

CAPITAL COMMITTEE

October 11, 2012

MEETING AGENDA

2:00 p.m.

125 Worth Street,
Room 532
5th Floor Board Room

CALL TO ORDER

Emily A. Youssouf

- ADOPTION OF MINUTES September 13, 2012 Emily A. Youssouf
- ASSISTANT VICE PRESIDENT'S REPORT Alfonso C. Pistone

ACTION ITEMS

- **Resolution** Peter Lynch
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a requirements contract with Nirman Construction, Inc. (the "Contractor") for a cumulative amount not-to-exceed \$5,000,000 to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation.

Vendex: Approved.
- **Resolution** Bert Robles
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Tenant") to execute a lease agreement with 160 Water Street Associates (the "Landlord"), for the Corporation's rental of space at 160 Water Street, Borough of Manhattan, to house Corporation staff.
- **Resolution** Dion Wilson
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease agreement with New Water Street Corporation (the "Landlord"), for the Corporation's rental of space at 55 Water Street, Borough of Manhattan, to house the Corporation's staff.
- **Resolution** Dion Wilson
Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensee") to execute one year revocable license agreements with the New York City Human Resources Administration (the "Licensor" or "HRA") for use and occupancy of space for primary care programs located at 1420 Bushwick Avenue, Borough of Brooklyn, 413 E. 120th Street, Borough of Manhattan and 114-02 Guy Brewer Boulevard, Borough of Queens administered by Woodhull Medical and Mental Health Center, Metropolitan Hospital Center and Queens Hospital Center (the "Facilities").

INFORMATION ITEMS

- Harlem Hospital Center – Major Modernization – Status Report
- Project Status Reports
 - North Bronx Health Network
 - South Manhattan Health Network
 - Southern Brooklyn/Staten Island Health Network
 - * Network contains project(s) that require a delay report

Denise Soares

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

CAPITAL COMMITTEE MEETING MINUTES

SEPTEMBER 13, 2012

MINUTES

Capital Committee

Meeting Date: September 13, 2012

Time: 4:00 P.M.

Location: Board Room

Board of Directors:

Members of the Capital Committee

Emily A. Youssouf, Chair
Josephine Bolus, RN
Michael A. Stocker, MD, Chairman of the Board
Alan D. Aviles, President

HHC Staff:

Jawwad Ahmad – Director, Office of Facilities Development
Michael Ball – Director, Office of Facilities Development
Victor Bekker – Chief Financial Officer, Generations+/Northern Manhattan Health Network
Jeremy Berman – Deputy Counsel, Legal Affairs
LaRay Brown – Senior Vice President, Corporate Planning
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
Lynda Curtis – Senior Vice President, South Manhattan Health Network
Manding Darboe – Assistant Director, Office of Facilities Development
Martin Everette – Director, Affirmative Action/Equal Opportunity Employment
Rebecca Fischer – Associate Executive Director, Bellevue Hospital Center
Anthony Gounaris – Senior Project Manager, Office of Facilities Development
Mendel Hagler – Executive Director, Gouverneur Healthcare Services
William Hicks – Deputy Executive Director, Lincoln Medical and Mental Health Center
Robert Hughes – Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility
Louis Iglhaut – Associate Executive Director, Lincoln Medical and Mental Health Center
Juan Izquierdo – Associate Executive Director, Queens Hospital Center
Iris Jimenez – Hernandez – Senior Vice President, Generations+/Northern Manhattan Health Network
Lisa Lee – Deputy Inspector General, Office of the Inspector General
Liny Liu – Senior Associate Director, 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
Angelo Mascia – Executive Director, Sea View Hospital Rehabilitation Center and Home
Nini Mar – Director, Finance
Antonio Martin – Executive Vice President

Dean Moskos – Director, Office of Facilities Development
Seth Narine – Coordinating Manager, Bellevue Hospital Center
Hannah Nelson – Associate Executive Director, Jacobi Medical Center
Dennis Novick – Consultant, Office of Facilities Development
Dean Pearce – Senior Director, Office of Facilities Development
Alfonso Pistone – Assistant Vice President, Office of Facilities Development
Chris Provenzano – Associate Executive Director, Generations+ Health Network
Robert Rossdale – Deputy Executive Director, Queens Hospital Center
Ksenija Vukov-Drazevic – Senior Associate Director, Queens Hospital Center
Meryl Weinberg – Executive Director, Metropolitan Hospital Center
Dion Wilson – Assistant Director, Office of Facilities Development
Julius Wool – Executive Director, Queens Hospital Center
Elizabeth Youngbar – Assistant Director, Office of Facilities Development
Frank Zanghi – Supervising Confidential Examiner, Internal Audits

Other Attendees:

Paul Anderson – Hunter Roberts Construction Group
Steve Curro – Regional Director, Dormitory Authority of the State of New York
Melissa Dubowski – Office of Management and Budget (OMB)
JD Ilonardo – United States Department of Justice
Umesh Jadhan – Atlas Restoration Corporation
Dmitri Konon – New York City Economic Development Corporation
Peter Lambrakis – Atlas Restoration Corporation
Rod Lucciono – The Gordian Group
Emil Martone – New York City Economic Development Corporation
T. Papadopoulos – Atlas Restoration Corporation
John Pasicznyk – Managing Director, Construction and Metro New York Operations, Dormitory Authority of the State of New York
Zachary Smith – New York City Economic Development Corporation
Joe Tornello – President, Meals on Wheels, Staten Island
Paul T. Williams – President and Chief Executive Officer (CEO), Dormitory Authority of the State of New York

CALL TO ORDER

The meeting was called to order by Emily A. Youssouf, Capital Committee Chairman, at 4:43 P.M.

On a motion by Ms. Youssouf, which was duly seconded, the Capital Committee adopted the minutes of July 12, 2012.

ASSISTANT VICE PRESIDENT'S REPORT

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, advised members of the Committee that the afternoon's agenda was extensive, including nine (9) action items, four (4) information items, and one (1) order of old business pertaining to a license agreement that was previously approved by the Capital Committee but not forward to the full Board due to delays in Vendex approval.

Mr. Pistone explained that there would be no delay reports provided as there had been no significant changes or other circumstances related to the progress of those projects previously reported.

That concluded his report.

ACTION ITEMS

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Landlord") to execute a sublease agreement with Meals On Wheels of Staten Island, Inc. (the "Tenant" or "Meals On Wheels"), for the development and operation of a facility housing kitchen, office, and storage functions on the campus of Sea View Hospital Rehabilitation Center and Home (the "Facility").**

Angelo Mascia, Executive Director, Sea View Hospital Rehabilitation Center and Home, read the resolution into the record on behalf of Arthur Wagner, Senior Vice President, Southern Brooklyn/Staten Island Health Network. Mr. Mascia was joined by Joe Tornello, President, Meals on Wheels, Staten Island.

Mr. Mascia explained that Meals on Wheels is a not-for-profit organization that provides meals to seniors. He advised that their present location does not have adequate kitchen space needed to provide necessary services and that the centralized location of the Sea View campus, in the Borough of Staten Island, would be an ideal location.

Mr. Mascia noted that the agreement would provide for an approximately 65,000 square foot parcel of land for construction of a new kitchen, some parking spaces and a small number of offices for Meals on Wheels, Staten Island. The lease amount would be \$95,000 per year with annual increases of three (3) percent.

Ms. Youssouf asked whether construction, maintenance etc., would be included, whether it would be a triple-net-lease. Mr. Mascia said yes, there would be no additional cost to HHC.

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" or "Licensor") to execute a revocable license agreement with the Federal Bureau of Investigation of the United States Department of Justice (the "Licensee") for its continued use and occupancy of space to house communications equipment at Coney Island Hospital (the "Facility"). Current agreement expires September 30, 2012.**

Daniel Collins, Director, Coney Island Hospital, read the resolution into the record on behalf of Arthur Wagner, Senior Vice President, South Brooklyn/Staten Island Health Network. Mr. Collins was joined by Dion Wilson, Assistant Director, Office of Facilities Development.

