

CAPITAL COMMITTEE

July 18, 2013

MEETING AGENDA

9:00 a.m.

125 Worth Street,
Room 532
5th Floor Board Room

CALL TO ORDER

Emily A. Youssouf

- ADOPTION OF MINUTES June 13, 2013 Emily A. Youssouf
- ASSISTANT VICE PRESIDENT'S REPORT Alfonso C. Pistone

ACTION ITEMS

- **Resolution** Lynda Curtis
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 its continued 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.

Vendex: Pending. Documents have been submitted to the Office of Legal Affairs.

- **Resolution** Lynda Curtis
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to surrender to the City of New York a parcel of land and buildings, Block 1373, Lot 20, located on the campus of Goldwater Specialty Hospital and Nursing Facility, One Main Street, Roosevelt Island, New York ("the Facility").

- **Resolution** Alfonso Pistone
Ratifying the engagement by the President of the New York City Health and Hospitals Corporation (the "Corporation") of Parsons Brinkerhoff and Arcadis (the "A&E Firms") to each provide specialized engineering services to assess the need for hazard mitigation construction and to propose and design such work and to advise the Corporation in its applications for reimbursement by the Federal Emergency Management ("FEMA") and from Community Block Grant Funds ("CBGF") for Hurricane Sandy related repairs at a cost of not more than \$5 Million and authorizing the President to increase the funding for such engagements by an additional \$6 Million to make the total funding for the work \$11 Million.

- **Resolution** Arthur Wagner
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 43, 44 and 45 in the Coney Island area of Brooklyn for the

Corporation's operation of a temporary primary medical clinic in a pre-fabricated structure under which the Corporation will not have to make any payments to HPD.

- **Resolution** **Joseph Quinones**
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Surgical Solutions, LLC to provide laparoscopic/endoscopic video equipment and other instruments, repair services, disposable supplies and preoperative, postoperative support services to Bellevue, Elmhurst and Kings County hospital for a term of 2 years with two additional 2 year options solely exercisable by the Corporation in an amount not to exceed \$31,484,013 including an 8% contingency of \$2,332,149.

INFORMATION ITEMS

- **Selection of Construction Management (CM) At Risk Firms** **Joseph Quinones**
- **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

JUNE 13, 2013

MINUTES

Capital Committee

Meeting Date: June 13, 2013

Time: 11:00 A.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

Emily A. Youssouf, Chair
Josephine Bolus, RN
Antonio Martin, Acting President
Michael A. Stocker, MD, Chairman of the Board

HHC Staff:

George Asadoorian – Supervising Confidential Examiner, Office of Internal Audits
Michael Ball – Director, Office of Facilities Development
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
Daniel Collins – Director, Coney Island Hospital
Manding Darboe – Assistant Director, Office of Facilities Development
Martin Everette – Director, Affirmative Action/Equal Opportunity Employment
Rebecca Fischer – Associate Executive Director, Bellevue Hospital Center
Elsie Furr – Senior Associate Director, Queens Hospital Center
Jonathan Goldstein – Senior Consultant, Corporate Planning
Anthony Gounaris – Senior Project Manager, Office of Facilities Development
Robert Hughes – Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility
Louis Iglhaut – Associate Executive Director, Generations+/Northern Manhattan Health Network
Juan Izquierdo – Associate Executive Director, Queens Hospital Center
Nelson Laverde – Assistant Director, Bellevue Hospital Center
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
Dean Mihaltses – Associate Executive Director, Elmhurst Hospital Center
Dean Moskos – Director, Office of Facilities Development
Irina Munarova – Assistant Director, Corporate Planning
Milton Nunez – Executive Director, Lincoln Medical and Mental Health Center
Kiho Park – Associate Executive Director, Elmhurst 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
Robert Rossdale – Deputy Executive Director, Queens Hospital Center
Salvatore Russo – Senior Vice President, General Counsel, Legal Affairs
David Santamaria – Assistant Director, Corporate Planning
Thomas Scully – Senior Associate Director, Elmhurst Hospital Center
Denise Soares – Senior Vice President, Generations+/Northern Manhattan Health Network
Cyril Toussaint – Director, Office of Facilities Development
Roslyn Weinstein – Senior Assistant Vice President, President's Office
Dion Wilson – Assistant Director, Office of Facilities Development
Elizabeth Youngbar – Assistant Director, Office of Facilities Development

Other Attendees:

Meg Dunn – American Academy McCallister Institute of Funeral Services
William Flooks – American Academy McCallister Institute of Funeral Services
Ke He – New York Power Authority (NYPA)
Rod Luccioni – The Gordian Group
Emil Martone – Vice President, 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
Yaneth Velez – American Cancer Society

CALL TO ORDER

The meeting was called to order by Emily A. Youssouf, Chairman of the Capital Committee, at 11:08 A.M.

ASSISTANT VICE PRESIDENT'S REPORT

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, provided an overview of the meeting agenda, which included seven action items and four information items. He advised that information items would provide; 1) an update of the status on the Henry J. Carter modernization project; 2) an air conditioning readiness report, included in the committee package, for which representatives from Johnson Controls were available to answer any questions; 3) a presentation about remedial measures that were taken to address deficiencies in the Health and Hospitals Corporation's construction program; and, 4) brief delay reports for the Kountz Pavilion project at Harlem Hospital Center; the Emergency Department project at Lincoln Medical and Mental Health Center; and the Women's Health Center at Elmhurst Hospital Center. He noted that in the future, changes would be made to the Project Status Reports to reflect additional information, as requested by members of the Capital Committee, and hopefully those changes will be in place by the next capital meeting.

Finally, Mr. Pistone gave notice of a Public Hearing to be held on Thursday, July 11, 2013, at 6:00 p.m. at Goldwater Specialty Hospital and Nursing Facility, located at One Main Street, Main Floor Auditorium, Roosevelt Island, concerning the transfer of land and building to the City of New York of approximately 9.9 acres located on the campus of Goldwater.

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 revocable license agreement with the American Cancer Society, Eastern Division, Inc. ("ACS" or the "Licensee"), for its continued use and occupancy of space to provide non-clinical patient support services on the campuses of Elmhurst Hospital and Queens Hospital Centers (the "Facilities").**

Robert Rossdale, Deputy Executive Director, Queens Hospital Center, read the resolution into the record on behalf of Ann Sullivan, MD, Senior Vice President, Queens Health Network. Mr. Rossdale was joined by Dean Mihaltses, Associate Executive Director, Elmhurst Hospital Center.

Mr. Rossdale noted that the resolution would be the second renewal for this agreement. It was first approved six years ago and then again three years ago. The program is a navigator program that refers services, such as meals on wheels, transportation, legal and financial information to newly diagnosed cancer patients who are many times in need of guidance and assistance. Mr. Mihaltses advised that space at both facilities was already allocated and occupied by the licensee.

Ms. Youssouf said that she thinks it is an important program, and asked if there were any questions.

There being no 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" or "Licensor") to execute a revocable license agreement with the American Academy McAllister Institute of Funeral Service (the "Licensee") for its use and occupancy of space to provide instruction in the techniques of mortuary science on the campus of Harlem Hospital Center (the "Facility").**

Denise Soares, Senior Vice President, Generations+/Northern Manhattan Health Network, read the resolution into the record. Ms. Soares was joined by Louis Iglhaut, Associate Executive Director, Generations+/Northern Manhattan Health Network, and Meg Dunn, American Academy McCallister Institute of Funeral Services.

Ms. Soares advised that the program was previously operated out of Bellevue Hospital Center but due to the effects of Super-storm Sandy the basement area in which it was located was flooded and rendered inoperable. Mr. Iglhaut explained that alternate space had been identified within the existing mortuary at Harlem Hospital Center. Ms. Yossouf asked if the program would permanently be located at Harlem. Ms. Soares advised that the agreement was for a five (5) year term.

Josephine Bolus, RN, asked how many community members would be involved in the program. Ms. Dunn advised that students come from all over the New York/New Jersey Metropolitan area but she did not have specific demographical information.

Ms. Yossouf asked what the proposed space was originally intended for. Ms. Soares advised that it was regular mortuary space that they would be using.

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 modify the scope and budget for the existing Boiler Plant project at Coney Island Hospital (the "Facility") to add an additional \$2,935,845, increasing the total project budget to an amount not-to-exceed \$9.94 million.**

Daniel Collins, Director, Coney Island Hospital, read the resolution into the record on behalf of Arthur Wagner, Senior Vice President, Southern Brooklyn/Staten Island Health Network.

Mr. Collins explained that the reason for this increase was to raise the newly installed boiler plant above the 100 year Federal Emergency Management Agency (FEMA) flood plan level. He said the design will modify the structure and raise the existing plant 12 feet four inches above sea level, or, one foot four inches above the mandatory 100 foot level, the highest that the plant can be raised in the existing structure.

Ms. Youssouf asked if meeting the 100 year flood plan was acceptable or if it was required that the Corporation meet the 500 year flood plan. Mr. Collins noted that the 500 year flood plan is 15 feet higher than the 100 year level, and that because of the existing building the highest they can get the plant is four foot four inches above the 8 foot level, meeting the 100 year plan. The existing structure and the existing piping will only allow for the plant to be moved so far. He noted that the most vulnerable parts of the plant will be some two feet above the 100 year level, raising it to 13 feet. It's the best that could be done.

Mrs. Bolus asked if it would pass inspection. Mr. Collins said yes.

Ms. Yossouf asked if FEMA would cover the reimbursement being that only the 100 year plan levels are being met. Mr. Collins said that the FEMA consultant working with HHC indicated that FEMA would reimburse based on the fact that the Corporation made the best possible effort given the existing situation.

Mrs. Bolus asked if the elevation of the boilers would affect their functions. Mr. Collins said all those factors were taken into consideration during planning.

Ms. Youssouf asked if these changes would further delay the project. Mr. Collins said yes, however the boilers are in storage, equipment has been delivered, design is complete and the only portion of the project remaining is support and installation.

