; and

WHEREAS, the revision to Operating Procedure 100-5 now requires that construction projects with budgets of \$3 million or more receive approval of the Board of Directors not just the approval of work orders through the Capital Committee as had previously been the case; and

WHEREAS, the proposed expansion to the total project budget will exceed \$3 million.

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to approve the budget for relocation of the "T" Building at Queens Hospital Center, estimated to be \$8.4 million.

EXECUTIVE SUMMARY

PROJECT APPROVAL "T" Building Relocation Project

QUEENS HOSPITAL CENTER

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve the budget for relocation of the "T" Building at Queens Hospital Center, estimated to be \$8.4 million.

The total cost of the project is estimated to be \$12m, with existing HEAL funds being utilized as in kind contribution to pay for the majority of in kind contributions of \$3.6m, thus bringing the funding request for HHC to \$8.4m

The proposed budget shall provide for services to relocate approximately 35,000 square-feet of space from the "T" Building to various other new and existing locations to both on-campus and off-campus locations. The components of the relocation are outlined below.

NEW YORK CITY HEALTH & HOSPITALS CORPORATION CAPITAL COMMITTEE

Date: February 14, 2013

Facility: Queens Hospital Center

Title: T Building Program Relocation

Scope: Provide funding to relocate administrative and clinical services from approximately 35,000 square feet of space in the "T" Building to various other new and existing locations. The components of the relocation are outlined below:

Need: The "T" Building is in a deteriorating condition, with major work required to repair roofing (approximately 30,000 square foot area), exterior façade, balconies, windows, etc. Local Law 11 inspections reveal significant work required to the building's exterior "skin" estimated at a cost of \$5m.

If QHC programs/departments are not relocated out of the "T" Building we estimate that it will cost an additional \$35m to upgrade the systems and bring the interior up to code, including Fire Alarm System upgrades, window replacement, mechanical system upgrades, elevator upgrades, asbestos abatement, etc..

The 250,000 square ft. "T" Building is also much more space than what we need, and we estimate that we spend \$2 million a year in utility, systems maintenance and other services to maintain the "T" Building.

Estimate of Cost of T-Bldg relocation project: \$12m for the program / \$3.6m of in kind support from QHC HEAL Programs; thereby resulting in capital funding for this project of \$8.4m.

| Location | Est. Cost | In Kind Support (specific location may change) |
|---|--------------------|--|
| Modular Structures | \$6,500,000 | \$2,900,000 |
| CPEP – 1 | \$1,300,000 | |
| Pavilion Ground Floor | \$2,600,000 | \$250,000 |
| Verizon Build-Out | \$400,000 | |
| Parsons Trailer | \$350,000 | \$350,000 |
| Other Areas (N, Pav. 1, Parsons Clinic) | \$200,000 | |
| CM / DASNY review | \$685,000 | \$135,000 |
| Total Cost | \$12,035,000 | \$3,635,000 |
| Total Cost less In Kind Support | \$8,400,000 | |

NARRATIVE DESCRIPTION

The "T" Building, formerly known as Triboro Hospital, was built in 1938 and was designed for the then state of the art treatment for Tuberculosis, which was to provide quarantined patients airy space, wide corridors, gang style bathrooms, balconies, terraces, large windows, etc. The building is large, ten stories and 250,000 square feet. The last upgrade made to the "T" Building was in 1994, when \$10m of capital funds renovated the 3rd floor of the building to accommodate a Psychiatric Patient Care Unit and Psychiatry administrative space. The Fire Alarm system was installed two years earlier. Replacing roofs, terraces, windows, façade, critical life safety systems (sprinklers, fire alarm system), etc. required a large amount of capital, which was not available and was not necessary since we did not need most of the space in the building. For over two decades, QHC had issues complying with Life Safety and other Joint Commission standards in the building. (dead end corridors, patient privacy, four or more bedded patient rooms, lack of wall oxygen, lack of centralized HVAC, lack of appropriate negative/positive pressure rooms, lack of adequate utility and life safety systems, etc.).