Mr. Collins advised that the license agreement would continue to allow the Department of Justice to house equipment in the mechanical room and on the rooftop of Coney Island Hospital. Ms. Youssof asked whether this was a renewal. Mr. Collins said yes.

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

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

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to name the Burn Intensive Care Unit on the second floor of Building 6 at Jacobi Medical Center (the "Facility") "The Stanley M. Levenson, M.D. Burn Intensive Care Unit".**

Hannah Nelson, Associate Executive Director, Jacobi Medical Center, read the resolution into the record on behalf of William Walsh, Senior Vice President, South Brooklyn/Staten Island Health Network.

Ms. Nelson noted that it was her pleasure to present the resolution for the renaming, as she had the honor of personally knowing Dr. Levenson. Ms. Nelson explained that while Dr. Levenson was known for seminal scientific discoveries that translated into practical applications and benefitted burn and surgical patients, it was his generous spirit that made him such a respected individual. She advised that Dr. Levenson, worked for the Corporation into his eighties and often times stayed in on campus residence to ensure availability for morning rounds, teaching and crisis management.

Ms. Nelson stated that while Dr. Levenson was wholly respected for his mind and his work he was an outstanding person. He was soft spoken and kind with noted medical accomplishments that supported pioneering work and new fields of healing, with a personality that allowed him to see only the best in others.

Ms. Nelson advised that she believed all requirements for a naming had been met in accordance with Operating Procedures, and that she, on behalf of the facility, respectfully requested approval.

Antonio Martin, Executive Vice President, advised that while he did not know Dr. Levenson personally he was aware of his impressive reputation.

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 a requirements contract with Rashel Construction Corporation (the "Contractor") for a cumulative amount not-to-exceed \$5,000,000 to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation.**
- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a requirements contract with Volmar Construction, Inc. (the "Contractor") for a cumulative amount not to exceed \$3,000,000 to provide construction services for Heating Ventilation and Air Conditioning (HVAC) work on an as-needed basis at various facilities throughout the Corporation.**
- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a requirements contract with Atlas Restoration Corporation (the "Contractor") in the amount of \$5,000,000 to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation.**

Peter Lynch, Senior Director, Office of Facilities Development, read all three requirements contract resolutions into the record.

Ms. Youssouf asked whether the proposed contractors had previously held contacts with the Health and Hospitals Corporation (HHC). Mr. Lynch advised that all three contractors had previous experience with HHC, and that all three contracts had recently been publicly bid, and these three firms were the low bidders.

Josephine Bolus, RN, noted that the first and third resolutions for Rashel Construction Corporation and Atlas Restoration Corporation were quite similar, both for general construction services, and asked for an explanation. Mr. Lynch explained that this allowed for more than one firm at a time to be available for work, noting that a facility could use whichever is available or whichever they may have a good working relationship with.

Ms. Youssouf asked if they were located in different boroughs. Mr. Pistone said yes.

There being no further questions or comments, the Committee Chair simultaneously offered the three (3) items for a Committee vote.

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

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable license agreement with T-Mobile Northeast, LLC, (the "Licensee"), for use and occupancy of space for the operation of a cellular communications**

system at Coler-Goldwater Specialty Hospital & Nursing Facility, Coler Campus (the "Facility").

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, read the resolution into the record on behalf of Lynda Curtis, Senior Vice President, South Manhattan Health Network, who was also present at the table.

Mr. Hughes advised that a resolution for a license agreement with the vendor had been presented and approved by the Board in February 2012, but that resolution had inaccurately listed the first year occupancy rate, as \$52,840 effective November 2013, when in fact the first year occupancy rate is to be \$50,801, effective October 1, 2012.

Ms. Youssouf asked if that was the only difference. Mr. Hughes said yes, all other details of the agreement are the same.

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

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

- **Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to modify the scope and budget for the Major Modernization project at Gouverneur Healthcare Services (the "Facility") to add an additional \$38.2 million, raising the total project budget to \$247.479 million.**

Mendel Hagler, Executive Director, Gouverneur Healthcare Services, read the resolution into the record on behalf of Lynda Curtis, Senior Vice President, South Manhattan Health Network, who was present at the table. Mr. Hagler and Ms. Curtis were joined by Paul T. Williams, President and Chief Executive Officer, John Pasicznyk, Managing Director, and Steve Curro, Regional Director, Dormitory Authority of the State of New York, Paul Anderson, Executive Vice President and General Manger, Hunter Roberts Construction Group, and Dean Moskos, Office of Facilities Development.

Ms. Youssouf advised that while the Modernization project had been discussed on numerous occasions, it was the hope of the Committee that the significant increase in project budget could be better explained and more details could be provided.

Mr. Williams expressed the Dormitory Authority of the State of New York's (DASNY's) commitment to the project and their long standing relationship with HHC. He advised that he, and his DASNY colleagues, were present to assist in explaining how program changes, errors and omissions, fee escalations, general conditions relating to the extension of the schedule, as well as the need for additional contingency were all factors in the escalated project budget.

Ms. Youssouf asked for more detail on why the project budget had escalated. Mr. Pasicznyk noted that various factors had resulted in the project budget increase. For instance, the inclusion of Furniture, Fixtures, and Equipment (FFE) to the project, added an extra \$25 million, and accounted for some bid overages. He added that a significant number of unexpected field conditions had been discovered and

those led to additional project delays, and he advised that the original contingency of \$14 million had been virtually exhausted.

Mrs. Bolus requested a less general explanation and asked for some specifics. Ms. Youssouf agreed and asked for a few examples of some of the bigger issues that impacted the project.

Mr. Pasicznyk explained that one significant issue was that in the original project scope it was intended that a number of internal systems would be reused but after the walls were opened up it was discovered that much of the existing piping needed to be replaced and could not be reused. Therefore, what was supposed to be a renovation project ended up being a major infrastructure project.

Ms. Youssouf asked how something like that happens. Mr. Curro advised that in an existing facility, that is occupied, it is difficult to tear into the walls and see exactly what type of infrastructure is there. Instead, a number of other documents are utilized, such as as-built drawings, to assess the situation without destructive testing. Assumptions are then made from that information, and an anticipated budget is drafted based on those assumptions.

Mr. Pistone said that he believes, in retrospect, that a better conditions assessment could have been done to determine the existing condition of the facility. He advised the committee that future construction projects would ensure that original conditions assessments are more thorough, which should result in more accurate project estimates with minimal surprises.

Ms. Youssouf noted that Mr. Pistone was working on making some changes on how construction projects will be presented up front, and asked that the Committee be kept abreast of those changes.

Mr. Williams agreed that the design review process could have been addressed differently and advised that DASNY would be reviewing the fees they received, how those fees relate to various troubled parts of the project, and advised that DASNY is prepared to sit down with HHC representatives to discuss possible adjustments they can make in support of the project.

Ms. Youssouf noted that was a very generous offer and said that she looks forward to seeing the outcome of those discussions. She then asked the representative from Hunter Roberts whether they would be doing anything similar. Mr. Anderson said yes. He said that Hunter Roberts greatly values its relationship with both HHC and DASNY, and would be holding a meeting in the coming week to discuss fees and possible adjustments.

Ms. Youssouf thanked Hunter Roberts and DASNY for their show of good faith.

Michael Stocker, MD, acknowledged that there was enough blame to go around but noted that moving forward these projects have to be managed better.

Mr. Martin thanked all parties for their cooperation and told the Committee that moving forward he would guarantee there would be a tighter process.

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 Capital budget for the Lincoln Medical and Mental Health Center Emergency Room Expansion and Annex by \$9 million, increasing the total project budget to \$37.3 million.**

Iris Jimenez-Hernandez, Senior Vice President, Generations+/Northern Manhattan Health Network read the resolution into the record. Mrs. Hernandez was joined by William Hicks, Deputy Executive Director, and Louis Iglhaut, Associate Executive Director, Lincoln Medical and Mental Health Center, and Dean Moskos, Director, Office of Facilities Development.