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 execute construction requirements contracts with six (6) firms: Gridspan Corporation; Vastech Contracting Corporation; Volmar Construction, Inc.; Sierra Mechanical Contracting, Inc.; Jemco Electrical Contractors, Inc.; and Charan Electrical Enterprises, Inc. (the "Contractors"), to provide construction services on an as-needed basis at various facilities throughout the Corporation. 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 \$36 Million.**

Peter Lynch, Senior Director, Office of Facilities Development, read the resolution into the record.

Ms. Youssouf asked for an explanation of the contracts and how they are utilized. Mr. Lynch explained that these are a continuation of the Indefinite Quantity Construction Contracts that have been in use for several years now. The contracts have a life cycle, with some having just recently expired, and this will allow the program to continue. He noted that these types of contracts work well for smaller projects that need a timely response and they allow facilities to draw down off existing contracts and get mobilized quickly.

Mrs. Bolus asked whether all six contractors have to be used and whether all six were used in the previous cycle. Mr. Lynch said all were used previously but the facility can choose who they want to work with.

Ms. Youssouf asked if bidding is done between the contractors when a facility is ready to mobilize. Mr. Lynch explained that prices are locked into place prior to contracts being issued. The Gordian Group establishes unit prices and each contractor bids on a multiplier. That multiplier is then applied to prices for that contractor throughout the contract duration.

Mrs. Bolus asked why only one vendor had Vendex approval. Mr. Lynch said that Vendex documents go through the Mayor's Office of Contracts and that's just how the system works sometimes. Mrs. Bolus asked if all documents were submitted at the same time. Mr. Lynch said no.

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 execute construction requirements contracts with four (4) firms: Par Plumbing Co., Inc.; Richard Plumbing and Heating Co., Inc.; Empire Control Abatement, Inc.; and New York Environmental Systems, Inc. (the "Contractors"), to provide construction services on an as-needed basis at various facilities throughout the Corporation. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$2,000,000. The total authorized value of these contracts is \$8 Million.**

Peter Lynch, Senior Director, Office of Facilities Development, read the resolution into the record.

Ms. Youssouf asked if these contracts were the same as the previously approved. Mr. Lynch said yes, this group was separated because the individual contract values are for \$2 million and the previously presented contracts were valued at \$6 million each.

Mrs. Bolus asked if there were Equal Employment Opportunity (EEO) requirements for these contracts. Mr. Lynch said yes, and all contractors are expected to meet those goals.

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 increase the New York City Economic Development Corporation's (NYCEDC) work order threshold by fourteen million, one hundred thirteen thousand, seven hundred sixty-seven dollars (\$14,113,767) to one hundred thirty-two million, four hundred fifty thousand, seven hundred fifty-six dollars (\$132,450,756) to provide project management services that will manage the architectural, engineering design services, pre-**

construction, construction, construction management services for the Construction of the New Skilled Nursing Facility (SNF) to be built in the parking lot of the former North General Hospital.

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, presented the work order on behalf of Lynda Curtis, Senior Vice President, Queens Health Network. Mr. Hughes was joined by Michael Buchholz, Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, and Emil Martone, Vice President, Capital Programs, New York City Economic Development Corporation.

Mr. Hughes explained that previously authorized funds for this project had been expended and this increase approval would allow for additional funds to be released in order to level current project costs and spending. H noted that all funds are within the approved total project budget.

Ms. Youssouf asked if this was simply a work order increase and not an increase in project cost. Mr. Martone said yes. This authorization would realign the budget lines within the work orders between the Long Term Acute Care Hospital (LTACH) and the Skilled Nursing Facility (SNF) to accurately reflect current spending on the project. He said it also included the decommissioning funding, and explained that there was a net increase but not to the hospital project itself, simply from including that additional part of the project.

Ms. Youssouf asked how many more approval requests would come before the Committee. Mr. Martone said that this would likely be the last time the project would come to the Capital Committee for authorization. The only instance would be simply if existing funding needed to be reallocated, specifically for medical equipment and/or furniture, fixtures and equipment (FF&E).

Mrs. Bolus asked if the Committee was aware that the previously authorized \$14 million brought the level to \$132 million. Mr. Martin said yes, there was a reporting of the total project cost. Ms. Youssouf agreed, and added that it had been discussed at length. Mrs. Bolus said she remembered the discussion but did not remember that the increase was that significant. Mr. Berman explained that it was not an increase but a releasing of funds that had already been approved. It is drawing down of funds that are already allotted and approved.

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

On motion by the Chair, the Committee approved the work order.

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to decrease New York City Economic Development Corporation's (NYCEDC) work order threshold by four million, ninety-nine thousand, three hundred and sixty-seven dollars (-\$4,099,367) to one hundred twenty-four million, three hundred forty-one thousand, four hundred and twelve dollars (\$124,341,412) to continue providing project management services to manage the architectural, engineering design services, pre-construction, construction, construction management services for renovating the existing North General Hospital building into a new 201 bed Long Term Acute Care Hospital building (LTACH).**

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, presented the work order on behalf of Lynda Curtis, Senior Vice President, Queens Health Network. Mr. Hughes was joined by Michael Buchholz, Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, and Emil Martone, Vice President, Capital Programs, New York City Economic Development Corporation.

Mr. Martone explained that the proposed decrease in the threshold represents a shifting of costs related to FF&E that HHC will be purchasing in lieu of EDC.

Mrs. Bolus asked for an explanation of why funds are being added to one project and taken away from another. Mr. Pistone explained that the money is simply being taken from one pot and placed in another pot. The dollar amount remains the same it is just a shifting of funds.

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

On motion by the Chair, the Committee approved the work order.

INFORMATION ITEMS

- **Henry J. Carter – Major Modernization – Status Report**

Emil Martone, Vice President, Capital Programs, New York City Economic Development Corporation provided the status report on the progress of the Henry J. Carter project. Mr. Martone advised that the project was on schedule and on budget. He noted that progress is approximately 80% complete on the LTACH and SNF. The exterior envelope of the SNF is virtually buttoned up with only minor, mostly decorative features to be completed. The LTACH exterior work is also vastly complete. The project was on track to obtain temporary Certificates of Occupancy on both buildings in July, on schedule. He added that the activation plan to get from Temporary Certificate of Occupancy (TCO) to “move-in” is an aggressive plan and planning is well underway. As is the plan to move patients when the time comes.

Mr. Martone noted that staff at the facility has been immensely helpful.

He advised that the budget had not changed and remained at \$284,492. At the beginning of project there was approximately \$37 million contingency, and at present \$4 million remain, meaning roughly 15% of the overall direct work budget, or 13% of the remaining construction dollars are left. A value and burn rate that was expected at this point in the project and the team was comfortable with.

Mr. Martone said that recent State inspections had been performed and results came back at a rate of approximately 75% for both facilities. It explained that it was valuable to get comments early on and avoid doing much work later on in the project after final inspections had been completed. Mr. Martin asked if the inspection went well. Mr. Martone said yes, there were a few minor things that had to be addressed but no “show stoppers” and HHC was working on their formal response. Ms. Youssouf asked if it is usual that some comments come out of these inspections. Mr. Martin said yes, and it is beneficial that this was completed earlier on in the process.

Ms. Youssouf asked that a site visit be scheduled so that Committee members could see the project firsthand. Mr. Martone said he would be happy to show them around. Ms. Youssouf expressed

excitement that everything was moving along on schedule and within budget. She thanked HHC staff and EDC for maintaining a great partner so far.

That concluded the status report.

Mrs. Bolus asked how the Community Advisory Board (CAB) felt about the project. Mr. Martin said that things were coming along and Executive Director, Robert Hughes was to be credited with keeping them informed and engaged in the process. Mr. Hughes said that both CABs had been kept fully informed of progress and that keeping patients and residents informed was also important, communication is crucial he said.

- **Air Conditioning Readiness Report**

Mr. Pistone advised that there were no issues with the report and Committee members determined that they had no questions.

- **Presentation – HHC’s Construction Program**

Mr. Pistone provided a power point presentation regarding the application of controls to improve facility construction project outcomes. He explained that the presentation would focus on recently completed reviews of the three most recent modernization projects and the most repetitive findings found by the office of Internal Audits. He thanked the Breakthrough Office, the Office of Internal Audits (OIA) and the staff of the Office of Facilities Development (OFD) for their efforts in assisting with this project.

The first slide discussed deficiencies found as a result of a review that was conducted of the major modernization projects at Henry J. Carter, Gouverneur and Harlem. Those projects are being constructed by managing agents, the Economic Development Corporation (EDC), and the Dormitory Authority of the State of New York (DASNY). The review found that there were deficiencies in reporting, record keeping, inadequate project estimates and allowance for contingencies, as well as inadequate management of changes made to the projects through the change order process. Each project has experienced cost overruns, albeit with respect to the Henry J. Carter project, which Mr. Pistone noted had experienced an overrun prior to EDC being on board. Each project experienced cost overruns from when the project was initially funded to the point of reaching current funding levels. The review found that managing agents were not engaged as true Owner’s Representatives, keeping schedule and cost in perspective. It was also noted that the department of Finance should be involved earlier on as a project is developing through the approval process.

From the slide, Mr. Pistone pointed out that the first issue, a lack of formal guidelines for project initiation, budget, cost and contingency would be addressed using the Breakthrough process, which should assist in capturing the initiation process and allow for HHC to be better able to capture deficiencies in the development of project scope and budget, and therefore be able to establish a more fair and reasonable contingency. Mr. Pistone advised that there had been several Breakthrough events, five in the past six months, and OFD would be continuing with that aggressive schedule, another four events slated for future review. He noted that a completed event had successfully mapped out the current process for construction projects as well as the proposed future state, and future events would develop specific areas for which to develop standard work. Two tools had come out of completed Breakthrough events, one of which is being piloted and rolled out, and that Mr. Pistone said would be addressed issues that will be discussed in a subsequent slide and decided by the OIA. The second tool, which is more expansive, addresses the issue of development of project scope and budget.

The second issue, pointed out that there was no centralized repository of historical data or memorialization of project changes. With respect to that issue, he noted, OFD and the Department of Information Technology (IT) is in the process of evaluating an electronic tool that will allow the Corporation to capture historical data and memorialize project changes. With a combination of that proposed electronic tool, and paper process if necessary, the Corporation will be able to properly obtain historical data on projects.

