

CAPITAL COMMITTEE  
MEETING AGENDA

October 15, 2018

9:00 AM

125 Worth Street, Room 532  
5<sup>th</sup> Floor Board Room

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CALL TO ORDER

Mark Page

- ADOPTION OF MINUTES – July 19, 2018

Mark Page

- VICE PRESIDENT'S REPORT

Roslyn Weinstein

- EXECUTIVE SESSION

Mark Page

ACTION ITEMS

- Resolution

Louis Iglhaut

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an agreement with Kone, Inc. ("Kone") to provide elevator maintenance services with an initial term of five years with two one-year options to renew solely exercisable by the System and with total amount not to exceed \$46,742,000.

INFORMATION ITEMS

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

# **CAPITAL COMMITTEE MEETING MINUTES**

July 19, 2018

## MINUTES

### Capital Committee

Meeting Date: July 19, 2018

Time: 9:00 A.M.

Location: Board Room

### Board of Directors:

#### **Members of the Capital Committee**

Mark Page, Committee Chair  
Gordon Campbell, Vice Chair, Acting Chairman of the Board  
Josephine Bolus, RN, NP, BC  
Emily Youssouf  
Mitchell Katz, President, Chief Executive Officer

### HHC Staff:

Jeremy Berman – Deputy General Counsel, Office of Legal Affairs  
Ricardo Corrales – Senior Associate Director, NYC Health + Hospitals / Woodhull  
Robert DeLuna – Communications & Marketing  
John Doyle – Consultant, Network Services  
Edward Fishkin, MD – Clinical Director, NYC Health + Hospitals / Woodhull  
Louis Iglhaut – Assistant Vice President, Office of Facilities Development  
Mahendranath Indar – Senior Director, Office of Facilities Development  
Marian Krauskopf – Senior Director, Population Health Solutions  
Lisa Scott-McKenzie – Deputy Executive Director, NYC Health + Hospitals / Woodhull  
Joseph Reyes – Senior Director, Medical and Professional Affairs  
Brenda Schultz – Senior Assistant Vice President, Finance  
Cyril Toussaint – Director, Office of Facilities Development  
Leithland Tulloch – Senior Director, Office of Facilities Development  
Roslyn Weinstein – Vice President, President's Office  
Dion Wilson – Director of Real Estate, Office of Legal Affairs  
Elizabeth Youngbar – Assistant Director, Office of Facilities Development

### **Outside Representatives:**

Justine DeGeorge – Budget & Policy Analyst, New York State Comptroller

## CALL TO ORDER

The meeting was called to order by Mark Page, Committee Chair, at 9:07 A.M.

On motion, the Committee voted to adopt the minutes of the May 10, 2018, Capital Committee meeting.

## VICE PRESIDENT'S REPORT

Roslyn Weinstein, Vice President, advised that there were four action items on the agenda; a license agreement for an optical dispensary at Woodhull Medical and Mental Health Center; a license agreement allowing Public Health Solutions to occupy space at various facilities; and, requests for approval to enter into contracts for Electrical and Heating, Ventilation and Air Conditioning (HVAC) services.

Ms. Weinstein explained that she would be providing a series of updates on construction projects at upcoming Capital Committee meetings, under the following categories; 1) Regulatory and Infrastructure; 2) Energy Program; 3) Federal Emergency Management Administration; and, 4) Capital Restructuring Financing Program (CRFP). She said she would begin with the CRFP update, to be provided at the days meeting.

Ms. Weinstein explained that New York State provided capital dollars, through the Capital Restructuring Financing Program (CRFP), as a means of support to meet the goals of the Delivery System Reform Incentive Payment Program (DSRIP). An effort with the goal of decreasing emergency visits in favor of primary care visits. In 2016 Health + Hospitals awarded capital grants totaling \$273.9 million for various projects; \$19.5 million for ED Reconfiguration for Improved Access and Coordination; \$44.6 million for Integration of Behavioral Health and Primary Care Services; \$109 million for Digital Healthcare Network; \$19.5 for OneCity Health Patient Engagement and Contact Center; and, \$81.3 million towards Population Health Information Technology needs.

Gordon Campbell, Vice Chair/Acting Chairman, asked if the call center would be the same as the one being developed at present, or if this would be a new call center. Ms. Weinstein said it would be the same call center but more robust. There would only be one call center, with one phone number.