Mrs. Hernandez advised that when planning for the project initially began several years ago, it was envisioned as a two phase project, the first phase being the annex, and the second phase being the emergency room. Mrs. Hernandez noted that when the annex portion of the project was finished it was then repurposed to accommodate staff that had been reassigned to the Network. She explained that the purchase of equipment, furniture, computers, phones, etc., was originally intended to be paid for using Other Than Personnel Services (OTPS) funding, which is no longer allowed. She said that the facility is now asking for those dollars in Capital funds instead of OTPS.

Ms. Youssouf asked whether the original allocation was from another source and so this request was simply shifting funding, and if so, whether the capital budget is prepared to absorb this. Mrs. Hernandez and Mr. Martin said yes, respectively.

Dr. Stocker asked when completion is expected. Mrs. Hernandez said December 2013 but hopefully earlier if possible. The Committee members expressed their excitement in seeing the completed project.

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.

INFORMATION ITEMS

- **Goldwater North – Major Modernization – Status Report**

Lynda Curtis, Senior Vice President, South Manhattan Health Network, Robert Hughes, Executive Director, and Michael Buchholz, Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, and Dmitri Konon, Zachary Smith, and Emil Martone, New York City Economic Development Corporation were all present for the status report.

Mr. Hughes advised that the project was moving forward quite nicely and thanked LaRay Brown and Alfonso Pistone, and their respective staff members for all their leadership and assistance. He noted that the project is moving at an impressive but responsible rate as the completion date nears. He added that the project was on schedule and on budget and it is anticipated that any and all programmatic goals will also be met.

Mr. Martone presented a power point presentation featuring photographs showing progress on both the existing Long Term Acute Care Hospital (LTACH) and the construction of the Skilled Nursing Facility (SNF), as well as other project information. Mr. Martone advised that effective project coordination had assisted in the smooth progress of the project.

Mr. Martone explained that the frame is up for the SNF and within a couple of weeks the façade would be going up. He noted that while construction on both sites began in January of 2012, an impressive but responsible pace is being maintained.

Mrs. Bolus asked how many units would be in the site. Mr. Martone said there would be 164 beds.

Regarding the LTACH, Mr. Martone stated that exterior façade work is taking place, including the whole building being re-pointed, bricks being repaired, and replacement of the roof. Mechanical demolition is taking place, despite being only approximately 20 years old, many of the existing mechanical systems were found to be in disrepair and past their useful life. He explained that work is ongoing to replace a large majority of the systems and to rehabilitate others. Additionally, he advised that when some of the walls were opened up, mold conditions were found, from various causes, but that all visible mold had been abated and walls were being put back in place.

Mr. Martone reviewed budget figures advising that of the total \$284,492,000 project budget, approximately \$46 million had been spent to date, or roughly 16%, commensurate with the amount of work completed. He explained that the contingency of \$20 million was almost entirely intact, with approximately \$18 million remaining. Ms. Youssouf asked if that contingency was enough. Mr. Martone said yes, noting that about 14% of the project budget had been set aside for contingency on the trade portion of the project. He added that procurement was 87% complete, and should be 95% complete by November, with the remaining trades being all interior.

Mr. Martone continued his report by introducing the SNF portion of the project, which he advised should be weather proofed by December 1, 2012, so that workers would be unaffected by the winter season, which would permit moving on to interior fit out work.

Mr. Martone advised that the Institute of Family Health (IFH) which occupies space on the first floor of the building, is scheduled to move out by the first of the year, as anticipated.

He noted that the project was on schedule for a November 1, 2013 move in, and that although there may be some risks moving forward, the team is confident that they are prepared should any issues arise.

Mrs. Bolus asked when the deadline is for vacating the Goldwater site. Mr. Hughes said December 15, 2013.

Ms. Youssouf asked about security at the site. Mr. Martone advised of an arson incident where a crane outside of the SNF had been set ablaze and explained that as a result, security has been increased. He said that there are security cameras installed throughout the area, lighting and alarms have been placed around the perimeter, and two uniformed, off-duty, New York City Police officers on overnight duty, seven days a week.

Ms. Yossouf asked about lead time for moving patients. LaRay Brown, Senior Vice President, Corporate Planning, joined the discussion to address the issue. Ms. Brown noted that while completion is not expected until November 2013, "activation planning" is already being done with a subcontractor to put in place a floor-by-floor outline of how residents and patients will be moved from both the nursing and hospital areas. She noted that the plan needs to be submitted to the State for approval and advised that the team is comfortable with the organization assisting with the plan. Ms. Brown advised that they are involving all staff as well as EDC to assist and ensure proper coordination. She explained that a group is in place to coordinate decommissioning of the existing building, and that group would be enlisting an organization to assist with that process. She noted that the project involves not just movement of people, but of things, such as lab equipment, furniture, etc. Those things must be relocated or gotten rid of in order to leave behind a virtually empty building.

Ms. Youssouf thanked everyone for their hard work on the project and noted that although things got off to a rocky start she was pleased to hear that all is moving forward smoothly.

Mrs. Bolus asked if it was possible to get the Community Advisory Board (CAB) involved in the move. Ms. Brown explained that the CAB, as well as patient families, have been aware of timelines and they are being kept informed.

Mrs. Bolus asked about contention regarding the new construction. Ms. Brown asked whether Mrs. Bolus was thinking of the new construction that is to take place near Metropolitan Hospital Center. Mrs. Bolus agreed. Ms. Brown said she remembers the Committee's interest in that issue and advised that she would keep them up to date.

- **Queens Hospital Center – Relocation of "T" Building Occupants**

Robert Rossdale, Deputy Executive Director, Queens Hospital Center provided an overview of the project. Mr. Rossdale was joined by Julius Wool, Executive Director, Queens Hospital Center.

Mr. Rossdale explained that the "T" building was a 74 year old structure in disrepair that would require significant capital investment to keep running. He noted that approximately 30,000 square feet of roof repair would be needed, in addition to other work, and the cost to operate the building is estimated to be around \$2 million year. Completing work necessary to bring the building up to code would cost approximately \$50 million. He advised that vacating the structure and relocating its occupants in phases, to both on and offsite alternate locations would be approximately \$6.5 million. He advised that DASNY would assist in coming up with a more detailed estimate, including renovation costs. Ms. Youssouf asked what renovations he was referring to. Mr. Rossdale explained that some renovations would be required in existing spaces in order accommodate people and services vacating the "T" building.

Mr. Rossdale advised that approximately 25,000-30,000 square feet of space had already been identified as available for "T" building occupants. Mr. Martin explained that the Ambulatory Care Pavilion at Queens Hospital Center had been constructed as shell space and so it had some square footage available that could be built-out. Mr. Rossdale added that the Children's Psychiatric Emergency Program (CPEP) site also had some shell space available, and there is also a modular structure on campus that was originally designed as swing space but will now provide space for relocation.

Ms. Youssouf asked if there was any patient space in the "T" building. Mr. Rossdale said there are

no inpatient programs or services and noted that two of the three outpatient programs would be moved off-site. He advised that a rough plan had already been mapped out and estimated and that DASNY would then come in to confirm estimates and speed up and oversee various phases.

Ms. Youssouf inquired as to whether the off-site spaces that Mr. Rossdale mentioned were sites that HHC owns or rents. Mr. Rossdale advised that both spaces are in DOH building that are not leased, but that HHC occupies space in. He noted that this will allow for consolidation of services, and would provide additional space.

Ms. Youssouf requested that the facility have a detailed plan and be sure to look at every possible contingency in order to find and reflect the true cost of the project. She said she would hate to see a project budget increase on another construction project. Mr. Pistone agreed and noted that this new method of presenting construction projects for committee approval is a way of increasing accountability.