On the third issue, inadequate project estimates and contingencies, Mr. Pistone advised that OFD is using the Breakthrough process to provide a standardized process for evaluating project estimates and contingencies for the larger modernization projects. For smaller projects this will be addressed by references in the next slide to scope development, budget and construction management. The Office of Legal Affairs (OLA) and OFD have discussed utilizing a methodology where the CM is placed "at risk" for budget and scheduling, and that would address the managing agent not being engaged as an Owner's Representative.

The second slide provided a list of issues and recommendations specifically related to OIA's repetitive findings. Four of the last five audits found a lack of clearly defined scope and adherence to budget on smaller projects. To resolve this issue, OFD will have a direct relationship with the facility Executive Directors (EDs) to develop an agreed upon scope and budget. OFD will be more proactive in the process, making sure there is a complete scope and adherence to the budget. Inadequate project management; monitoring prevailing wage obligations, continuous insurance, daily reporting, submission logs, etc., are issues that were also raised in four of the five recent internal audit reports, for which OFD proposes to expand the Corporation's relationship with the Gordian Group to address. They will be charged with monitoring projects, cradle to grave, and ensuring the aforementioned items are properly adhered to. The final finding was the reconciliation or failure to reconcile deviations of +/- 10% in bids. The proper way to address this issue is to require the estimate be itemized and that the contractor put a price next to that item so that it is clear if there is an item where there is a discrepancy from the original bid. This method has been tested and appears to be working.

Ms. Youssouf asked for an explanation of statements made regarding Architectural and Engineering (A/E) firms. Mr. Pistone explained that the current structure involves requirements contracts, "on-demand" contracts, similar to contractor contracts, and that it is being proposed that rather than allowing the facilities to access the contracts directly, they will go through OFD and OFD will work with the architects, engineers and the facility to develop a scope and budget. Ms. Youssouf asked if that would be done prior to bidding. Mr. Pistone said absolutely.

Ms. Youssouf asked if these new processes would be written down and memorialized somewhere. She said that it seemed as though previously the facility would determine that they had specific money and needed a project to be completed with that money, and clearly that way was not working. If this is the new procedure it needs to be memorialized, she said. Mr. Martin agreed. He explained that the Corporation will have to reflect these changes in policy and procedure, and noted that the Breakthrough process was still be used to address a number of these issues, but eventually determinations will be memorialized. He noted that the better a project is scoped out in the beginning the more successful it will be. So having OFD actually procure the A/E firm and work in conjunction with facility EDs to get a good scope will help tremendously.

Ms. Youssouf said that at the facility level there also seemed to be a habit of change orders or changes that greatly affect a project. Mr. Pistone said that would be addressed as well.

Dr. Stocker noted that a lot of good work had been completed in reviewing these issues, and he stated that it is a sign of maturity in an organization if they can manage construction projects. He asked whether OFD, along with facility, will select A/E firm, and that A/E firm will complete the estimate, cost, and define the scope of the project. Mr. Pistone said yes, the next generation of AE contracts makes that a contractual obligation. To have a better handle on the estimate and be able to reconcile more easily language has been added requiring a better accountability by firms to be better partners in ensuring that estimates are more accurate relative to market conditions.

Ms. Youssouf requested that if an A/E firm is constantly over or under estimating then there should be a procedure allowing them not to be used going forward. Mr. Pistone said that in the future it will be well documented that any A/E firm that continues along a path and becomes a repetitive offender the Corporation will seek not to do business with. Ms. Youssouf said that the same should be done with the contractors. Mr. Pistone said yes, absolutely.

Marsha Powell, Director, Office of Facilities Development, explained that it has been written into the new contracts that a consultant will have to redesign if they submit a design that does not come within a percentage of the original estimate. If they design a project that does not come within the original estimate that was agreed upon at project conception, by the final estimate, if it is not within the budget then they have to redesign. Ms. Youssouf said to be careful. Ms. Powell explained that this is common contract language and is done across the design and construction field.

Mr. Martin said that changes are underway. He noted that in the past it was common for a facility to identify an amount of money they were willing and able to spend, and then try to build what they desired into that amount. Moving forward, an accurate scope will be completed first and then appropriate funding will be identified. Ms. Youssouf agreed with the importance of that and said she knows that Mr. Pistone and his team have worked very hard and have gotten needed advice along the way. She added that the Committee had previously repeated the issues being discussed, but this is a great way to ensure that we are more in line with good practices.

Dr. Stocker asked if the intent was that once the project is under way, the final responsibility and day to day management will rest with the facilities. Mr. Pistone said yes. Ms. Youssouf said that also means the facility has the accountability to be sure these projects come in, within reason, within time and cost, because part of the problem has been that there is no accountability, and that cannot continue.

Mrs. Bolus advised that if a redesign was needed and that redesign did still not meet criteria then HHC should move on to another firm, and she noted that the project would virtually have to start over with new bids. Mr. Martin said the project needs to be defined at the outset. Defined and then funded. He explained that HHC used to try to fit the project into the budget and when it didn't work there would be constant changes in an effort to get everything that was desired but that would just increase cost as it moved along.

Mr. Martin advised that the Corporation was looking at reorganization of the Office of Facilities Development, to determine the types of people that may be needed within that department to move this process forward.

Dr. Stocker asked for a detailed explanation of the electronic system to be implemented to track construction progress, and what the time-frame would be. Mr. Pistone said that OFD was working with IT to identify which system to use and when the selection process was completed it should take approximately three (3) to six (6) months to get information loaded and get moving.

Ms. Youssouf asked for regular status updates of how these changes are going. Dr. Stocker asked that when members of the Committee receive completion reports, it be noted how close the costs were to initial A/E estimates.

- **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

- **Harlem Hospital Center – Kountz Pavilion**

Louis Iglhaut, Associate Executive Director, Generations+/Northern Manhattan Health Network, provided the delay report. Mr. Pistone noted that delays were a result of weather related conditions that have halted roof installation. Mr. Iglhaut agreed and said the completion is currently forecasted for September, 2013.

- **Lincoln Medical and Mental Health Center – Emergency Department Project**

Louis Iglhaut, Associate Executive Director, Generations+/Northern Manhattan Health Network, provided the delay report. Mr. Iglhaut advised that the completion schedule for the project remained unchanged since the last report, expected in December, 2013, and he noted that the project was within budget.

Dr. Stocker asked how long the project had been going on. Mr. Iglhaut said it had been on the books since 2000 and it included two phases. Phase I, construction of the Ambulatory Care Pavilion was completed and had been occupied in 2012. He said that Phase II was now well underway and the light at the end of the tunnel could be seen.

Mr. Iglhaut advised of a potential risk to the project. He explained that tracking of contract activities found that the general contractor's document submissions had been late, which could cause delay, but at his request Central Office had begun proceedings to protect the project schedule and budget. He advised that a hearing had taken place on June 6, 2013, but since the intent to default letter was written and sent to the contractor and his bonding company, the project had been properly supplied with labor and materials. After the initial hearing date the contractor had agreed to submit completion schedule, with milestones, that would allow the project to be completed as planned. Ms. Youssouf thanked the facility for initiating that process. Mr. Iglhaut credited Mr. Pistone and Mr. Lynch from the Office of Facilities Development. Mr. Pistone thanked the Office of Legal Affairs for their assistance.

- **Elmhurst Hospital Center – Women's Health Clinic**

Dean Mihaltses, Associate Executive Director, and Thomas Scully, Senior Associate Director, Elmhurst Hospital Center, provided the delay report. Mr. Mihaltses explained that no additional delays had been experienced since last reporting and that completion was still expected for September, 2013, and was still within budget. Mr. Scully noted that initial delays due to a gas line issue impacted the project early on but otherwise it had been accelerating since the termination of Hunter Roberts Construction Group and the change in General Contracting management. Mr. Mihaltses thanked Mr. Scully for being a crucial part of getting the project back on track.

Ms. Youssouf thanked everybody on behalf of the Capital Committee members. She acknowledged that members had been vigilant in their efforts to keep projects on track and to remain fully informed, and she felt that OFD and the facility counterparts had heard them and were responding.

There being no further business, the meeting was adjourned at 12:05 P.M.

LICENSE AGREEMENT

NEW YORK LEGAL ASSISTANCE GROUP (NYLAG)

**COLER-GOLDWATER SPECIALTY HOSPITAL AND
NURSING FACILITY**

RESOLUTION

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 its continued 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.

WHEREAS, in March 2011, the Board of Directors authorized the President of the Corporation to enter into a license agreement to provide training and legal services at Bellevue Hospital Center, Elmhurst Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Lincoln Medical & Mental Health Center, Woodhull Medical & Mental Health Center; and Harlem Hospital Center; and

WHEREAS, in June 2012 the Board of Directors authorized the President to enter into a six (6) month license agreement with the Licensee, which was extended for an additional six (6) months by the Board of Directors in January 2013, and the Corporation now desires to execute a new six (6) month agreement for its services at the Facility; and

WHEREAS, the Licensee is a not-for-profit provider of *pro bono* legal services to, among others, patients in need of attorney counseling in various areas of the law, including, but not limited to, immigration, domestic relations, child support and custody, and benefit entitlements; and

WHEREAS, the Licensee's program includes the training of Corporation staff to assist the Licensee in recognizing patients in need of legal services; and

WHEREAS, the Facility desires to continue to utilize the Licensee's services and has adequate space to accommodate its program needs.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to execute a license agreement with the New York Legal Assistance Group (the "Licensee" or "NYLAG") for its continued 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.

The Licensee shall be granted the continued part-time use of approximately 150 square feet of office space on the Facility's Goldwater and Coler campuses (the "Licensed Space"). The Licensed Space shall be used by one of the Licensee's attorneys to train Facility staff and provide legal services to Facility residents and patients. The Facility shall provide utilities, housekeeping, maintenance, and reasonable security to the Licensed Space. The Corporation shall pay the Licensee the sum of \$37,186 for services provided over a six (6) month period.