Ms. Youssouf asked if all the awards in 2016 were now in process. Ms. Weinstein said yes, the first year or two was spent getting necessary approvals by filing Certificates of Need (CON), and answering related contingency questions.

Ms. Weinstein summarized progress at Gotham Health, related to integration of behavioral health and primary care. She explained that each site had a different plan, based on their unique needs at the site.

Mr. Page asked for a description of the integration. Ms. Weinstein said that behavioral health services were often separate from other services and so if a patient required behavioral health as well as regular medical services they would need to visit multiple locations. The integration is expected to incorporate those services into the same area and should allow for providers to enhance patient care and for patients to navigate more easily.

At East New York they are using an existing, vacant, outdoor space, to add necessary square footage for the expansion, and to hold group visits.

Mr. Page asked what a "group visit" was. Ms. Weinstein explained that some sites were offering group visits, where several patients seeing the same counselor could have a group session, which would allow for more patients to be seen at a time.

Ms. Youssouf asked if all sites were experiencing high utilization, to ensure that dollars were not being invested in sites that are not successful. Ms. Weinstein said yes.

Mr. Page asked if work had begun at any of the sites. Ms. Weinstein said no, to date, all the preliminary paperwork was filed and designs were being finalized. She noted that the CON process could take six to nine months.

Ms. Youssouf asked if a Construction Manager would be engaged to oversee these projects. Ms. Weinstein said yes, there are dollars in the budget for construction management. The next step will be to bid projects, with the hopes that construction will begin by December 2018.

Ms. Youssouf asked if projects would be formally bid or if we would be using our contracted consultant and construction firms. Ms. Weinstein said yes, we will be using our contract vendors, as long as they are also on the State list. She noted that was not a difficult process. Were one of our vendors not on the State list that should be a relatively easy process, and had not been an issue as of yet.

Mrs. Bolus asked if there were a deadline for completion. Brenda Schutlz, Senior Assistant Vice President, Finance, said the program required completion by March 2021.

Ms. Weinstein explained that the site at Kings County, being built in an in-fill space, was the most complicated and the one she would be keeping a close watch on with regards to time and budget.

Mr. Page asked what a phone consultation would be like and how one would arrange one. Ms. Weinstein said a patient would call the general call center number and be routed to an appropriate provider. Mr. Katz noted that an individual could call 311 and be directed to mental health services or a provider.

Mr. Page asked about home health services, noted as part of a project for Queens Hospital. Ms. Weinstein said it would be an enhancement for nurses that make home visits. It would be for patients that already have a relationship with their providers.

Ms. Weinstein explained that in addition to the integrations, reconfiguration of emergency services was being done at certain sites. This was planned to decrease emergency visits and shift some of those towards primary care. Express visits would also be available at some sites. Those visits would be similar to ambulatory care, and would be initiated by a hospital employee (likely at the time of triage) and would help shift patients towards the correct services and providers, and away emergency services when not necessary.

Ms. Youssouf asked about Coney Island, since there was a new building being constructed on their campus. Ms. Weinstein explained that the State understood that a new site was being built and approved that their dollars be invested in an infusion center. It was determined that was likely to help meet efforts to decrease emergency visits.

Ms. Weinstein stated that at present, CON applications had been submitted and reviewed by the State, and contingency questions had been answered and approved. Facilities were now submitting proposals for construction. Monthly meetings would be held, with finance, to assure budgets were being met, and monthly meetings between the Office of Facilities Development (OFD) and project/construction managers would also be scheduled.

Ms. Youssouf asked if contingencies were built into the budgets. Ms. Weinstein said yes but bids are coming in a little higher than expected so projects definitely require monitoring.

Ms. Youssouf asked if there were any projects that could be eliminated in order to use that money elsewhere. Mr. Katz, President, explained that each project was funded individually, so if one was cancelled then those dollars would be lost and not shifted to another project.

Ms. Weinstein thanked Tracey Bowes for her leadership in these efforts, and advised that her next report would be on FEMA projects.