Mrs. Bolus asked what the facility plans to do with the "T" building. Mr. Rossdale advised that there have been discussions about Communilife utilizing the parcel of land to create supportive housing. He noted that a non-binding letter of intent had been provided to the organization to support the idea.

Mrs. Bolus asked if there would be a guarantee that 60% of the proposed supportive housing would be for HHC patients. Mr. Wool said yes.

Ms. Brown explained that for a number of years HHC had been working toward establishing partnerships with organizations that receive financing to develop housing having good reputations with the Department of Housing Preservation and Development (HPD), and the Housing Development Corporation (HDC). Communilife is such an organization. She advised that Communilife plans to submit a request for \$60 million in capital funding to construct housing on the site, and in order to assist with that request a letter of intent was issued to them in show of support for the proposed site they had identified. It was assured that a portion of that housing would be expressly used for HHC; first for HHC patients residing in Queens, and then for other HHC patients, whether it be for people being discharged from facilities, the disabled, veterans, families of veterans, etc. There is little subsidized housing in Queens and this should be seen by the surrounding community as being responsive to the Borough's needs.

Ms. Youssouf asked if there is a contingency plan should Communilife be denied. Ms. Brown said that is unlikely being that they are responding to a Request for Proposals (RFP) and the annex to that RFP identified providers that would get priority. Communilife was on that list. She added that there is also a timeline which assures that HHC would receive an answer by a certain time and noted that Communilife is aware that if they do get the project they will need to wait for vacating to take place, which will happen on HHC's schedule.

Ms. Youssouf expressed concern about the capital budget and warned against rushing through the process. Ms. Brown advised that HHC has been clear about the need for intensive review and their need to plan and pace accordingly.

- **Multi-Service Centers – Occupancy Fee Rate Adjustments**

Jeremy Berman, Deputy Counsel, Legal Affairs, advised that the Department of Citywide Administrative Services (DCAS) had recently requested an increase in occupancy fee for three sites occupied by HHC off-site clinics. Mr. Berman identified locations of the sites at Guy Brewer Boulevard in Queens, 120th Street in Upper Manhattan, and Bushwick Avenue in Brooklyn. He explained that while HHC seeks approval for a three or five year term with a static occupancy fee, DCAS issues year to year agreements and although there is generally no increase, this year they are asking for an additional \$3.00

per square foot. He explained that although HHC was only notified regarding one site it was not until the Office of Facilities Development inquired about the other two location that it was determined that increases were being requested at all three sites. It was then determined that this is an issue that must be addressed with the Committee and likely the full Board. Mr. Wilson confirmed that a facility had alerted him that a \$3.00 per square foot increase had been requested at one specific site and it wasn't until he followed up that he discovered that the same would be the case for two other sites.

Ms. Youssouf asked if this increase would be retroactive. Mr. Berman said he did not believe so.

Ms. Youssouf asked whether the new rate had already been imposed. Mr. Berman said no.

Mr. Martin asked what the increase would amount to cumulatively, for all three sites. Mr. Wilson said he would have to compile that information.

Mrs. Bolus asked what types of services are provided at the sites. Mr. Martin advised that the clinic at Guy Brewer Boulevard in South Queens provides geriatrics, obstetrics and gynecology, and pediatrics services, substantial operations. Mrs. Bolus asked if the sites were operated by different hospitals. Mr. Martin said yes, and reiterated that a cumulative increase amount would be needed.

Ms. Youssouf requested a total dollar amount for the cumulative increases, as well as proposed start and end dates for the increase periods. She noted that the Board authorized a lease at the current rate so they need to know what the variance would be. She asked for that information to be brought to the Board. Mr. Pistone said he would be sure that was done.

Mr. Martin asked if Meryl Weinberg, Executive Director, Metropolitan Hospital Center, was aware of the increase being that Metropolitan Hospital oversees the 120th Street location. Ms. Weinberg said she was familiar with the site, La Clinica del Barrio, which provides primary care services but she was unaware of the increase. She added that although she was unaware the Chief Financial Officer (CFO) may have known.

Mr. Berman advised that the information was received too late to bring the matter to the July Committee meeting.

Mrs. Bolus asked why the real estate tickler system had not warned of the upcoming expiration. Mr. Wilson stated that the tickler system tracked the Board authorization, which was for a three year term, and not the yearly agreements from DCAS. Ms. Youssouf agreed with Mrs. Bolus that the tickler system should have prompted the upcoming expiration.

Dr. Stocker asked how a contract for a certain number of years can be changed in the middle. Mr. Berman said that the actual contracts are yearly agreements but the Board is asked to approve multiple years based on the fact that rates rarely increase. We ask for multi-year approval because there has never been an increase.

Ms. Youssouf said she was concerned and felt this situation was a result of sloppiness. She again asked that at the Board meeting all appropriate info be provided so that the Board knows what they are approving.

Mr. Martin asked if these three sites are the only ones affected. Mr. Wilson said yes.

Ms. Youssouf asked if any other space we occupy would put us in a similar situation. Mr. Berman

said no, this is it. Ms. Youssouf said she wanted to be sure of that because she felt like there may be more surprises.

- **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

As advised in the Assistant Vice President's Report there was no significant progress to report on any project in delay.

OLD BUSINESS

- **License Agreement – Sprint Spectrum at Goldwater Campus**

Mr. Berman explained that this license agreement was approved by the Committee in November 2012, but was never moved forward for consideration by the full Board because vendex approval had not been issued. Now that vendex approval has been issued the resolution has been included in the current capital package so that it may move forward to the September 27, 2012, meeting of the Board of Directors.

Mrs. Bolus asked how the Greenpoint Clinic project was progressing. Mr. Pistone advised that the Department of Health (DOH) inspection scheduled for July did not take place, it will hopefully occur soon so that progress can begin on the third floor.

There being no further business, the meeting was adjourned at 5:57 P.M.

REQUIREMENTS CONTRACT
NIRMAN CONSTRUCTION, INC.
VARIOUS FACILITIES

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a requirements contract with Nirman Construction, Inc. (the "Contractor") for a cumulative amount not-to-exceed \$5,000,000 to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation.

WHEREAS, the facilities of the Corporation may require construction services for General Construction Work;
and

WHEREAS, the Corporation has determined that the needs of the Networks for these services can be best met by utilizing outside firms, on an as-needed basis through a requirements contract; and

WHEREAS, the Corporation's Operating Procedure No. 100-5 requires approval by the Board of Directors of competitively bid contracts having a bid price greater than \$3,000,000; and

WHEREAS, bids were publicly opened on May 2, 2012 and the Corporation has determined that the Contractor is the lowest responsible bidder for this contract; and

WHEREAS, the Contractor has met all, legal, business and technical requirements and is qualified to perform the services as required in the contract documents.

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 execute a contract with Nirman Construction, Inc. (the "Contractor") to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation. The contract shall be for a term of two (2) years, for a cumulative amount not to exceed \$5,000,000 for the services provided by this contractor.

**EXECUTIVE SUMMARY
REQUIREMENTS CONTRACT**

NIRMAN CONSTRUCTION, INC.

OVERVIEW: The Corporation seeks to execute a two (2)-year contract not to exceed \$5,000,000 for construction services to be performed on an as needed basis/on demand, at any of its facilities. This method of requirements contract establishes a pre-fixed pricing for materials comprised of thousands of items utilized within a typical renovation project. The successful lowest responsible bidder submits its proposal based upon acceptance of the pre-fixed materials pricing, and its unique submission of a labor multiplier to install the pre-fixed materials. This labor multiplier is referred to as a "factor". Thus, if a material to be installed is \$10.00, and the contractor's factor to install that material is 1.0, the cost for that material and labor is \$10.00, inclusive of overhead and profit. Under this format, the contractor is pre-qualified to perform work on an as needed/on demand basis for projects of varying size and for any trade required to complete the project.