In 2003, EDC, in collaboration with QHC and HHC attempted to sell or lease the "T" Building. In fact, a Ninety-Nine (99) year lease was signed with the Margaret Tietz Organization for senior housing, known as Skyline Commons. During the next six years, there was no effort on QHC's part to acquire capital dollars to upgrade the "T" Building as the leasee was responsible to renovate the building and to bring the building up to code. During this time, QHC started the plan to move all services out of the "T" Building.

The Skyline Commons project came to an abrupt end in late 2008 / early 2009 as the economy went south and the Skyline Commons Project was unable to attract enough owners/renters for their project to go forward.

In 2010/11, two Life Safety walkthroughs, one by a Life Safe Code expert and the other by a Life Safety Joint Commission Surveyor indicated multiple issues with the building. This past summer a local law inspection found multiple issues to the exterior of the building.

We hired architects to review the space needs of the programs and possible locations; DASNY did a review of our plan in the fall of 2012 and we made some adjustments based on DASNY recommendations.

As the building continued to deteriorate (roof leaks, balcony leaks, etc.), Queens Hospital moved as many services out of the Building into available space as possible. Inpatient Chemical Dependency program was discontinued in 2010, outpatient chemical dependency program and the Psychiatric Consult Service were moved to the Pavilion in 2012; some administrative programs (Infection Control, Hospital Police) were moved in 2011. QHC continued to maintain the inside of the building, however, upgrading the outside required capital resources that we didn't have and, as stated above, the building is much larger than what we need.

There are two main reasons why we chose the proposed locations for the remaining programs from the "T" Building:

Availability of Space: There was existing shell space in our Pavilion Ground Floor, and on the

second floor of our CPEP attachment. We also identified vacant space in our "N" Building, our Pavilion, a vacant trailer on Parsons Boulevard, and in our off-site Parsons Clinic.

Cost: Queens Hospital Center received funding as part of a HEAL XI grant for a pre-fabricated (modular) structure. This structure has foundations and is a permanent structure that will be completed in the next three months on our campus. We are using this grant money to relocate four programs from T-Building. Our plan calls for a second modular structure closer to our main street (164th Street) but along the same line as the first modular structure. We do not anticipate anything other than administrative CON for the large projects as we are not moving services that require CON (ACT teams require PARR approval by OMH). But all fees are including in our cost estimate.

Below is a side by side look at the programs and their destination:

| T BLDG RELOCATION PLAN | | | | |
|------------------------|-----------------------------|----------------|---------------------------|-------------------------------|
| Floor | Program | Required Sq Ft | Relocate To: | Comments |
| 10 | Storage | 0 | | |
| 9 | Vacant | 0 | | |
| 8 | Closed Visit Unit | 500 | N Bldg Basement | |
| | Budget / Grants | 550 | Mod 2 | |
| | Reimb & Stats & Analytics | 4000 | "Verizon" | |
| | EAP | 150 | Parsons Trailer | |
| | Collage | 750 | Mod 2 | |
| | Compliance | 200 | Parsons Trailer | |
| 7 | Conference space | 500 | CPEP 1 | |
| | QHN Training Center | 2000 | CPEP 1 | |
| | Aux / CAB | 500 | Pav. Ground | |
| 6 | H.R. | 2300 | MOD 1 | HEAL XI |
| | Pastoral Care | 1200 | Pav. Ground | Includes conf. rm. |
| | Pathology Admin | 750 | MOD 1 | HEAL XI |
| | Computer Training | 1000 | CPEP 1 | |
| 5 | I.T. | 400 | N Bldg Basement | |
| | ACT I & II | 2000 | Mod 2 | |
| | Mobile Crisis | 500 | Mod 2 | |
| | Blended Case | 750 | So Queens | In existing space (NHP) |
| | QHN Training Center | 4000 | "Verizon" | |
| | O.H.S. | 1350 | MOD 1 | HEAL XI |
| | Union Offices | 600 | Pav. Ground | |
| | Circulation | 2270 | Pav. Ground | |
| | Healthy Lifestyles | 800 | Pav. Ground | |
| | MSS Finance | 700 | Parsons Trailer | |
| | External Affairs/Volunteers | 1050 | Parsons Trailer | |
| | Managed Care | 600 | MOD 1 | HEAL XI |
| 3 | EIP | 500 | Pavilion 1st Floor | Consolidates with Peds clinic |
| 2 | Harm Reduction | 750 | Parsons Clinic | |
| | M.V.O.'s | 600 | Mod 2 | |
| 1 | Safety Mgmt. | 500 | Mod 2 | |