The Licensee shall indemnify and hold harmless the Corporation and the City of New York from any claims arising by virtue of its use of the Licensed Space and its provision of services in such space. The Licensee shall also provide appropriate insurance, naming both parties to the license agreement and the City of New York as insureds.

The term of the license agreement shall not exceed six (6) months without further authorization of the Board of Directors of the Corporation. The license agreement shall be revocable by either party on fifteen (15) days notice.

EXECUTIVE SUMMARY

LICENSE AGREEMENT

NEW YORK LEGAL ASSISTANCE GROUP

The President seeks authorization of the Board of Directors of the Corporation to execute a revocable license agreement with the New York Legal Assistance Group ("NYLAG") for its continued use and occupancy of space at Coler-Goldwater Specialty Hospital and Nursing Facility (the "Facility") to provide *pro bono* legal services to residents and patients, and training to Corporation staff.

NYLAG is a not-for-profit organization whose purpose includes providing legal services to patients least able to afford private counsel. In June 2002, the Board of Directors authorized the President to enter into a revocable license agreement with NYLAG to provide training and legal services at Elmhurst Hospital Center. The success of this program underscored the need to expand the legal services program to other hospitals. In addition to Elmhurst Hospital, NYLAG provides training and legal services at Bellevue Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Lincoln Medical & Mental Health Center, Woodhull Medical & Mental Health Center; and Harlem Hospital. In January 2013, the Board authorized the President to enter into a six (6) month agreement with NYLAG for its services at the Facility and the new agreement will allow the program to operate on campus for an additional six (6) months.

NYLAG will assign an attorney to conduct periodic training sessions to teach Corporation staff to recognize and identify patients requiring legal services. In addition, a NYLAG attorney will be on-site one half-day per week to counsel nursing home residents and patients in need of legal advice and representation on a *pro bono* basis. NYLAG will be present on the Coler campus and the Goldwater campus each twice per month. The services offered would be in areas of law, including, but not limited to, immigration, domestic relations, child support and custody, and benefit entitlements. This model of patient-focused legal services has been used successfully at safety-net hospitals elsewhere in the country to address legal problems common to low-income patient populations. It is anticipated that NYLAG will assist patients with approximately 60 matters during the half-year period. The Corporation will pay the Licensee the sum of \$37,186 for the services provided over the six month period.

The licensed space, utilities, housekeeping, maintenance, and reasonable security will be provided by the facilities at no charge to NYLAG. NYLAG will indemnify and hold harmless the Corporation and the City of New York from any claims arising by virtue of its use of the licensed space and its provision of services. NYLAG will also provide appropriate insurance, naming both parties to the license agreement and the City of New York as insureds.

The term of the license agreement shall not exceed six (6) months without further authorization of the Board of Directors of the Corporation. The license agreement shall be revocable by either party on fifteen (15) days notice.

SURRENDER OF LAND

GOLDWATER CAMPUS

**COLER-GOLDWATER SPECIALTY HOSPITAL AND
NURSING FACILITY**

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to surrender to the City of New York a parcel of land and buildings, Block 1373, Lot 20, located on the campus of Goldwater Specialty Hospital and Nursing Facility, One Main Street, Roosevelt Island, New York ("the Facility").

WHEREAS, the subject parcel and improvements are currently under the jurisdiction of the Corporation, and are deemed surplus by the Corporation for its corporate purposes; and

WHEREAS, the Facility shall be decommissioned and the land and buildings surrendered to the City of New York for disposition to Cornell University and Technion – Israel Institute of Technology to develop the Applied Sciences NYC project;

WHEREAS, Section 7385.6 and Section 7387.4 of the Corporation's enabling act authorize the surrender of property to the City of New York, which is fee owner of the Facility, after a public hearing, which was held July 11, 2013.

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 surrender to the City of New York a parcel of land and buildings, Block 1373, Lot 20, located on the campus of Goldwater Specialty Hospital and Nursing Facility, One Main Street, Roosevelt Island, New York (the "Facility")

EXECUTIVE SUMMARY

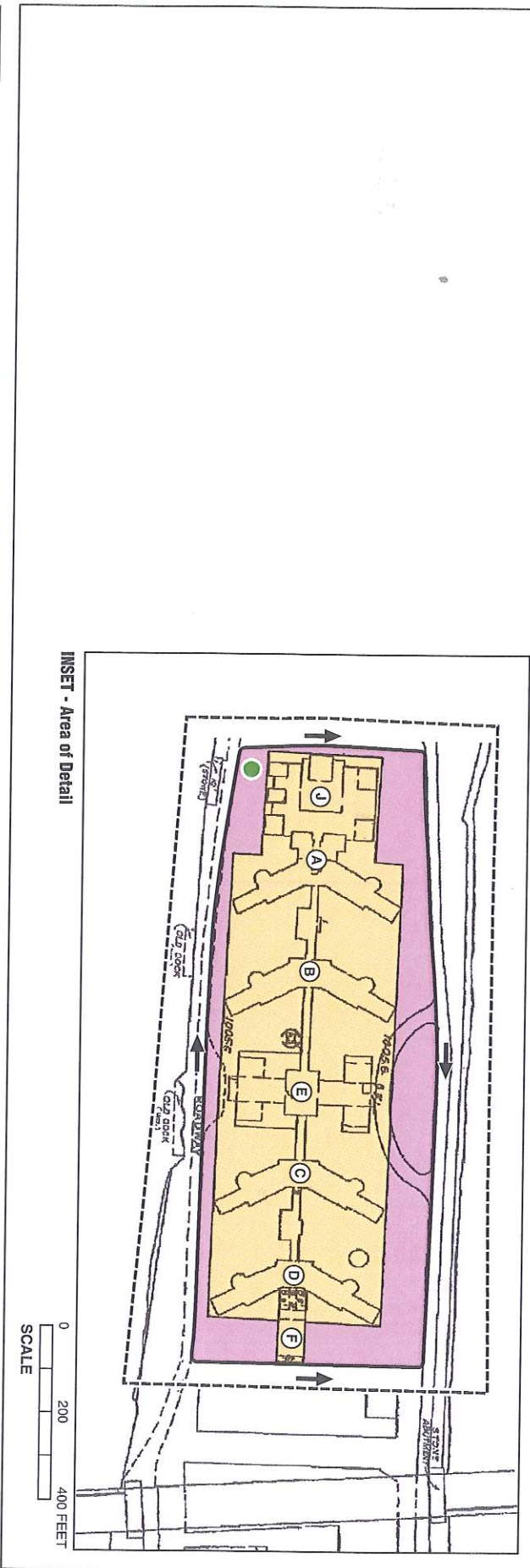
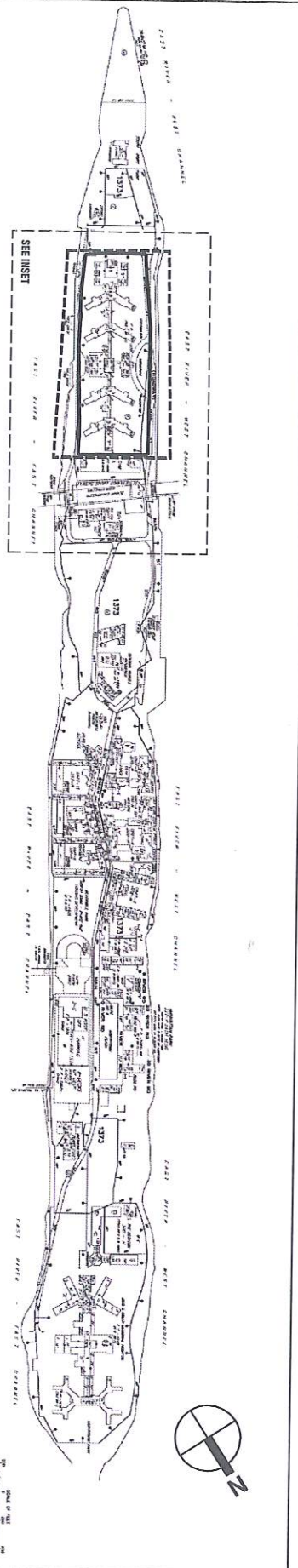
PROPERTY SURRENDER

GOLDWATER SPECIALTY HOSPITAL AND NURSING FACILITY THE GOLDWATER CAMPUS

The President seeks authorization from the Board of Directors of the Corporation to surrender to the City of New York a parcel of land and buildings, Block 1373, Lot 20, located on the campus of Goldwater Specialty Hospital and Nursing Facility, One Main Street, Roosevelt Island, New York (the "Facility")

The site measures approximately 9.8 acres and is located on the southern portion of Roosevelt Island south of the Ed Koch Queensboro Bridge. Goldwater Hospital opened on the island in 1939 as a chronic care and nursing facility. The Goldwater campus consists of the original six-building complex (Buildings A through F) and a circa 1971 addition (Building J). The Corporation will relocate activities from the Goldwater campus to other facilities and decommission the site. The land and buildings will be surrendered to the City of New York for disposition to Cornell University and Technion – Israel Institute of Technology to develop the Applied Sciences NYC project.

Section 7385.6 and Section 7387.4 of the Corporation's enabling act empower HHC to surrender real estate to the City of New York when such property is no longer utilized for its corporate purposes. The surrender process includes a public hearing, approval by the Board of Directors, and subsequent approval by the City Council. The public hearing was held July 11, 2013.