This format has been used in previous HHC requirements contracts, and continues to be used by the New York City School Construction Authority ("SCA"), the New York State Dormitory Authority ("DASNY"), the New York City Department of Design and Construction, ("DDC"), the New York City Department of Environmental Protection ("DEP"), the United States Postal Service ("UPS"), and others. The program was developed by the Department of Defense and has been in existence for more than twenty years.

NEED: Facilities sometimes require construction services that fluctuate in frequency, vary in size and urgency, which cannot be timely and cost effectively be completed through a dedicated design, bid and award process.

TERMS: The construction services will be provided via a work order system within a two year period not to exceed \$5,000,000.

FINANCING: Requirements contracts provide a pre-qualified approved mechanism for Networks to access construction services. Networks establish funding source such as capital funds from bond proceeds, expense (OTPS), or other funding sources such as grants.

SCHEDULE: Upon contract execution, this contract shall be in effect for a two (2) year period or until the funds have been exhausted, whichever comes first.

**CONTRACT FACT SHEET
REQUIREMENTS CONTRACT**

**NIRMAN CONSTRUCTION, INC.
CONSTRUCTION SERVICES FOR GENERAL CONSTRUCTION WORK**

CONTRACT SCOPE: Construction Services for General Construction Work

CONTRACT DURATION: 2 Years

ADVERTISING PERIOD: March 29, 2012 to April 24, 2012

BID DOCUMENTS ISSUED: Thirty-Two (32) Prime Contractors

BIDS RECEIVED: Fourteen (14) Bids Received

**LOWEST THREE (3)
CONTRACTOR
MULTIPLIERS:**

Nirman Construction, Inc.	0.6915
Gridspan Corporation	0.7075
Atlas Restoration Corporation	0.7150

**LOWEST RESPONSIVE/
RESPONSIBLE BIDDER:** Nirman Construction, Inc.
34-30 75th Street
Jackson Heights, NY 11372

**CONTRACTOR'S SIMILAR
EXPERIENCE:**

NYCHHC - Bellevue Hospital Center
Neo-Natal Intensive Care Unit
General Construction Work
Completed: 2010
Amount: \$ 1,444,400

NYCHHC - Harlem Hospital Center
Hospital Police relocation
General Construction
Completed: 2010
Amount: \$594,400

NYCHHC – Woodhull Medical & Mental Health Ctr.
Women's Option Center
General Construction Work
Completed: 2011
Amount: \$594,000

CONTRACT AMOUNT: \$5,000,000

VENDEX/EEO APPROVAL: Approved

Office of Legal Affairs

MEMORANDUM

To: Clifton S. McLaughlin
Office of Facilities Development

From: Karen Rosen 
Assistant Director

Date: September 7, 2012

Subject: VENDEX Approval

For your information, on September 7, 2012 approval was granted by the Office of Legal Affairs for the following company:

Nirman Construction , Inc.

cc: Norman M. Dion, Esq.

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO

manasses.williams@nychhc.org

TO: Clifton S. Mc Laughlin
Sr. Management Consultant
Office of Facilities Development

FROM: Manasses Williams 

DATE: August 16, 2012

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Nirman Construction, Inc., has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.

This company is a:

Minority Business Enterprise [] Woman Business Enterprise [] Non-M/WBE

Project Location (s): HHC – Corporate Wide

Project Number: 11-IQGC-3

Provide: Indefinite Quantity Construction Services

Submitted by: Office of Facilities Development

EEO STATUS:

1. Approved
2. Approved with follow-up review and monitoring
3. Not Approved
4. Subject to EEO Committee Review

COMMENTS:

MCW:moe

c:

LEASE AGREEMENT

160 WATER STREET ASSOCIATES

CENTRAL OFFICE

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease agreement with 160 Water Street Associates (the "Landlord"), for the Corporation's rental of space at 160 Water Street, Borough of Manhattan, to house Corporation staff.

WHEREAS, as part of a broader initiative to reduce the amount of office space owned by the City of New York (the "City") by 1.2 million square feet by 2014, the New York City Department of Citywide Administrative Services ("DCAS") and the New York City Economic Development Corporation ("EDC") have issued a Request-for-Proposals ("RFP") for the sale of 346 Broadway and two other properties located in lower Manhattan; and

WHEREAS, the RFP calls for the space occupied by the Corporation at 346 Broadway in Manhattan to be vacated by early 2014 and to accommodate the City's disposition plans, the Corporation is seeking space to house its staff now occupying 346 Broadway;

WHEREAS, the Corporation's Enterprise Information Technology Services unit ("EITS") is involved in several Corporate-wide initiatives, including the Electronic Medical Records project, which require an increase in the size of its staff currently housed at several locations; and

WHEREAS, it is imperative that space for EITS staff be available immediately; and

WHEREAS, the increase in the EITS unit and the need to relocate staff from 346 Broadway combine to create a need for the Corporation to rent privately owned office space; and

WHEREAS, pursuant to a separate resolution the Corporation will rent approximately 131,000 square feet of office space above ground and approximately 76,000 square feet of office space below grade at 55 Water Street in lower Manhattan but such space will not be ready for occupancy until early 2014 ; and

WHEREAS, the Corporation now occupies approximately 291,000 square feet of space at 160 Water Street, and acquiring one (1) additional floor in the building will provide space to satisfy the immediate space needs of EITS.

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 execute a lease with 160 Water Street Associates (the "Landlord"), for the Corporation's rental of space at 160 Water Street, Borough of Manhattan, to house the Corporation's staff.

The Corporation shall have use and occupancy of a total of approximately 20,600 square feet of space located on the 13th floor at 160 Water Street (the "Demised Premises"). The term of the lease agreement shall be three (3) years commencing November 1, 2012 and ending December 31, 2018. The base rent for the initial term shall be \$26.50 per square foot, or approximately \$545,900 per year. The rent

Page 2 – Resolution
160 Water Street Associates

shall commence November 1, 2012. The lease shall contain one three year option to renew and one five year option to renew exclusive to the Tenant.

The space the Corporation will lease at 55 Water Street will house staff now located at 346 Broadway and EITS staff located in several locations and new EITS staff. However, the 55 Water St. space will not be ready for occupancy until early in 2014. The space at 160 Water Street will satisfy EITS' immediate need for space to house up to 120 new employees. The Corporation has no space suitable to meet this requirement and was unable, after diligent search, to find space to rent for a shorter period than is proposed at 160 Water Street. The 20,600 square feet on the 13th floor requires minimal renovation and can be ready for EITS use by early December 2012. It is anticipated that the Corporation will make other good use of the 13th Floor space at 160 Water Street as swing space as it vacates various other locations to ultimately fully occupy 55 Water Street

The Landlord shall supply to the Demised Premises hot and cold water, heating, ventilation and air conditioning. The Landlord shall be responsible for building maintenance and structural repairs, including the roof, utility supply lines, and common areas including curbs and sidewalks.

The electricity provided to the Demised Premises shall be submetered. The Tenant shall be entitled to benefit from a discounted electrical rate made available through the New York State Power Authority ("NYPA"). The Landlord, at its own expense, shall provide electrical connections required for connection to NYPA power.

The Corporation shall pay its proportionate share of real estate tax increases above the average for fiscal years 2012/2013 – 2013/2014. The Corporation shall also pay its proportionate share of operating expense increases above the 2013 base year.

The Landlord shall perform Tenant Finish Work in a good workmanlike manner in accordance with plans and specifications provided by the Corporation. The estimated cost of the Tenant Finish Work, to be paid by the Corporation, shall not exceed \$1.2 million including a 10% contingency for additional work authorized by the Corporation. Payment for the work shall be due upon substantial completion and acceptance by the Corporation.

EXECUTIVE SUMMARY

LEASE AGREEMENT 160 WATER STREET ASSOCIATES

OVERVIEW: The President seeks authorization from the Board of Directors to execute a lease agreement with 160 Water Street Associates (the "Landlord"), for the Corporation's rental of space at 160 Water Street, Borough of Manhattan, to house the Corporation's Enterprise Information Technology Services unit ("EITS") staff.