| | | | | |
|--|-----------------------------------|--------------|-------------|--------------------------------|
| | Library | 1200 | Pav. Ground | |
| | DOH RN-Family Partnership | 0 | N/A | Move scheduled for March 2013. |
| Bsmt | Storage | 1000 | Shed | Funded -SCA |
| | Telecom. | 0 | | |
| | Total QHC Program Sq. Ft.* | 33970 | | |
| * Does not include circulation space for Mod 2, Parsons Clinic, Parsons Trailer, | | | | |

Programs affected by the relocation and their destination:

1. Destination: Modular 1 (HEAL XI FUNDED)
 - a. Description: 5,000 Square ft. pre-fabricated building to relocate the following services from "T" Building:
 - i. Program affected OHS / HR / Pathology Admin. / Managed Care
2. Destination: Modular 2
3. Description Build pre-fabricated structure for the following services:
 - a. Programs affected: Clinical
 - i. ACT Teams / Collage / Mobile Crisis
 - b. Administrative
 - i. Safety Mgmt / Budget / Grants / MVO operations
4. Destination: Build out shell space on top of, soon to be occupied, CPEP:
5. Program affected:
 - a. Computer based training for Unity / Sorian; Conference space
6. Destination: Build out shell space on Pavilion Ground Floor:
7. Programs affected:
 - a. Medical Library / Healthy Lifestyles program (Childhood obesity); Union Offices, Auxiliary / CAB IT Finance (System changes for Unity, etc.)
8. Destination: Verizon Build out
9. Program affected:
 - a. Move QHN Training to off site location / back office Finance functions
10. Destination:
Parsons Trailer – Legalize and build out 2,000 s.f. trailer
Program affected
 - a. External Affairs / Volunteers / M.S.S. Finance (billing for M.D. services) / EAP
11. Destination: Other minor work (N bldg. basement, Pave 1, Parsons Clinic
12. Programs affected:
 - a. Clinical:
 - i. Early Intervention Program / Harm Reduction
 - b. Non-Clinical:

Closed Visit Unit / I.T. Offices and Computer Storage

| | |
|--------------|---|
| MOD 1 | FUNDED IN ENTIRETY THROUGH HEAL XI |
|--------------|---|

Project Cost **\$2,900,000**

| |
|--------------|
| MOD 2 |
|--------------|

| | | | |
|----|---|-----|--------------------|
| 1 | CONSTRUCTION COSTS | | \$2,100,000 |
| 2 | General Conditions | 12% | \$252,000 |
| 3 | Escalation | 3% | \$67,200 |
| | Construction Cost | | \$2,419,200 |
| 4 | Construction Contingency | 10% | \$241,920 |
| 5 | Total Construction + Contingency | | \$2,661,120 |
| 8 | Design / Bid | 5% | \$133,056 |
| 9 | Design Contingency | 10% | \$266,112 |
| 10 | FFE | 20% | \$420,000 |
| 11 | Moving Costs | 3% | \$63,000 |
| 12 | Cabling Costs | 6% | \$126,000 |
| | TOTAL | | \$3,669,288 |
| | Rounded to: | | \$3,600,000 |

CPEP - 1

| | | | |
|---|---------------------------|-----|--------------------|
| 1 | CONSTRUCTION COSTS | | \$800,000 |
| 2 | General Conditions | 10% | \$80,000 |
| 3 | Design / Bid | 5% | \$40,000 |
| 4 | Overhead & Profit | 15% | \$120,000 |
| 5 | Design Contingency | 5% | \$40,000 |
| 6 | FFE | 20% | \$160,000 |
| 7 | Moving Costs | 3% | \$24,000 |
| 8 | Cabling Costs | 5% | \$32,000 |
| | TOTAL | | \$1,296,000 |
| | TOTAL ESTIMATE | | \$1,296,000 |
| | Rounded to: | | \$1,300,000 |