- Project Site
- Rezoning Area (Special Southern Roosevelt Island District)
- Goldwater Hospital Building Name
- DEP South Pump Station
- Traffic Direction

- Block 1373 Lot 20
- Block 1373 Lot 1 (portion)
- Owned by: City of New York
- Occupied by: Goldwater Memorial Hospital (NYCHHC)
- Owned by: City of New York
- Leased to: RIQC

Cornell NYC Tech

Project Site: Current Ownership
Figure 1-2

METES & BOUNDS DESCRIPTION
LOT 20, BLOCK 1373
ROOSEVELT ISLAND
BOROUGH OF MANHATTAN
CITY, COUNTY & STATE OF NEW YORK

BEGINNING AT A POINT ON THE SOUTHWESTERLY MOST CORNER OF LOT 20, BLOCK 1373 HAVING A COORDINATE VALUE OF NORTH 10731.04, EAST 15442.79, SAID POINT BEING SOUTH 73 DEGREES – 32 MINUTES – 13 SECONDS EAST, A DISTANCE OF 215.59 FEET FROM A POINT ALONG THE NORTHEASTERLY LINE OF THE EAST RIVER WEST CHANNEL HAVING A COORDINATE VALUE OF NORTH 10792.14, EAST 15236.04 AND FROM SAID BEGINNING POINT, THE FOLLOWING TWELVE (12) COURSES ALONG THE PERIMETER OF LOT 20, BLOCK 1373:

1. NORTH 35 DEGREES – 27 MINUTES – 04 SECONDS EAST, A DISTANCE OF 228.61 FEET TO A POINT, THENCE;
2. NORTH 54 DEGREES – 32 MINUTES – 56 SECONDS WEST, A DISTANCE OF 65.25 FEET TO A POINT, THENCE;
3. NORTH 35 DEGREES – 27 MINUTES – 04 SECONDS EAST, A DISTANCE OF 1,005.50 FEET TO A POINT, THENCE;
4. SOUTH 54 DEGREES – 32 MINUTES – 56 SECONDS EAST, A DISTANCE OF 153.75 FEET TO A POINT, THENCE;
5. NORTH 35 DEGREES – 27 MINUTES – 04 SECONDS EAST, A DISTANCE OF 93.50 FEET TO A POINT, THENCE;
6. SOUTH 54 DEGREES – 32 MINUTES – 56 SECONDS EAST, A DISTANCE OF 61.00 FEET TO A POINT, THENCE;
7. SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 93.50 FEET TO A POINT, THENCE;
8. SOUTH 54 DEGREES – 32 MINUTES – 56 SECONDS EAST, A DISTANCE OF 153.75 FEET TO A POINT, THENCE;
9. SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 1,005.50 FEET TO A POINT, THENCE;
10. NORTH 54 DEGREES – 32 MINUTES – 56 SECONDS WEST, A DISTANCE OF 65.25 FEET TO A POINT, THENCE;
11. SOUTH 35 DEGREES – 27 MINUTES – 04 SECONDS WEST, A DISTANCE OF 228.61 FEET TO A POINT, THENCE;
12. NORTH 54 DEGREES – 32 MINUTES – 56 SECONDS WEST, A DISTANCE OF 238.00 FEET TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 430,639 SQUARE FEET OR 9.8861 ACRES

RATIFICATION

ARCHITECTURAL/ENGINEERING (A/E) SERVICES

CORPORATE WIDE

RESOLUTION

Ratifying the engagement by the President of the New York City Health and Hospitals Corporation (the "Corporation") of Parsons Brinkerhoff and ARCADIS (the "A&E Firms") to each provide specialized engineering services to assess storm damage, estimate replacement costs, assess hazard mitigation opportunities, propose and design such work, develop cost benefit analysis' for the projects and to advise the Corporation in its applications for reimbursement by the Federal Emergency Management ("FEMA"), The State of New York and from Community Development Block Grants ("CDBG") for Hurricane Sandy related repairs at a cost of not more than \$5 Million and authorizing the President to increase the funding for such engagements by an additional \$6 Million to make the total funding for the work \$11 Million.

WHEREAS, the Corporation has identified a need for specialized architecture and engineering firms to assess the Corporation's need to design and perform work to mitigate long term risks life and property from natural hazards similar to Hurricane Sandy;

WHEREAS, the Corporation issued a Request For Proposal ("RFP") to select a firm or firms with technical expertise to conduct an assessment of the Corporation's hazard exposure and to identify hazard mitigation strategies and projects;

WHEREAS, a selection committee of Corporate employees recommended for approval proposals presented by the A & E Firms based on their technical expertise and extensive New York experience;

WHEREAS, in March 2013 the President authorized a deviation from the Corporation's Operating Procedure 100-5 to engage without Board approval the A & E Firms at a cost of not more than \$5 Million to each provide specialized architecture and engineering services to assess the need for hazard mitigation construction and to design such work and to advise the Corporation in its applications for reimbursement by the FEMA and from CBGF for Hurricane Sandy the cost of related repairs; and

WHEREAS, such deviation was reported to the Corporation's Board of Directors at its March 2013 meeting; and

WHEREAS, the A & E Firms have provided valuable assistance to the Corporation in its FEMA and CBGF applications and have completed designs for important mitigation projects now being bid out;

WHEREAS, as a result of the A & E Firms' work, it became apparent that further work is required by the A & E Firms to fully assess the Corporation's need for hazard mitigation measures and to complete the design for the indicated projects; and

NOW THEREFORE, be it

RESOLVED, that the Board of Directors hereby ratifies and confirms the engagement of Parsons Brinkerhoff and ARCADIS to each provide specialized engineering services to assess the need for hazard

mitigation construction and to propose and design such work and to advise the Corporation in its applications for reimbursement by the Federal Emergency Management ("FEMA") and from Community Development Block Grants for Hurricane Sandy related repairs at a cost of not more than \$5 Million; and it is further;

RESOLVED, that the Board of Directors hereby authorized the President of the Corporation to negotiate and execute an amendment to the contracts with Parsons Brinkerhoff and ARCADIS by an additional \$6 Million to bring the total funding for the work of such firms to \$11 Million.

EXECUTIVE SUMMARY

Most of the work the Corporation has performed to date to respond to Hurricane Sandy has been emergency repair work designed merely to repair the damage caused by the Storm and to enable the impacted facilities to resume providing services. The Corporation has performed only limited work so far to minimize the risk of damage from future storms. Good stewardship of these public assets, however, requires that the Corporation alter its facilities, where practicable, to guard against the impact of future storms. Further, FEMA will provide additional funding to harden damaged facilities from future storms if the Corporation properly proposes the hazard mitigation projects. The Corporation hired Parsons Brinkerhoff and ARCADIS (the "A & E Firms") to conduct a review of the Corporation's damaged facilities to identify alterations that might be performed at reasonable cost and that would substantially protect such facilities from the damage of future storms. The A & E Firms were also to design the alterations they proposed. Finally, the two firms were to assist HHC with claims for reimbursement for the cost of storm related repairs from FEMA and from Community Development Block Grants.

To date, the A & E firms have completed the work described below including having completed substantial parts of its review of the Corporation's facilities to determine where mitigation projects should be performed. Now that such review is substantially complete, the Corporation has the benefit of a list of projects in need of design and can budget for the design work remaining for the A & E Firms to complete also as indicated in the attached. To complete the design of such projects, the Corporation seeks to increase the funding for the work of the A & E Firms from \$5 Million initially authorized to \$11 Million – an increase of \$6 Million.

It is anticipated that a majority of the cost of these A & E services will be reimbursed by FEMA.

Task	Facility	Description	Date Authorized	HHC Work Order	Billed-to-Date	Progress-to-Date	Comments
1	Bellevue	Damage Assessment / Return to Pre-Storm Condition Estimate Reflecting Code Upgrades	5/30/2013	Interim Authorization	\$ -	10%	None
2	Bellevue	Benefit Cost Analysis in Support of 406 HMP	6/12/2013	Interim Authorization	\$ -	10%	None
3	Bellevue	Short-term Solutions / Mitigation MCA / 406 Hazard Mitigation Plan / 404 Grants	4/19/2013	DCN 641102	\$ -	40%	None
4	Coney Island	Damage Assessment / Return to Pre-Storm Condition Estimate Reflecting Code Upgrades	5/30/2013	Interim Authorization	\$ -	30%	None
5	Coney Island	Benefit Cost Analysis in Support of 406 HMP	6/12/2013	Interim Authorization	\$ -	10%	None
6	Coney Island	Short-term Solutions / Mitigation MCA / 406 Hazard Mitigation Plan / 404 Grants	5/8/2013	DCN 691400	\$ -	25%	None
7	Coler	Damage Assessment / Return to Pre-Storm Condition Estimate Reflecting Code Upgrades	5/30/2013	Interim Authorization	\$ -	0%	Activity to Start Week of July 1st
8	Coler	Benefit Cost Analysis in Support of 406 HMP	6/12/2013	Interim Authorization	\$ -	0%	None
9	Coler	Mitigation MCA / 406 Hazard Mitigation Plan / 404 Grants	6/12/2013	Interim Authorization	\$ -	0%	None
10	Metropolitan	Damage Assessment / Pre Storm Estimate / BCA / 406 hazard Mitigation Plan / 404 Grants			\$ -	0%	None
11	Draper Hall	Damage Assessment / Return to Pre-Storm Condition Estimate Reflecting Code Upgrades	5/31/2013	Interim Authorization	\$ -	30%	None
12	All	FEMA Additional Meeting Support			\$ -	0%	None