**NEED/
PROGRAM:** As part of a broader initiative to reduce the amount of office space owned by the City of New York (the "City") by 1.2 million square feet by 2014, the New York City Department of Citywide Administrative Services ("DCAS") and the New York City Economic Development Corporation ("EDC") have issued a Request-for-Proposals ("RFP") for the sale of 346 Broadway in Manhattan and two other properties located in lower Manhattan. The RFP calls for the space occupied by the Corporation in 346 Broadway to be vacated by early 2014. To accommodate the City's disposition plans, the Corporation is seeking space to house its staff now occupying 346 Broadway. EITS is involved in several corporate-wide initiatives, including the Electronic Medical Records project which requires an increase in the size of its existing staff currently housed at several locations. The Corporation now occupies approximately 291,000 square feet of space at 160 Water Street, acquiring one (1) additional floor in the building will provide space to satisfy the immediate space needs of EITS' new employees.

By the middle of 2014 all of the EITS staff will be located in space the Corporation will rent at 55 Water Street in lower Manhattan. The 13th Floor at 160 Water Street will serve as swing space until the 55 Water Street space is ready and will accommodate the new EITS employees who must start work immediately to achieve the Corporation's objectives for the implementation of its new Electronic Medical Records initiatives. The Corporation is presently evaluating its immediate and long-term needs and may utilize the 13th floor to meet those needs after EITS relocates to 55 Water Street.

TERMS: The Corporation will have the use and occupancy of a total of approximately 20,600 square feet of space located on the 13th floor at 160 Water Street (the "Demised Premises"). The term of the lease agreement will be three (3) years commencing November 1, 2012 and ending December 31, 2018. The base rent for the initial term will be \$26.50 per square foot, or approximately \$545,900 per year. The rent will commence November 1, 2012. The lease will contain one three year option to renew and one five year option to renew exclusive to the Tenant.

The Landlord will supply to the Demised Premises hot and cold water, heating, ventilation and air conditioning. The Landlord will be responsible for building

maintenance and structural repairs, including the roof, utility supply lines, and common areas including curbs and sidewalks.

The electricity provided to the Demised Premises will be submetered. The Corporation will be entitled to benefit from a discounted electrical rate made available through the New York State Power Authority ("NYPA"). The Landlord, at its own expense, will provide electrical connections required for NYPA power. The Corporation shall pay its proportionate share of real estate tax increases above the average for fiscal years 2012/2013 – 2013/2014. The Corporation shall also pay its proportionate share of operating expense increases above the 2013 base year.

The Landlord shall perform Tenant Finish Work in accordance with plans and specifications provided by the Corporation. The estimated cost of the Tenant Finish Work, to be paid by the Corporation, shall not exceed \$1.2 million including a 10% contingency for additional work authorized by the Corporation. Payment for the work shall be due upon substantial completion and acceptance by the Corporation.

SUMMARY OF ECONOMIC TERMS

SITE:	160 Water Street Borough of Manhattan
SIZE:	20,600 square feet
LANDLORD:	160 Water Street Associates
TERM:	Three (3) years
RENT:	\$26.50 per square foot for the initial term, \$26.50 per square foot for the three year renewal option term, \$29.00 per square foot for the five year option term
RENEWAL OPTION:	One (1) three year option, one (1) five year option
MAINTENANCE:	The Landlord is responsible for building maintenance and structural repairs.
UTILITIES:	The Landlord will supply hot and cold water, heating, ventilation and air conditioning. Electricity will be sub-metered and the tenant will be entitled to NYPA rates.
REAL ESTATE TAXES:	The Corporation will pay its proportionate share of real estate tax increases above the average for fiscal years 2012/2013 – 2013/2014.
OPERATING EXPENSES:	The Corporation will pay its proportionate share of operating expense increases above the 2013 base year.

LEASE AGREEMENT

NEW WATER STREET CORPORATION

CENTRAL OFFICE

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease agreement with New Water Street Corporation (the "Landlord"), for the Corporation's rental of space at 55 Water Street, Borough of Manhattan, to house the Corporation's staff.

WHEREAS, as part of a broader initiative to reduce the amount of office space owned by the City of New York (the "City") by 1.2 million square feet by 2014, the New York City Department of Citywide Administrative Services ("DCAS") and the New York City Economic Development Corporation ("EDC") have issued a Request-for-Proposals ("RFP") for the sale of 346 Broadway and two other properties located in lower Manhattan; and

WHEREAS, the RFP calls for the space occupied by the Corporation to be vacated by early 2014 and to accommodate the City's disposition plans, the Corporation initiated a search for space to house its staff now occupying 346 Broadway and, after evaluating several alternative options for housing corporate staff, determined that 55 Water Street offered the best solution for meeting its space requirements; and

WHEREAS, in addition to the staff located at 346 Broadway, the Corporation's Enterprise Information Technology Services unit ("EITS") shall relocate staff from several locations to 55 Water Street.

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 execute a lease agreement with New Water Street Corporation (the "Landlord"), for the Corporation's rental of space at 55 Water Street, Borough of Manhattan, to house Corporation staff.

The Corporation shall have use and occupancy of a total of approximately 207,507 square feet of space located on the 25th, 26th, Concourse and Sublevel 1 floors at 55 Water Street (the "Demised Premises"). The term of the lease agreement shall be twenty (20) years commencing upon substantial completion of certain Landlord work estimated to occur approximately December 1, 2013. Lease expiration would be approximately December 31, 2033. The rent shall commence December 1, 2013. The base rent for lease years 1-5 shall be approximately \$5,833,190 per year, for years 6-10 approximately \$6,510,462, approximately \$7,187,734 for lease years 11-15, and approximately 7,865,006 for lease years 16-20. The base rent per square foot shall be as shown in the table below.

	Years 1-5	Years 6-10	Years 11-15	Years 16-20
Floors 25, 26	\$34.00	\$38.00	\$42.00	\$46.00
Concourse, Sublevel 1	\$18.00	\$20.00	\$22.00	\$24.00

The Landlord shall supply to the Demised Premises hot and cold water, heating, ventilation and air conditioning. The Landlord shall be responsible for building maintenance and structural repairs, including the roof, utility supply lines, and common areas including curbs and sidewalks.

Page Two – Resolution
55 Water Street Corporation

The electricity provided to the Demised Premises shall be sub-metered. The Tenant shall be entitled to benefit from a discounted electrical rate made available through the New York State Power Authority (“NYPA”). The Landlord, at its own expense, shall provide electrical connections required for access to NYPA power.

The Corporation shall pay its proportionate share of real estate tax increases above the average for fiscal years 2013/2014 – 2015/2015. The Corporation shall also pay its proportionate share of operating expense increases above the 2014 base year.

The Landlord shall perform Tenant Finish Work in accordance with plans and specifications provided by the Corporation. The estimated cost of the Tenant Finish Work, to be paid by the Corporation, shall not exceed approximately \$18.4M.

The leased floors are structured as condominium units with separate block and lot numbers. The Corporation's enabling act provides for an exemption from payment of real estate when it controls an entire property. Because of the unusual ownership structure of 55 Water Street, the Corporation has an unusual opportunity to assert an argument for exempting those parts of 55 Water Street where it occupies entire floors, i.e. the 25th and 26th floors but not the space on the Concourse or Sublevel 1 floors. It is not clear if the Corporation will prevail with the New York City Department of Finance in advancing this argument. If it is successful, the real estate taxes saved would be approximately \$6.00 per square foot and the Landlord has agreed that such savings would be passed through to the Corporation in reduced rent on the 25th and 26th floors thereby bringing the initial rent down from \$34.00 per square foot to \$28.00 per square foot.

EXECUTIVE SUMMARY

LEASE AGREEMENT NEW WATER STREET CORPORATION

OVERVIEW: The President seeks authorization from the Board of Directors to execute a lease agreement with New Water Street Corporation (the "Landlord"), for the Corporation's rental of space at 55 Water Street, Borough of Manhattan, to house Corporation staff.