Ms. Weinstein added that there was ongoing follow-up regarding Mr. Page's concerns about an excess of generator power. There are efforts to eliminate the use of fuel and those are being considered at each site as projects are initiated. Louis Ighaut, Assistant Vice President, Facilities Development, noted that it was a big change but they were working on it.

That concluded her report.

### **ACTION ITEMS**

- **Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a five year revocable license agreement with Eyes and Optics (the "Licensee") for its use and occupancy of 308 square feet of space to operate an optical dispensary at Woodhull Medical & Mental Health Center (the "Facility") at an occupancy fee of \$16,940 per year or \$55 per square foot to be escalated by 3% per year for a five year total of \$89,937.**

Lisa Scott-McKenzie, Deputy Executive Director, NYC Health + Hospital / Woodhull, read the resolution into the record on behalf of Gregory Calliste, Executive Director, NYC Health + Hospital / Woodhull.

Mr. Page noted that this enterprise had similar agreements in place at other Health + Hospitals facilities, and those terms were to be repeated in this agreement. He asked if there was a plan for comprehensive services of this type or if they would continue to be incremental, one agreement at a time. Mr. Berman explained that there was one more facility that had expressed an interest in the services and if an agreement was made for that location then it was possible that the multiple agreements would be consolidated into one agreement. Mr. Berman added that rates varied at the different sites because occupancy fees were based on fair market value analysis, but the essence of the arrangement(s) would be the same.

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 New York City Health and Hospitals Corporation (the "System") to execute a revocable license agreement with Public Health Solutions ("PHS") to allow PHS to maintain tables in lobby areas at NYC Health + Hospitals/Kings ("KCHC"), NYC Health + Hospitals/Jacobi ("Jacobi"), NYC Health + Hospitals/Lincoln ("Lincoln") and NYC Health + Hospitals/Elmhurst ("Elmhurst") to encourage eligible patients to enroll for the Supplemental Food and Nutrition Program ("SNAP") benefits, to assist them in enrolling in SNAP and provide counseling about, and referrals to, other programs available to address food insecurity for a period of three years with the occupancy fee waived.**

Marian Krauskopf, Senior Director, Population Health Solutions, read the resolution into the record.

Mr. Page asked if there were a more all-encompassing way of communicating this information to our patients. Josephine Bolus explained that historically the facilities would provide food directly to patients, and then there were farmers markets introduced, and neither of those ways had met the needs of the community. She said that she felt that this new option was a good one.

Mr. Page asked if there would be notice, when Public Health Solutions was not on site, for the information to still be available. Ms. Krauskopf said yes, and this is just one piece of the puzzle. The Human Resources Administration (HRA) has an aggressive enrolling initiative with community based initiatives and within its own agency, and Health + Hospitals care managers and social workers also routinely refer patients to SNAP. The advantage of this effort was determined in studies that showed, patients referred to enrollment centers off-site were not nearly as likely to get registered as those that had the ability to register on site at the facility. Therefore, being located right in the facility would likely lead to greater enrollment.

Emily Youssouf, asked if materials would be available when the staff was not on site. Ms. Krauskopf explained that each location would have a specific flier and those fliers would be provided to areas within the facility that are identified as the most common to make referrals for SNAP services, so they are working with pediatric and adult ambulatory care, Women Infant and Children (WIC) programs, and financial counselors, because they assess eligibility. She said they were working closely with the entire facility, and planned to have fliers available in all the noted locations, adding that the possibility of increasing the SNAP presence to five days a week, from two and a half days a week, would increase likelihood that PHS staff would be available and on site when needed.

Gordon Campbell asked if there were a way to consolidate all the supportive services/resources into one area. Ms. Krauskopf said it had been discussed and will continue to be discussed but nothing had been determined yet.

Mr. Berman noted that training was being provided to financial counselors so that they were more informed and confident in referring for enrollment. Ms. Krauskopf added that HRA was operating a system online that trains organizations and individuals on enrollment.

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 New York City Health and Hospitals Corporation (the "System") to execute Job Order Contracts (JOC) with two (2) firms; Jemco Electrical Contractors, Inc.; and, Mac Fhionnghaile & Sons Electrical Contractors, Inc.; (the Contractors"), that were pre-qualified through the System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.**

Leithland Rickie Tulloch, Senior Director, Office of Facilities Development, read the resolution into the record.