Item No.	Approved Task Order / Proposal Request	Executive Summary / Description of Work	Facility	Requested By	Date Requested	Date of Proposal	Fee Approved (To Date) %	Date Authorized	Associated HHC PW #	Approved Deliverable (To Date)	Proposed Deliverable Completion Date	Estimated (Actual) Invoice Date	Schedule of Deliverables
1	Belleve Hospital Task Order No. 1	Replacement of 1500KW Generator and Fuel Oil System Storage and Delivery Modifications (Refer to Attachment A for Scope of Work Document Provided by Bellevue Hospital)	Belleve	M. Rawlings	April 4, 2013	April 10, 2013	25%	April 18, 2013	111-5140-01	Condition/Damage Assessment Report	May 7, 2013	June 4, 2013	1. Condition/Damage Assessment Report (25%) 2. 50% Design Phase (35%) 3. 100% Design Phase (25%) 3. Construction Administration (15%)
2	Belleve Hospital Task Order No. 2	Expansion of Emergency Power Distribution System to serve additional critical loads within the Hospital (Refer to Attachment A for Scope of Work Document Provided by Bellevue Hospital)	Belleve	M. Rawlings	April 4, 2013	April 10, 2013	25%	April 18, 2013	111-5140-01	Condition/Damage Assessment Report	May 7, 2013	June 4, 2013	1. Condition/Damage Assessment Report (25%) 2. 50% Design Phase (35%) 3. 100% Design Phase (25%) 3. Construction Administration (15%)
3	Belleve Hospital Task Order No. 3	Vertical Transportation Mitigation Planning and Design (Refer to Attachment A for Scope of Work Document Provided by Bellevue Hospital)	Belleve	M. Rawlings	April 4, 2013	April 10, 2013	25%	April 18, 2013	111-5140-01	Condition/Damage Assessment Report	May 17, 2013	June 4, 2013	1. Condition/Damage Assessment Report (25%) 2. 50% Design Phase (35%) 3. 100% Design Phase (25%) 3. Construction Administration (15%)
4	Belleve Hospital Task Order No. 4	Main Hospital Building Domestic Water System Redundancy (Refer to Attachment A for Scope of Work Document Provided by Bellevue Hospital)	Belleve	M. Rawlings	April 4, 2013	April 10, 2013	25%	April 18, 2013	111-5140-01	Condition/Damage Assessment Report	May 7, 2013	June 4, 2013	1. Condition/Damage Assessment Report (25%) 2. 50% Design Phase (35%) 3. 100% Design Phase (25%) 3. Construction Administration (15%)
5	Belleve Hospital Task Order No. 5	Medical Gas System Mitigation Planning and Design (Refer to Attachment A for Scope of Work Document Provided by Bellevue Hospital)	Belleve	M. Rawlings	April 4, 2013	April 10, 2013	25%	April 18, 2013	111-5140-01	Condition/Damage Assessment Report	May 7, 2013	June 4, 2013	1. Condition/Damage Assessment Report (25%) 2. 50% Design Phase (35%) 3. 100% Design Phase (25%) 3. Construction Administration (15%)
6	Belleve Hospital Task Order No. 6	Backup Steam Source and Distribution Project (Refer to Attachment A for Scope of Work Document Provided by Bellevue Hospital)	Belleve	M. Rawlings	April 4, 2013	April 10, 2013	25%	April 18, 2013	111-5140-01	Condition/Damage Assessment Report	May 7, 2013	June 4, 2013	1. Condition/Damage Assessment Report (25%) 2. 50% Design Phase (35%) 3. 100% Design Phase (25%) 3. Construction Administration (15%)
7	Coler Hospital Task Order No. 1	Design for Permanent Emergency Generator Installation - Base Scope of Work (Refer to Attachment E for email request for meeting on subject matter.)	Coler	M. Buchholz	April 25, 2013	June 19, 2013	25%	Pending	411-5140-01	Condition/Damage Assessment Report	July 29, 2013	August 5, 2013	1. Condition/Damage Assessment Report (25%) 2. 50% Design Phase (35%) 3. 100% Design Phase (25%) 3. Construction Administration (15%)
8	Coler Hospital Task Order No. 2	Design for Basement and Crawl Space Lighting. (Refer to Attachment E for email request for meeting on subject matter.)	Coler	M. Buchholz	April 25, 2013	June 19, 2013	25%	Pending	411-5140-01	Condition/Damage Assessment Report	July 29, 2013	August 5, 2013	1. Condition/Damage Assessment Report (25%) 2. 50% Design Phase (35%) 3. 100% Design Phase (25%) 3. Construction Administration (15%)
9	Metropolitan Hospital Task Order No. 1	Provide A&E Damage Assessment Report, Associated Cost Estimates and Risk/FEMA Project Worksheets for damage to existing building within subject matter of Hurricane Sandy (Refer to Attachment G for Meeting Minutes requesting subject matter.) 06/10/2013 Update: Request from John Levy to revise proposal based on reduction of scope.	Metropolitan	J. Levy	May 13, 2013	June 10, 2013	100%	Pending	211-5140-01	Condition/Damage Assessment Report	July 17, 2013	July 24, 2013	1. DRAFT Assessment Report (90%) 2. Final Assessment Report (10%)
10	Jacobi Hospital Task Order No. 1	Provide Damage Assessment Report for Building #6 Soffit damaged as a result of Hurricane Sandy. (Refer to Attachment I for email requesting subject matter.)	Jacobi	J. Levy	May 20, 2013	June 19, 2013	100%	May 29, 2013	121-5140-01	Condition/Damage Assessment Report	May 30, 2013	June 4, 2013	1. DRAFT Assessment Report (95%) 2. Final Assessment Report (10%)
11	Coney Island Hospital Task Order No. 1	Provide MEP, Architectural and Structural Design for the relocation of existing computer center from 1st floor of existing building to existing building within subject matter. (Refer to Attachment L for email and meeting minutes requesting subject matter.)	Coney Island	D. Collins	May 29, 2013	June 19, 2013	30%	Pending	311-5140-01	Condition/Damage Assessment Report	July 26, 2013	August 2, 2013	1. Condition/Damage Assessment Report & Schematic Design (30%) 2. 30% Design Phase (40%) 3. 100% Design Phase (15%) 3. Construction Administration (15%)
12	Belleve Hospital Task Order No. 7	Provide short term temporary mitigation designs for temporary fuel oil delivery, domestic water and temporary emergency generator connection. (Refer to Attachment M for Minutes of Meeting requesting subject matter.)	Belleve	M. Rawlings	June 5, 2013	June 12, 2013			N/A				
13	Coler Hospital Task Order No. 3	Expansion of Emergency Power Distribution System to serve additional critical loads within the Hospital (Refer to Attachment I for email requesting subject matter.)	Coler	M. Buchholz	June 4, 2013	June 6, 2013			N/A				
14	FEMA Additional Meeting Support	Prepare documents, participate in negotiations, attend meetings as directed by client.	All HHC Facilities	J. Levy									
15	Stand to date	consulting per HHC request	All HHC Facilities										

LICENSE AGREEMENT

**NEW YORK CITY DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT**

CONEY ISLAND HOSPITAL

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated structure under which the Corporation will not have to make any payments to HPD.

WHEREAS, Coney Island Hospital ("CIH") had operated the Ida G. Israel Community Health Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn (the "Center") until such clinic was destroyed by Hurricane Sandy; and

WHEREAS, the Coney Island neighborhood's need for primary health services is not being adequately met without the Center; and

WHEREAS, CIH will require more than a year to complete the selection of a new site for the Center and to complete the necessary alterations and construction once a site is selected; and

WHEREAS, HPD controls a number of vacant lots in the area and is willing to license them to the Corporation at no charge for the Corporation's use to site a pre-fabricated modular structure from which to operate a temporary version of the Center; and

WHEREAS, the Corporation is able to quickly erect a pre-fabricated modular structure from which to operate a temporary version of the Center.

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be, and he hereby is, authorized to execute a license agreement with New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated, modular structure under which the Corporation will not have to make any payments to HPD.

EXECUTIVE SUMMARY

The President of the New York City Health and Hospitals Corporation (the "Corporation") seeks authorization to execute a terminable license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated structure. These are all vacant lots that are currently unused by HPD. Under the proposed license agreement, HPD will not charge the Corporation for its use and occupancy of the licensed property.

Hurricane Sandy destroyed the Ida G. Israel Community Health Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn (the "Center"). Since then, Coney Island Hospital ("CIH") has been working with the community, local elected officials and various agencies of the City of New York to find a suitable replacement site for the Center. Even once a location is found, it is likely that it will take from 6 to 18 months to complete all of the work at such location to enable the Center to begin its operations there. In the meantime, the Coney Island neighborhood's need for primary health services is not being adequately met. Thus, it is appropriate to quickly implement a temporary solution that can serve the community until a new home for the Center is found and renovated to meet the Center's needs.

CIH has identified a reputable manufacturer of modular, prefabricated structures. CIH, working with an architect, has developed plans for a structure of approximately 13,000 square feet that can be erected on the property to be licensed. Including the cost to establish utility connections, it is estimated that the structure can be erected for a cost of approximately \$5 Million and that the structure can be equipped at a further cost of approximately \$500,000. CIH anticipates that a substantial part of these costs will be reimbursed by the Federal Emergency Management Agency.

CIH will return to the Capital Committee of the Board for a separate authorization for the capital required for this project and will present a detailed budget for the expenses at that time.

CIH estimates that the structure can be erected, outfitted and ready for the treatment of patients on or about February 1, 2014.

When the structure is erected, outfitted and fully operational, CIH anticipates providing dental, pediatric, general primary medical care and chemical dependency services.

CONTRACT

SUREGICAL SOLUTIONS, LLC

BELLEVUE HOSPITAL CENTER
ELMHURST HOSPITAL CENTER
KINGS COUNTY HOSPITAL CENTER

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Surgical Solutions, LLC to provide laparoscopic/endoscopic video equipment and other instruments, repair services, disposable supplies and preoperative, postoperative support services to Bellevue, Elmhurst and Kings County hospital for a term of 2 years with two additional 2 year options solely exercisable by the Corporation in an amount not to exceed \$31,484,013 including an 8% contingency of \$2,332,149.

WHEREAS, Operating Procedure 100-5 authorizes the Supply Chain Council to standardize products, services and methods of providing products and services that will produce savings for the Corporation without sacrificing quality or safety; and

WHEREAS, the Supply Chain Council identified laparoscopic and endoscopic instruments, and the management of the preoperative and postoperative scope procedures as a source of potential savings if the methodology of delivering the products and services was standardized; and

WHEREAS, the Vendor has the proven clinical and technical resources to furnish the Corporation's physicians their preferred scope manufacturer and to provide expertise and technical support in pre-operative set-up, inter-operative equipment troubleshooting, post-procedure room turnover, equipment maintenance and repair, decontamination and disinfection of equipment; and

WHEREAS, the Corporation's Supply Chain Council has reviewed Surgical Solutions and concluded that the Vendor's scope management model will improve patient care and patient safety and provide a projected savings for the three hospitals of \$6,979,253 to the Corporation; and

WHEREAS, a Request for Expression of Interest was issued on April 1, 2013 seeking vendors that would have an interest in managing the Corporation's instrument and scope operations, and Surgical Solutions was the only vendor that responded; and

WHEREAS, the Executive Vice President/COO shall be responsible for the management and enforcement of the proposed contract.