**NEED/
PROGRAM:** As part of a broader initiative to reduce the amount of office space owned by the City of New York (the "City") by 1.2 million square feet by 2014, the New York City Department of Citywide Administrative Services ("DCAS") and the New York City Economic Development Corporation ("EDC") have issued a Request-for-Proposals ("RFP") for the sale of 346 Broadway and two other properties located in lower Manhattan. The RFP calls for the space occupied by the Corporation in 346 Broadway to be vacated by early 2014. To accommodate the City's disposition plans, the Corporation initiated a search for space to house its staff now occupying 346 Broadway. In addition to the staff located at 346 Broadway, the Corporation's Enterprise Information Technology Services ("EITS") will relocate staff from several locations to 55 Water Street. After evaluating several alternative options for housing corporate staff, the Corporation determined that 55 Water Street offered the best solution for meeting the Corporation's space requirements.

The Corporation now occupies approximately 133,480 square feet of space on eight (8) floors at 346 Broadway. It is anticipated that the three hundred and twenty-five (325) employees located in the building shall be relocated to 55 Water Street. EITS staff presently occupies a total of approximately 66,000 square feet of space at 160 Water Street, 33 Whitehall Street, and Jacobi Medical Center. Over the next five years, the EITS will be tasked with major Corporate initiatives including: the acquisition, development and implementation of a new Electronic Medical Record system; building and deploying a business intelligence strategy and system for better reporting and decision support; planning and implementing a new payroll and time keeping system; planning and implementing a new financial accounting system; and continuing with the consolidation of IT services throughout the Corporation. The execution of these initiatives and others requires an increase in permanent staff, supplemented by a significant number of temporary staff, including consultants, to augment the Corporation's internal resources. At the peak, EITS will need space to seat approximately an additional 150-200 staff to work on three projects. It is anticipated that four hundred and forty-seven (447) EITS employees will be relocated to 55 Water Street.

Page Two – Executive Summary
New Water Street Corporation

TERMS: The Corporation will have use and occupancy of a total of approximately 207,507 square feet of space located on the 25th, 26th, Concourse and Sublevel 1 floors at 55 Water Street. The term of the lease agreement will be twenty (20) years commencing approximately December 1, 2013 and ending approximately December 31, 2033. The rent will commence December 1, 2013. The base rent for lease years 1-5 will be approximately \$5,833,190 per year, for years 6-10 approximately \$6,510,462, approximately \$7,187,734 for lease years 11-15, and approximately 7,865,006 for lease years 16-20.

The Landlord will perform Tenant Finish Work in accordance with plans and specifications provided by the Corporation. The estimated cost of the Tenant Finish Work, to be paid by the Corporation, will not exceed approximately \$18.4M. The lease will not commence until this Tenant Finish Work is completed.

The Landlord will supply to the Demised Premises hot and cold water, heating, ventilation and air conditioning. The Landlord will be responsible for building maintenance and structural repairs, including the roof, utility supply lines, and common areas including curbs and sidewalks.

The electricity provided to the Demised Premises will be sub-metered. The Tenant will be entitled to benefit from a discounted electrical rate made available through the New York State Power Authority ("NYPA"). The Landlord, at its own expense, will provide electrical connections required for access to NYPA power.

The Corporation will pay its proportionate share of real estate tax increases above the average for fiscal years 2013/2014 – 2015/2015. The Corporation will also pay its proportionate share of operating expense increases above the 2014 base year.

The leased floors are structured as condominium units with separate block and lot numbers. The Corporation's enabling act provides for an exemption from payment of real estate when it controls an entire property. Because of the unusual ownership structure of 55 Water Street, the Corporation has an unusual opportunity to assert an argument for exempting those parts of 55 Water Street where it occupies entire floors, i.e. the 25th and 26th floors but not the space on the Concourse or Sublevel 1 floors. It is not clear if the Corporation will prevail with the New York City Department of Finance in advancing this argument. If it is successful, the real estate taxes saved would be approximately \$6.00 per square foot and the Landlord has agreed that such savings would be passed through to the Corporation in reduced rent on the 25th and 26th floors thereby bringing the initial rent down from \$34.00 per square foot to \$28.00 per square foot.

SUMMARY OF ECONOMIC TERMS

SITE:	55 Water Street Borough of Manhattan
SIZE:	Approximately 207,507 square feet
LANDLORD:	New Water Street Corporation
TERM:	20 years
RENT:	Floors 25, 26: \$34 per square foot, \$38 per square foot, \$42 per square foot, and \$46 per square foot Concourse, Sublevel 1: \$18 per square foot, \$20 per square foot, \$22 per square foot and \$24 per square foot
MAINTENANCE:	The landlord is responsible for building maintenance and structural repairs.
UTILITIES:	The landlord will supply hot and cold water, heating, ventilation and air conditioning. Electricity will be sub-metered and the Corporation will be entitled to NYPA rates.
REAL ESTATE TAXES:	The Corporation will pay its proportionate share of real estate tax increases above the average for fiscal years 2013/2014 – 2014/2015. The leased floors are structured as condominium units with separate block and lot numbers. The Corporation's enabling act provides for an exemption from payment of real estate when it controls an entire property. If the Corporation is successful in exempting the 25 th and 26 th floors from real estate tax, the initial rent for such floors will be reduced from \$34.00 per square foot to \$28.00 per square foot. Further, the Corporation will escape exposure to any tax escalation for those floors.
OPERATING EXPENSES:	The Corporation shall pay its proportionate share of operating expense increases above the 2014 base year.

Year	1					2					3					4					5					6					7					8					9					10					11					12					13					14					15					16					17					18					19					20														
Floor	RSF					Total yrs 1-5					Total yrs 6-10					Total yrs 11-15					Total yrs 16-20					Total yrs 1-20																																																																																				
25	64,971	2,209,014	2,209,014	2,209,014	2,209,014	2,209,014	11,045,070	2,468,898	2,468,898	2,468,898	2,468,898	2,468,898	12,344,490	2,728,782	2,728,782	2,728,782	2,728,782	2,728,782	13,643,910	2,988,666	2,988,666	2,988,666	2,988,666	2,988,666	14,943,330	51,976,800																																																																																				
26	66,158	2,249,372	2,249,372	2,249,372	2,249,372	2,249,372	11,246,860	2,514,004	2,514,004	2,514,004	2,514,004	2,514,004	12,570,020	2,778,636	2,778,636	2,778,636	2,778,636	2,778,636	13,893,180	3,043,268	3,043,268	3,043,268	3,043,268	3,043,268	15,216,340	52,926,400																																																																																				
Concourse	27,164	488,952	488,952	488,952	488,952	488,952	2,444,760	543,280	543,280	543,280	543,280	543,280	2,716,400	597,608	597,608	597,608	597,608	597,608	2,988,040	651,936	651,936	651,936	651,936	651,936	3,259,680	11,408,880																																																																																				
Sub 1	49,214	885,852	885,852	885,852	885,852	885,852	4,429,260	984,280	984,280	984,280	984,280	984,280	4,921,400	1,082,708	1,082,708	1,082,708	1,082,708	1,082,708	5,413,540	1,181,136	1,181,136	1,181,136	1,181,136	1,181,136	5,905,680	20,669,880																																																																																				
Total	207,507	5,833,190	5,833,190	5,833,190	5,833,190	5,833,190	29,165,950	6,510,462	6,510,462	6,510,462	6,510,462	6,510,462	32,552,310	7,187,734	7,187,734	7,187,734	7,187,734	7,187,734	35,938,670	7,865,006	7,865,006	7,865,006	7,865,006	7,865,006	39,325,030	136,981,960																																																																																				

Rent floors 25, 26: \$34-\$39-\$42-\$46
Rent Concourse, Sub 1: \$18-\$20-\$22-\$24

LICENSE AGREEMENT

**HUMAN RESOURCES ADMINISTRATION
MULTI-SERVICE CENTERS**

VARIOUS FACILITIES

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensee") to execute one year revocable license agreements with the New York City Human Resources Administration (the "Licensor" or "HRA") for use and occupancy of space for primary care programs located at 1420 Bushwick Avenue, Borough of Brooklyn, 413 E. 120th Street, Borough of Manhattan and 114-02 Guy Brewer Boulevard, Borough of Queens administered by Woodhull Medical and Mental Health Center, Metropolitan Hospital Center and Queens Hospital Center (the "Facilities").