PAVILION GROUND FLOOR

| | | | |
|----|---------------------------|-----|--------------------|
| 1 | CONSTRUCTION COSTS | | \$1,400,000 |
| 2 | General Conditions | 15% | \$210,000 |
| 3 | Design / Bid | 5% | \$70,000 |
| 4 | Overhead & Profit | 15% | \$210,000 |
| 5 | Design Contingency | 10% | \$140,000 |
| 6 | FFE | 20% | \$280,000 |
| 7 | Moving Costs | 3% | \$42,000 |
| 8 | Cabling Costs | 6% | \$84,000 |
| 10 | TOTAL | | \$2,436,000 |
| | Project Contingency | 5% | \$121,800 |
| | TOTAL ESTIMATE | | \$2,557,800 |
| | Rounded up to: | | \$2,600,000 |

Verizon

| | | | |
|---|---------------------------|-----|------------------|
| 1 | CONSTRUCTION COSTS | | \$250,000 |
| 2 | General Conditions | 15% | \$37,500 |
| 3 | Design / Bid | 5% | \$12,500 |
| 4 | Overhead & Profit | 15% | \$37,500 |
| 5 | Design Contingency | 5% | \$12,500 |
| 6 | FFE | 4% | \$10,000 |
| 7 | Moving Costs | 3% | \$7,500 |
| 8 | Cabling Costs | 4% | \$10,000 |
| | TOTAL | | \$377,500 |
| | TOTAL ESTIMATE | | \$377,500 |
| | Rounded to: | | \$400,000 |

Miscellaneous moves (minor, minor work)

| | | | |
|---|---------------------------|-----|------------------|
| 1 | CONSTRUCTION COSTS | | \$100,000 |
| | (estimate) | | |
| 2 | General Conditions | 15% | \$15,000 |
| 3 | Design / Bid | 5% | \$5,000 |
| 4 | Overhead & Profit | 15% | \$15,000 |
| 5 | Design Contingency | 5% | \$5,000 |
| 6 | FFE | 4% | \$4,000 |
| 7 | Moving Costs | 3% | \$3,000 |
| 8 | Cabling Costs | 4% | \$4,000 |
| | TOTAL | | \$151,000 |
| | Expedited End Time | 25% | \$37,750 |
| | TOTAL ESTIMATE | | \$188,750 |
| | Rounded up to: | | \$200,000 |

STATUS REPORT

GOUVERNEUR HEALTHCARE SERVICES

MAJOR MODERNIZATION

**GOUVERNEUR HEALTHCARE SERVICES
MAJOR MODERNIZATION PROJECT
PROJECT FACT SHEET**

Location: 227 Madison Street
New York, New York 10002

Description: Provide the planning, pre-construction, architectural and engineering design, construction, construction management, and project management services necessary to expand the complement of nursing facility beds, renovate and fit out the existing nursing facility, including major mechanical infrastructure upgrades, and construct and fit out a new expanded ambulatory care center.

Budget: Total Major Modification \$249.6

**Approved DASNY
Work Orders to Date:** \$247.4 million

Managing Agent: DASNY

Architect: RMJM (formerly The Hillier Group Architecture)

**Construction
Manager:** Hunter Roberts Construction Group

CON Status: Approved October 2008

Schedule: Completion Expected - January 2014

MWBE/EEO: DASNY will ensure compliance with MWBE and EEO requirements as they relate to New York State Executive Law, Article 15-A.

**GOUVERNEUR HEALTHCARE SERVICES
MAJOR MODERNIZATION PROJECT**

PROJECT STATUS REPORT – FEBRUARY 2013

The following are key project activities the Corporation has completed to date:

Design: RMJM (formerly Hillier Architects) completed design of the building extension and renovation of the existing building and all construction packages have been awarded.

Construction: The building addition and renovation of the first resident floor and thirteenth floor are complete. Residents and staff have moved into the new spaces. A ribbon cutting was held on September 21, 2011.

Floors 1 through 4 and a portion of 5 will be renovated for additional ambulatory care clinics and support functions. A portion of the 5th floor and floors 6 through 11 will be renovated into new resident skilled nursing care units. The 12th floor was renovated as administrative space.

The current project phase involves renovation of seven floors of the existing building. Demolition is in progress on the 9th floor; window installation on the 8th, roughing is continuing on floors 2 and 3. Finish work is complete on floors 4, 5, 6 and 7 and is awaiting DOH inspection. Occupancy of floors 5, 6 and 7 is imminent.