NOW, THEREFORE, BE IT RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") negotiate and execute a contract with Surgical Solutions, LLC to provide laparoscopic/endoscopic video equipment and other instruments, repair services, disposable supplies and preoperative, postoperative support services to Bellevue, Elmhurst and Kings County hospital for a term of 2 years with two additional 2 year options solely exercisable by the Corporation in an amount not to exceed \$31,484,013 including an 8% contingency of \$2,332,149.

EXECUTIVE SUMMARY

The Supply Chain Council has identified a company that will improve patient care, patient safety and saves the Corporation money in its scope procedure operation. The Corporation has encountered in its endoscopic and laparoscopic procedure operations challenges such as a chronic shortage of scope equipment and instrumentation; low levels of standardization and accuracy; no defined or quantitative process for repairs versus replacements; consistently high levels of overtime; need for continuing education of staff; and a continuing need to engage in process review and improvement.

Elmhurst and Kings County presently have agreements with multiple manufacturers of endoscopes and laparoscopes equipment and instruments. The various agreements have proved to be a challenge to manage because of equipment cost, repair and storage. Bellevue Hospital presented to the Supply Chain Committee a program they currently have with Surgical Solutions for instrument and scope management. Consequently, the Supply Chain Committee authorized Surgical Solutions to conduct an evaluation of interested HHC acute care centers to ascertain the costs and benefits of an instrument and scope management program. The findings were presented to Supply Chain Committee on May 30, 2012 and the Supply Chain Council voted to approve the facility's evaluation and potential standardization to Surgical Solutions, LLC for instrument and scope management throughout the Corporation. The Bellevue Hospital Center program is being expanded to King County Hospital and Elmhurst Hospital to assure that the vendor can successfully replicate the program. A review of the program will be conducted by the Supply Chain Committee after a full year of implementation to determine whether the program should be expanded to the remaining eight acute care hospitals. HHC Facility's CFOs at Bellevue Hospital Center, Elmhurst Hospital and Kings County Hospital reviewed and approved the cost and savings projections. Consequently, a Request for Expression of Interest was issued on April 1, 2013 and Surgical Solutions was the only respondent.

The contract term is 2 years with two additional 2 year options solely exercisable by the Corporation for an amount not to exceed \$31,484,013 including an 8% contingency of \$2,332,149. The contract is based upon the number of procedures performed and the level of service and amount of capital requested. The projected savings is \$6,979,253.

Surgical Solutions

	Bellevue*	Elmhurst	Kings	Total
Total Volume of Rigid	15,832	9,726	9,400	34,958
Total Volume of Flexible	36,324	15,942	29,375	81,641
Total Procedures	52,156	25,668	38,775	116,599
Total number of months using contract	72	72	70.5	

Baseline Costs Without Contract

Capital	\$2,500,000	\$1,800,000	\$3,987,000	\$8,287,000
Repair	N/A	\$2,115,230	\$2,711,250	\$4,826,480
Disposables	N/A	\$4,497,983	\$6,989,000	\$11,486,983
Total Baseline Costs	\$14,030,654	\$8,413,213	\$13,687,250	\$36,131,117

Total Contract Costs

Total Cost for Rigid Procedures	\$5,766,119	\$3,623,030	\$4,355,200	\$13,744,349
Total Cost for Flexible Procedures	\$7,194,780	\$2,869,560	\$5,434,375	\$15,498,715
Total Contract Cost	\$12,960,899	\$6,492,590	\$9,698,375	\$29,151,864

Variance better/(worse) \$1,069,755 \$1,920,623 \$3,988,875 \$6,979,253

***Bellevue is transitioning from existing per procedure contract to a new per procedure contract. Surgical Solutions will provide \$2.5MM in new equipment.**

Surgical Solutions is reducing current per procedure cost for flexible by \$25.

**** Total principal and interest**

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Instrument and Scope Management
Project Title & Number: Instrument and Scope Management
Project Location: Bellevue, Elmhurst, King's County
Requesting Dept.: Central Office Operations

Successful Respondent: Surgical Solutions, LLC.

Contract Amount: \$31,484,013 including an 8% contingency of \$2,332,149

Contract Term: 2 Years with two additional 2 year options solely excisable by the Corporation.

Number of Respondents: One
(If Sole Source, explain in Background section)

Range of Proposals: \$ \$31,484,013

Minority Business Enterprise Invited: If no, please explain: Only One Respondent

Funding Source: General Care

Method of Payment: Other: explain, Invoiced, Net 90, based upon facility's purchase order.

EEO Analysis: Approved November 30, 2012

Compliance with HHC's McBride Principles? Yes

Vendex Clearance Approved November 21,2012

(Required for contracts in the amount of \$100,000 or more awarded pursuant to an RFP, NA or as a Sole Source, or \$100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET(continued)

Background (include description and history of problem; previous attempts, if any, to solve it; and how this contract will solve it):

HHC facilities presently have agreements with multiple manufacturers of endoscopes and laparoscopes equipment and instruments. The various agreements have proved to be a challenge to manage because of equipment cost, repair and shortages of equipment.

Elmhurst Hospital and Kings County Hospital has identified challenges to our Endoscopic and MIS Rigid Scope processes in the following areas:

- Chronic shortage of surgical equipment and instrumentation
- Low levels of disposable standardization and multiple vendors
- No defined or quantitative process for repairs vs. replacements
- Consistent levels of high staff overtime
- Need for continuing education of the CSPD staff
- Continuing need for a process review and improvement in CSPD

Surgical Solutions' offers:

- Vendor-Neutrality
- State-of-the-Art equipment based on surgeons' preferences
- 24-hour / 7-day case coverage
- In-House reprocessing
- Specialized Endoscopy services
- CRCST or CST certified technologists
- Use of supplies when needed supplied by vendor. No inventory needed by HHC for trocars, obturators, veres needles, clip appliers, and shears

CONTRACT FACT SHEET(continued)

Contract Review Committee

Was the proposed contract presented at the Contract Review Committee (CRC)? (include date):

Yes, June 5, 2013

Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since presentation to the CRC? If so, please indicate how the proposed contract differs since presentation to the CRC:

The scope of work and contract deliverables have not changed since presentation to the CRC. The budget has been decreased due to a reduction in the number of facilities included in the resolution.

CONTRACT FACT SHEET (continued)

Selection Process *(attach list of selection committee members, list of firms responding to RFP or NA, list of firms considered, describe here the process used to select the proposed contractor, the selection criteria, and the justification for the selection):*

A Request For Expression of Interest (RFEI, issued April 1st – April 12th). Surgical Solutions was the sole respondent to the RFEI for a qualified supplier for Laparoscopic / Endoscopic Video Equipment, Instruments, Rigid Scopes, Flexible Scopes, Disposable Supplies and management and repair. In addition, ECRI and The Advisory Board were not aware of any competing companies.

Scope of work and timetable:

Pre-Operative Set Up

- Technicians set up the room with the required scope(s) for the procedure. The scope is tested for proper functioning of video, suction and air/water output so that it is ready for the physician without any further preparation.

Intra-Operative Support

- Our technicians are available for video and scope troubleshooting throughout the procedure, including printer and photo support and picture-in-picture set up for procedures such as Endoscopic Ultrasound. The technicians will also perform scope switches as necessary for multiple scope procedures such as EGD/Colonoscopy.

Post-Procedure Room Turnover

- Technicians work with facility housekeeping staff to expedite the room turnover process. Cart cleaning, endoscope pre-cleaning, removal of the soiled instrument(s) and returning any equipment configurations to the correct setting for the next procedure is done at this time. The technician will transport the instrument(s) to the decontamination area for processing.

Equipment Maintenance and Repair Management

- Technicians troubleshoot malfunctioning scopes and equipment and work with the repair vendor to arrange loaner instrumentation, repairs and repair record keeping.

Decontamination and Disinfection of Equipment

- Technicians decontaminate and disinfect the instrumentation, conforming to all facility, manufacturer and regulatory guidelines. Technicians maintain control of the instrument from the pre-cleaning and leak testing process all the way through to the storing the disinfected endoscope in the designated cabinets. This applies to all endoscopy related equipment, including, but not limited to re-usable biopsy forceps, retrieval devices and snares, re-usable bite blocks and spray catheters. Our technicians also work with the facility Sterile Processing Department to arrange for turnover of items requiring sterilization such as air/water bottles.

Off-Site and Bedside Procedures

- Technicians will transport traveling endoscopy carts to ICU, OR, ER and other patient units as requested. The cart, scopes and all applicable equipment will arrive and be set up and tested in the same manner as it would be in the endoscopy suite itself. Post procedure our technicians will perform all bedside pre-cleaning of the instruments and transport the equipment back to its designated storage area.

Physician Preference

- Technicians work closely with the physicians, endoscopy techs and nurses to ensure that each physician has available to them their preferred model scope and other instrumentation/equipment for all standard and specialty procedures. This allows for a smoother transition when the physician working in a room completes their cases and the next physician arrives.

Repair

- Pull defective endoscopes and send out for repair. Repairs billed to Surgical Solutions, LLC.

Loaner

- Provide loaners as needed in a timely fashion.

Equipment

- New Scopes
- Video Towers and Monitors

The contract term is 2 Years with two additional 2 year options by mutual agreement to allow for a co-terminous expiration of participating facilities.

Hospital	Projected Start Date
Elmhurst	August 1, 2013
King's County	September 15, 2013
Bellevue	October 1, 2013

CONTRACT FACT SHEET (continued)

Provide a brief costs/benefits analysis of the services to be purchased.