Mr. Tulloch explained that these contracts were to provide electrical services.

Mr. Page asked how the two firms were selected. Mr. Tulloch said, through the bid process. The Office of Facilities Development (OFD) partnered with eGordian to come up with factors and criteria to select, and followed operating procedures including the Manual for the Acquisition of Contractors and Maintenance Services. We followed Corporation guidelines, he said.

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 New York City Health and Hospitals Corporation (the "System") to execute Job Order Contracts (JOC) with two (2) firms: AWL Industries, Inc.; and, Volmar Construction, Inc., (the Contractors"), that were pre-qualified through the System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.**

Leithland Rickie Tulloch, Senior Director, Office of Facilities Development, read the resolution into the record.

Mr. Page asked if this contract was for installation or repair of HVAC equipment. Mr. Iglhaut said the contracts could be used for both.

Mrs. Bolus asked if the contracts were heavily used in prior years. Ms. Weinstein said yes.

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 amended resolution for the full Board's consideration.

There being no further business, the meeting was adjourned at 9:47 A.M.

**SERVICE AGREEMENT**  
**ELEVATOR MAINTENANCE**  
**SYSTEM-WIDE**

## RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an agreement with Kone, Inc. ("Kone") to provide elevator maintenance services with an initial term of five years with two one-year options to renew solely exercisable by the System and with total amount not to exceed \$46,742,000.

**WHEREAS**, in the past, the System has used multiple vendors to maintain and repair the 336 elevators in service throughout the System's facilities with the two principle vendor contracts due to expire by October 31, 2018; and

**WHEREAS**, the System wishes to move to having a single vendor perform virtually all System elevator maintenance and repair; and

**WHEREAS**, pursuant to approval of the Contract Review Committee (the "CRC"), the System issued a request for proposals ("RFP") for a single vendor to perform all of its elevator maintenance and repair work; and

**WHEREAS**, a Selection Committee scored proposals received in response to the RFP and gave Kone the highest score on the basis of experience, cost, technical qualifications and performance metrics; and

**WHEREAS**, the CRC approved the selection of Kone recommended by the Selection Committee; and

**WHEREAS**, the System wishes to enter into an agreement with Kone for its elevator maintenance services including preventative maintenance, minor repairs, inspections, and other maintenance services for all 336 elevators across the System; and

**WHEREAS**, the Vice President, Office of Facility Development shall have the overall responsibility for monitoring the proposed contract.

**NOW THEREFORE, BE IT:**

**RESOLVED**, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with Kone, Inc. to provide elevator maintenance services with an initial term of five years with two one-year options to renew solely exercisable by the System and with total amount not to exceed \$46,742,000.



Applicant name: Louis Iglhaut  
Applicant title: Assistant Vice President

Project name: Elevator PM Services  
Date:10/2/2018

Applicant signature: \_\_\_\_\_

**CONTRACT REVIEW COMMITTEE ("CRC")  
CONTRACT APPLICATION**

All of the items requested and questions posed herein must be provided by the applicant in order to be considered by the CRC. This application must also have Finance and OLA review prior to presentation.

Provide the proposers and their final best and final offer below:

Proposer	Price
Kone Inc.	\$46,741MM for 7 years

1. Have there been any material changes in the scope of the contract since the proposed solicitation?

There is additional labor needed at Bellevue for a period of two years.

2. Has there been any change in the expected contract value since the proposed solicitation? Explain.

The labor component at Bellevue is \$750,000 and a 10% contingency added for additional repairs. A \$300K increase to prevailing wage was accommodated in this contract value. An average increase of 5 elevators and one extra mechanic was added on yearly basis

3. Have there been any material changes to the expected internal costs to perform the contract, such as additional staff, maintenance of software?

There have not been any changes to the expected internal costs.

4. Please provide a written explanation of how payment is expected to be made under the proposed contract (e.g., monthly installments, as needed and invoiced, up front, upon completion of deliverables).

The payment is to be made in monthly installments within 90 days of invoice receipt.

5. What are the Diversity Vendor commitments?

Per NYC H+H T&C's standard language.

6. Please attach the following items to this application:

Proposed contract

Resolution and Executive Summary (if a Board matter)

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**Budget Authorization**

Is this a new or increased expense?