Construction Management: Hunter-Roberts is the construction manager (CM). The CM is managing construction work and construction bids as required.

Finance: New York City General Obligation Bonds, Grant funds and donations.

Original Budget: The original project budget was \$101.0 million, excluding the costs of financing, DOH fees, and contractor claims.

Adjusted Budget: The adjusted project budget is \$247.4 million, excluding CON fees and the costs of financing and contractor claims. Since January 2005, the project's capital commitment plan forecast has been amended as follows:

| | |
|-----------------|---------------|
| January 2005: | \$101,000,000 |
| January 2008: | \$154,494,000 |
| September 2009: | \$178,000,000 |
| April 2010: | \$166,930,000 |
| September 2011: | \$186,452,000 |
| January 2011: | \$198,452,000 |
| September 2012: | \$198,594,000 |
| January 2012: | \$203,845,000 |
| September 2012: | \$205,639,000 |
| January 2013: | \$238,639,000 |

Additional list of funding sources added to the project is as follows:

- \$1,500,000 - Lower Manhattan Development Corporation (LMDC)
- \$550,000 - Homeland Security grant funds
- \$100,000 - Gouverneur Auxiliary
- \$1,779,000 - HHC Bond, Series 2010, proceeds

\$3,929,000 - Non-City G.O. bonds funding sources

\$242,568,000 – Total available budget. OMB will provide any contingency that may be required to complete the project not to exceed \$5 million.

Total Project Forecast:

The DASNY project budget forecast is \$247.4 million, which excludes CON fees, some planning fees, Value Engineering Services, and all costs related to IT Network Infrastructure managed by HHC, financing costs and contractor claims; and includes DASNY-managed IT Network Infrastructure work and the renovation of the Auditorium.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
 GENERATIONS+/NORTHERN MANHATTAN NETWORK
 GOUVERNEUR HOSPITAL CENTER
 MAJOR MODERNIZATION PROJECT
 Project NO. 12200570

BUDGET STATUS REPORT

As of

January 24, 2013

(IN THOUSANDS OF DOLLARS)

| COST CATEGORY | PROJECT CAPITAL BUDGET | DASNY MANAGED: | | HHC MANAGED: | | Overall Project Spending | TOTAL PROJECT FORECAST | VARIANCE (Surplus/Shortfall) |
|---|------------------------|----------------|----------------|---------------|--------------|--------------------------|------------------------|------------------------------|
| | | SPENT TO DATE | FORECAST | SPENT TO DATE | FORECAST | | | |
| | (a) | (b) | (c) | (d) | (e) | (f) (b) + (d) | (g) (c) + (e) | (h) (a) - (g) |
| Major Modernization Project | | | | | | | | |
| Construction | 181,660 | 129,388 | 181,660 | 0 | 0 | 129,388 | 181,660 | 0 |
| Design fees | 16,149 | 13,567 | 16,149 | 0 | 0 | 13,567 | 16,149 | 0 |
| Construction management fees | 14,594 | 9,455 | 14,594 | 0 | 0 | 9,455 | 14,594 | 0 |
| Planning & other fees | 4,161 | 2,667 | 4,161 | 0 | 0 | 2,667 | 4,161 | 0 |
| Moveable equipment, furniture & telecom | 13,000 | 2,862 | 13,000 | 0 | 0 | 2,862 | 13,000 | 0 |
| DASNY fees | 8,361 | 6,405 | 8,361 | 0 | 0 | 6,405 | 8,361 | 0 |
| Construction Contingency | 2,971 | 0 | 7,275 | 0 | 0 | 0 | 7,275 | (4,304) |
| SUBTOTAL | 240,896 | 164,344 | 245,200 | 0 | 0 | 164,344 | 245,200 | (4,304) |
| NYS DOH FEES | 949 | 0 | 0 | 949 | 949 | 949 | 949 | 0 |
| Planning & other fees | 68 | 0 | 0 | 68 | 68 | 68 | 68 | 0 |
| Value Engineering Services | 666 | 0 | 0 | 666 | 666 | 666 | 666 | 0 |
| IT Network Infrastructure | 4,400 | 0 | 1,779 | 2,204 | 2,621 | 2,204 | 4,400 | 0 |
| Renovate Auditorium | 500 | 0 | 500 | 0 | 0 | 0 | 500 | 0 |
| SUBTOTAL | 6,583 | 0 | 2,279 | 3,887 | 4,304 | 3,887 | 6,583 | 0 |
| | | | | | | | | 0 |
| Total Modernization | 247,479 | 164,344 | 247,479 | 3,887 | 4,304 | 168,231 | 251,783 | (4,304) |