Surgical Solutions	Bellevue *	Elmhurst	Kings	Total
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*Bellevue is transitioning from existing per procedure contract to a new per procedure contract. Surgical Solutions is reducing current per procedure cost for flexible by \$25.				
** Total principal and interest				

CONTRACT FACT SHEET (continued)

Contract monitoring (include which Senior Vice President is responsible):

Antonio Martin, SVP, COO

Equal Employment Opportunity Analysis (include outreach efforts to MBE/WBE's, selection process, comparison of vendor/contractor EEO profile to EEO criteria. Indicate areas of under-representation and plan/timetable to address problem areas):

Received By E.E.O. _____
Date

Analysis Completed By E.E.O. _____
Date

Name

Board of Directors Capital Committee:

*Surgical Solutions
Instrument and Scope Management Contract*

July 18, 2013

Contract Scope of Services

What Will Surgical Solutions Provide to Facilities:

Pre-Operative Set Up

- Surgical Solutions technicians set up the room with the doctor preference scope(s) for the procedure.

Post-Procedure Room Turnover

- Surgical Solutions technicians work with facility housekeeping staff to expedite the room turnover process.

Intra-Operative Support

- Surgical Solutions technicians are available for video and scope troubleshooting throughout the procedure and on call 24/7.

Decontamination and Disinfection of Equipment

- Surgical Solutions technicians decontaminate and disinfect the instrumentation, conforming to all facility, manufacturer and regulatory guidelines, and turnover trays/instrumentation to sterile processing department for terminal sterilization.

Equipment Maintenance and Repair Management

- Surgical Solutions technicians repair malfunctioning equipment to manufacturer's specifications and provide loaner instrumentation if required to assure all procedures are conducted on schedule.

Off-Site and Bedside Procedures

- Surgical Solutions technicians will transport endoscopy carts to ICU, OR, ER and other patient units as requested to conduct procedures.

Reason for Action

- **Costs**
 - Increasing cost of equipment
 - Increasing cost of disposables

- **Changing Technology**

- **Inability to manage repair cost, replacement cost, cleaning/sterilization cost and maintenance cost**

- **Administrative Challenges**
 - Managing multiple contacts
 - Continuous need to train staff for cleaning and handling of equipment
 - Delays and cancelations of procedures

Surgical Solutions Selection Process

- Bellevue Hospital engaged Surgical Solutions in 2008. Surgical Solutions has been able to provide improved patient care, improved patient safety and doctors are very satisfied with Surgical Solutions performance and ability to provide choice of scope.
- Bellevue Hospital has achieved \$3.5MM savings in 5 years.
- Bellevue Hospital presented to the Supply Chain Council (SCC) their experience with Surgical Solutions for instrument and scope management and recommended it for expansion to HHC acute care facilities.
- The SCC authorized a review of Surgical Solutions and whether the program could produce savings for other HHC Facilities.
- The findings of the review were presented to the SCC and two HHC facilities received approval to implement the Surgical Solutions model. Bellevue Hospital Center already has successfully implemented Surgical Solutions and would continue using Surgical Solutions.
- The two hospitals chosen were reviewed by the facilities' CFOs and approved the cost and savings projections presented by Surgical Solutions.
- Application to enter into a contract was presented to the Contract Review Committee (CRC) on February 27, 2013. The CRC required further review to confirm sole source status.
- A Request For Expression of Interest (RFEI) with an advertisement in a trade publication to confirm sole source status. Surgical Solutions was the sole entity to respond to the RFEI. ECRI and The Advisory Board were not aware of any competing companies

Business Model

Before

- ❖ Hospital staff manages pre-operative and post operative services.
- ❖ Recurring issues:
 - Delay in procedure start time
 - Cancellation of procedures
 - Equipment failure
- ❖ Hospitals' contracts separately increasing costs for:
 - Disposables
 - Equipment
 - Equipment Repair
- ❖ No technical support during procedure
- ❖ No off-site service to support patient units.

After

- ❖ Surgical Solutions manages pre-operative and post operative services.
- ❖ Hospitals pay a per procedure price for:
 - Rigid Procedures
 - Flexible Procedures
- ❖ Contract prices are firm for 72 months
 - New equipment is provided at the commencement of contract. Per procedure costs decrease in the 61st month once equipment is fully amortized.
- ❖ Contract prices are fixed and can only be increased if hospital requests new equipment.
- ❖ Surgical Solutions technicians troubleshoot equipment during procedure.
- ❖ Surgical Solutions technicians will transport carts to patient units as requested.

Savings

Total Savings of 6.9MM Over Six Years

1. Cost reduction for disposable supplies provided by Surgical Solutions, LLC including trocar/cannula systems, scissors, clip applicators, verres needles and hassons.
2. Cost reduction due to eliminating repair and maintenance costs for flexible scopes, rigid scopes and instruments.
3. Capital investment cost is deferred and paid on a per procedure cost.
4. Potential for increased revenue due to increased procedures.
5. Projected start dates:
 - Elmhurst Hospital – August 1, 2013
 - Kings County Hospital – September 15, 2013

Current State vs. Future State

Surgical Solutions

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Surgical Solutions is reducing current per procedure cost for flexible by \$25.

** Total principal and interest

Performance Bond Requirement

- ❖ HHC is recommending expanding existing successful Bellevue arrangement to Elmhurst Hospital and Kings County Hospital.
- ❖ The vendor's performance at all three hospitals will be monitored and reviewed by the Supply Chain Council to assure a seamless transition.
- ❖ A concern was raised regarding the vendor's capacity to expand the program to the remaining eight acute care facilities.
- ❖ Accordingly, Surgical Solutions will secure a \$2 million performance bond, for which they have received written confirmation from Liberty Mutual Surety.

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 Modernization \$251.7 million

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

**Approved DASNY
Funding to Date:** \$228.6 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 - February 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 – JULY 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 2nd, 3rd, 4th (clinic space), 5th (half clinical and half residential space), 6th (residential), 7th (residential) and 13th (residential) floors are complete and occupied. The 12th floor was renovated prior to the project and remains as administrative space. Floors 8 and 9 10, 11 and 1 are presently under renovation.

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 DASNY managed 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, excluding IT, Kitchen Renovation, Soil Decontamination, Medical Gas, and Auditorium Work, 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 2011:	\$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
4,399,596 – HHC Bond, Series 2010, proceeds
2,680,000 – City G.O. (Soil Decontamination)
600,000 – City G.O. (Kitchen Renovation)

500,000 – City G.O./City Council (Renovate Auditorium)

\$10,329,596 – Total other City G.O. and Non-City G.O. funding sources

\$248,968,596 – 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

June 26, 2013

(IN THOUSANDS OF DOLLARS)

COST CATEGORY	PROJECT CAPITAL BUDGET	DASNY MANAGED:		HHC MANAGED:		Overall Project Invoiced	TOTAL PROJECT FORECAST	VARIANCE (Surplus/Shortfall)
		INVOICED TO DATE	FORECAST	INVOICED TO DATE	FORECAST			
	(a)	(b)	(c)	(d)	(e)	(f) (b) + (d)	(g) (c) + (e)	(h) (a) - (g)
Major Modernization Project								
Construction	177,552	146,481	180,031	0	0	146,481	180,031	(2,479)
Design fees	15,963	13,963	16,084	0	0	13,963	16,084	(121)
Construction management fees	14,594	11,590	14,594	0	0	11,590	14,594	0
Planning & other fees	4,066	3,138	4,508	0	0	3,138	4,508	(442)
Moveable equipment, furniture & telecom (See Note 4)	12,500	5,318	12,500	0	0	5,318	12,500	0
DASNY fees	8,316	6,370	8,316	0	0	6,370	8,316	0
Construction Contingency (See Note 1)	8,750	0	5,708	0	0	0	5,708	3,042
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
Renovation Kitchen (12-2008-02) (See Note 3)	600	17	600	0	0	17	600	0
IT Work (12-2011-21) (See Note 2)	4,400	1,763	1,779	2,327	2,621	4,090	4,400	0
Soil Remediation (12-2008-70)	2,680	2,680	2,680	0	0	2,680	2,680	0
Medical Gas	100	100	100	0	0	100	100	0
Auditorium (See Note 4)	500	0	500	0	0	0	500	0
Total Modernization	251,704	191,420	247,400	4,010	4,304	195,430	251,704	-

Notes:

Total Gouverneur DASNY Project Budget approved by HHC Capital Committee is \$247,400,000.

- 1.) OMB has reduced Major Mod funding by \$18.5M, - Unfunded Contingency/FFE/Other.
- 2.) DASNY's Project Budget for IT Infrastructure is \$1.779K.
- 3.) DASNY's Project Budget for Kitchen Renovation is \$600K.
- 4.) A separate \$500K Auditorium Work is in process and is included within the \$13M FF&E projection.

PROJECT STATUS REPORTS

North Bronx Health Network

South Manhattan Health Network

Southern Brooklyn/Staten Island Health Network

Project Status Reports
 (As of June 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	4,116	88.59%	Jun-11	May-13	Jul-13	(2)	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.

Project Status Reports
 (As of June 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	1,869	85.00%	May-12	Sep-12	Jul-13	(10)	The project is approximately 70% complete with internal partitions being erected.

Project Status Reports
(As of June 2013)

Network: SOUTHERN BROOKLYN / STATEN ISLAND HEALTH NETWORK

Facility: CONEY ISLAND 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	9,713	97.13%	Dec-10	Dec-12	May-13	(5)	New ED expansion is substantially complete and operational. Project will be removed after this reporting cycle.
26201102	Boiler Plant Replacement	7,000	2,256	32.00%	Jun-12	Feb-13	Dec-13	(10)	Asbestos abatement of boiler house, demolition of boilers and cleaning of three #6 tanks are completed. Design completed to reinforce boiler house floor and to raise new boilers and associated equipment to meet FEMA's new flood level guidelines. Corporation's Board of Directors on 06/27/2013, approved additional funds to address program changes. Project is approximately 15% complete.
26201202	Convert 6-Bedded rooms to 4-Bedded rooms	211	4	0.02%	Aug-12	Dec-12	Sep-13	(9)	Project was on HOLD for six (6) months due to Hurricane SANDY. Demolition in progress.
26201203	New Non-Invasive Cardiology Unit	114	6	0.05%	Aug-12	Dec-12	Dec-13	(12)	Project was on HOLD for six (6) months due to Hurricane SANDY. Currently, facility is reallocating patient services in Main Building. Renovation for this unit is expected to begin in September, 2013.