Yes

No

Fiscal year projected expenses:

Fiscal year	Amount
2019	\$4,651,568
2020	\$6,977,352
2021	\$6,697,352
2022	\$6,557,352
2023	\$6,557,352
2024	\$6,557,352
2025	\$6,557,352
2026	\$2,185,784
<b>Total</b>	<b>\$46,741,464</b>

Proposed funding source:

- Capital budget
- Facility budget
- Central budget

Funding status:

- Included in current budget
- Funding request through OMB
- Grant funded
- Reserve
- Other

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Finance approve actual commitment of funds?

- Yes
- No

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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OLA approve form of contract and conformance with OP 100-05?

- Yes
- No

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# **Elevator Service and Maintenance**

**Application to  
Enter into Contract**

**Capital Committee Meeting  
October 2018**

**Louis Iglhaut  
Assistant Vice President**



- The System currently has 336 elevators at its hospitals, long term care centers, and clinics
- Service is managed between two vendors Kone and Schindler
- Fiscal Year 2018 cost :
  - Schindler - \$5,145,138 (250 elevators)
  - Kone - \$1,359,184 (86 elevators)



# Overview of Procurement

- An application to issue a Request for Proposal was presented in August 2017 to the Contract Review Committee
- A RFP for preventative maintenance and repairs with a defined service level was published in City Record
- The RFP was sent to Schindler Elevators, Kone Inc., Richmond, and ThyssenKrupp. Proposals were received from only Kone and Schindler
- Kone received the highest scoring on the basis of:
  - Experience
  - Cost Proposal
  - Technical Qualifications
  - Performance Metrics
- An application to enter into contract with Kone was presented and approved at the October 2, 2018 Contract Review Committee Meeting



## Evaluation Committee:

- Patricia Blackman – Dir, Cumberland
- Vincent Forgione – Dir, Coler
- John Muniz – Dir, Metropolitan
- Javier Miranda – Dir, Woodhull
- Hans Waldovgel – Dir, Jacobi
- Nyasha Benjamin – Asst. Dir, Gotham
- Donald Panton – Dir, ENY
- Jun Junqua – Asst. Dir, Seaview
- James Galu – Dir, Carter
- Keith Smalls – Dir, Lincoln
- John Schiek – Dir, Queens
- Donald McManamon – Dir, Coney Island
- Raul Bartolome – Asst. Dir, Kings County

Vendor	Scoring
Kone	86.7
Schindler	83.3

Fiscal Year 2018 Spend	\$6,613,867
Kone Proposed Annual Spend	\$5,475,000
Schindler Proposed Annual Spend	\$5,493,228



## Capital Committee Approval Request

- Kone contract benefits include:
  - 24/7 emergency service
  - Single account management team to provide consistent level of service across the region
  - Total contract savings - \$7.9M
  - Dedicated diagnostic testing team
  - Includes holiday coverage and 24 hour call back for all facilities
  
- The System is seeking approval to enter into contract with Kone for elevator services and maintenance:
  - 7 years - 2018-2025 (5 years w/ 2 (one) year extensions)
  - Total contract value - \$46.7M
  - Target start date – December 2018
  - Contract includes a 10% contingency fee and anticipated prevailing wage increases



## Appendix A: **Contract Language – Elevator Adds**

In the event the System has additional units to be added to the portfolio, the following process will be used to adjust the scope and cost:

- The additional cost per unit will be mutually agreed to by both parties, with an NTE of \$1,200 per month per unit. The current average cost in the H+H portfolio is \$1,400 per unit per month.
- The service provider and the System will agree to the necessary maintenance and repair schedule, i.e. route or stationary mechanic, and additional costs.
  - In the event the additional work is determined to be a route, the additional route and the cost will be mutually agreed to by both parties.
  - In the event the additional work is determined to be a stationary mechanic, the cost of the additional mechanic will be mutually agreed to by both parties, with an NTE of \$35,000 per month per mechanic.
  - In the event the units are replacement/upgraded units, a straight swap or adjustment in cost per unit will be mutually agreed to by both parties
  - In the event the units are new or existing units being added to the agreement, the costs will be absorbed separate from the non-maintenance contingency per the allocated building plan fund.
- The System reserves the right to procure the necessary services as per the procurement policies of the System