PROJECT STATUS REPORTS

North Bronx Health Network

South Manhattan Health Network

South Brooklyn/Staten Island Health Network

Project Status Reports
(As of January 2013)

Network: NORTH BRONX HEALTHCARE NETWORK

Facility: JACOBI MEDICAL CENTER

| Project Number | PROJECT TITLE | Project Budget (\$000s) | Paid to Date (\$ 000s) | % Paid to Date | Construction Start | Projected Completion | Forecast/ Actual Completion | Delay (if any) | Comments |
|----------------|---|-------------------------|------------------------|----------------|--------------------|----------------------|-----------------------------|----------------|--|
| 21200707 | Campus Site Improvements | 4,646 | 3,549 | 76.39% | Jun-11 | May-13 | May-13 | | Original project scope is substantially complete. Additional work is being completed in the lobby area lobby area that was done to take advantage of the closed main entrance. |
| 21201101 | Corrective Work for Local Law 11 Compliance | 610 | 452 | 74.10% | Jun-11 | Dec-12 | Dec-12 | | Project is Complete |

Project Status Reports
 (As of January 2013)

Network: SOUTH MANHATTAN HEALTHCARE NETWORK

Facility: BELLEVUE HOSPITAL CENTER

| Project Number | PROJECT TITLE | Project Budget (\$000s) | Paid to Date (\$ 000s) | % Paid to Date | Construction Start | Projected Completion | Forecast/ Actual Completion | Delay (if any) | Comments |
|----------------|---|-------------------------|------------------------|----------------|--------------------|----------------------|-----------------------------|----------------|---|
| 11201103 | Expansion of Inpatient Psychiatric Unit | 2,208 | 1,268 | 57.00% | May-12 | Sep-12 | Mar-13 | (6) | The project is approximately 70% complete with internal partitions being erected. |
| | | | | | | | | | |

Project Status Reports
(As of January 2013)

Network: SOUTHERN BROOKLYN / STATEN ISLAND HEALTH NETWORK

Facility: CONEY ISALND HOSPITAL

| Project Number | PROJECT TITLE | Project Budget (\$000s) | Paid to Date (\$ 000s) | % Paid to Date | Construction Start | Projected Completion | Forecast/ Actual Completion | Delay (if any) | Comments |
|----------------|---|-------------------------|------------------------|----------------|--------------------|----------------------|-----------------------------|----------------|---|
| 26200901 | Emergency Department Expansion and Renovation | 10,000 | 6,916 | 69.16% | Dec-10 | Dec-12 | Mar-13 | (3) | New ED expansion unit is completed and operational (Phase 1). Phase II - The renovation 3,500 sq. ft. in Mail Building is in progress. This phase is delayed due Hurricane Sandy. |
| 26201001 | Window Replacement | 10,995 | 6,162 | 56.00% | Oct-11 | Dec-12 | Dec-12 | | Project is substantially completed. |
| 26201102 | Boiler Plant Replacement | 7,000 | 240 | 0.00% | Jun-12 | Feb-13 | Sep-13 | (7) | Asbestos abatement of boiler house and cleaning of three #6 tanks are completed. Demolition in progress. Design in progress to reinforce boiler house floor and to raise new boilers and associated equipment to meet FEMA's new flood level guidelines. Project is approximately 15% complete. |
| 26201202 | Convert 6-Bedded rooms to 4-Bedded rooms | 211 | 4 | 0.00% | Aug-12 | Dec-12 | Mar-13 | (3) | Mobilization in progress. |
| 26201203 | New Non-Invasive Cardiology Unit | 114 | 6 | 5.00% | Aug-12 | Dec-12 | Mar-13 | (3) | Mobilization in progress. |