WHEREAS, in October 2009, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 114-02 Guy Brewer Boulevard for five (5) years; and

WHEREAS, in April 2010, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 1420 Bushwick Avenue for three (3) years; and

WHEREAS, in June 2011, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 413 E. 120th Street for three (3) years; and

WHEREAS, the Corporation occupies space in HRA operated City-owned buildings know as Multi-Service Services Centers ("MSCs"), and during the use and occupancy period authorized by the Board, the Corporation executes one year occupancy agreements with HRA, effective July 1st, at each of the MSC sites; and

WHEREAS, HRA has implemented a three dollar per square foot increase in the occupancy fee effective July 1, 2012 at each of the MSC sites occupied by the Corporation.

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 one year revocable license agreements with the New York City Human Resources Administration (the "Licensor" or "HRA") for use and occupancy of space for primary care programs located at 1420 Bushwick Avenue, Borough of Brooklyn, 413 E. 120th Street, Borough of Manhattan and 114-02 Guy Brewer Boulevard, Borough of Queens administered by Woodhull Medical and Mental Health Center, Metropolitan Hospital Center and Queens Hospital Center (the "Facilities").

**Page Two – Resolution
HRA Multi-Service Centers**

The Licensee shall be granted the continued use and occupancy of space in the three (3) HRA operated MSCs for programs managed by the Facilities. The occupancy fee for each site shall be increased by \$3 per square foot effective July 1, 2012. The total annual occupancy costs including the increase shall be approximately \$303,251 for the space at 114-02 Guy Brewer Boulevard, \$20,642 for the space at 1420 Bushwick Avenue and \$89,368 for the space at 413 E. 120th Street. There shall be no change in the utility surcharge or cooling season surcharge.

Site	Floor Area (sf)	Total Occupancy Costs	Increase @ \$3/sf	Total Occupancy Costs w/ increase
114-02 Guy Brewer Blvd.	11,471	\$268,838	\$34,413	\$303,251
1420 Bushwick Ave.	814	\$18,200	\$2,442	\$20,642
413 E. 120 th St.	2,738	\$81,154	\$8,214	\$89,368
Total	15,023	\$368,192	\$45,069	\$413,261

EXECUTIVE SUMMARY

QUEENS HOSPITAL CENTER WOOHULL MEDICAL AND MENTAL HEALTH CENTER METROPOLITAN HOSPITAL CENTER NYC HUMAN RESOURCES ADMINISTRATION MULTI-SERVICE CENTERS

OVERVIEW: The President seeks authorization to execute one year revocable license agreements with the New York City Human Resources Administration (the "Licensor" or "HRA") for use and occupancy of space for primary care programs located at 1420 Bushwick Avenue, Borough of Brooklyn, 413 E. 120th Street, Borough of Manhattan and 114-02 Guy Brewer Boulevard, Borough of Queens administered by Woodhull Medical and Mental Health Center, Metropolitan Hospital Center and Queens Hospital Center

**NEED/
PROGRAM:** In October 2009, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 114-02 Guy Brewer Boulevard for five (5) years. In April 2010, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 1420 Bushwick Avenue for three (3) years. In June 2011, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 413 E. 120th Street for three (3) years.

HRA oversees Multi-Service Centers ("MSCs") located in City-owned buildings. The MSCs are managed by non-profit organizations and space is leased to non-profit community groups who provide services which include health care, education, housing assistance, vocational training and mental health services. The Corporation operates primary care programs at the MSCs located in Queens and Manhattan, and a WIC program at the site located in Brooklyn.

During the use and occupancy period authorized by the Board, the Corporation executes one year occupancy agreements with HRA, effective July 1st at each of the MSC sites. HRA has implemented a three dollar per square foot increase in the occupancy fee effective July 1, 2012 at each of the MSC sites occupied by the Corporation.

Page Two – Executive Summary
HRA Multi-Service Centers

TERMS: The Corporation shall be granted the continued use and occupancy of space in the three (3) HRA operated MSCs for programs managed by the Facilities. The occupancy fee for each site shall be increased by \$3 per square foot effective July 1, 2012. The total annual occupancy costs including the increase shall be approximately \$303,251 for the space at 114-02 Guy Brewer Boulevard, \$20,642 for the space at 1420 Bushwick Avenue and \$89,368 for the space at 413 E. 120th Street. There shall be no change in the utility surcharge or cooling season surcharge.

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Total	15,023	\$368,192	\$45,069	\$413,261

SUMMARY OF ECONOMIC TERMS

SITE: 1420 Bushwick Avenue
Block 3444, Lot 22
Borough of Brooklyn

LANDLORD: City of New York, Human Resources Administration (“HRA”)

SIZE: 8,763 sf

TERM: Revocable license agreement for a term not to exceed three (3) years without further authorization by the Board of Directors.

RENT: \$22 per sf (\$20 per sf plus a \$2 per sf utility surcharge and a \$1 per sf cooling season surcharge). The cooling season surcharge of \$2,921 covers the June through September period of each year. The total occupancy fee is \$195,707 per year. Arbor/WeCare pays approximately \$115,000 per year for their sublicensed space.

**UTILITIES/
MAINTENANCE:** Licensor shall provide hot and cold water, utilities, housekeeping, rubbish removal, structural and non-structural repairs, and security.

STATUS REPORT

HARLEM HOSPITAL CENTER

MAJOR MODERNIZATION

**HARLEM HOSPITAL CENTER
MAJOR MODERNIZATION PROJECT**

PROJECT FACT SHEET

LOCATION: Harlem Hospital Center
506 Lenox Avenue
New York, New York 10037

DESCRIPTION: The project scope consists of the construction of a New Patient Pavilion (NPP), new Diagnostic, Treatment, Emergency and Critical Care building of approximately 195,000 square feet connecting the Martin Luther King (MLK) pavilion with the Ron Brown (RB) building. The NPP will house a new emergency department with separate walk-in and ambulance entrances, critical care, diagnostic units and fully equipped operating rooms. The modernization includes an upgrade of the existing chiller plant in the MLK Pavilion and demolition of the Old Nurses Residence (ONR) and New Nurses Residence (NNR) pavilions. The existing EMS station was demolished to accommodate construction of the NPP. Construction of a staff garage/parking facility and construction of an EMS station (differed). The conservation and relocation of WPA-era murals will also be incorporated in the project.

BUDGET:	NYC General Obligation Bonds	NPP/MLK Chiller Plant	\$ 314.2 M
	City Council/Boro. Pres./Fed. Appropriations/Donations	Mural Conservation (1)	\$ 4.2 M
	NYC General Obligation Bonds (Contaminated Soil)	NPP	\$ 3.8 M
	Subtotal New Patient Pavilion & MLK Renovation	(including CON fee)	\$ 322.2 M
	March 2009 Budget Reduction		\$ (47.1 M)
	February 2011 Budget Increase	FF&E	\$ 16.6 M
	Total Adjusted Budget		\$ 291.7 M
	February 2011 Budget Increase	WP Demo & Decanting	\$ 10.0 M
	NYC General Obligation Bonds	EMS Garage (1)(2)	\$ 4.6 M
	NYC General Obligation Bonds	Parking Garage (1)	\$ 8.4 M
	Fed. Trans. Funding (3)	Parking Garage (1)	\$ 8.0 M
	City Council and Mayoral Funding	MLK Elevators (1)	\$ 2.4 M
	Total Budget NPP, MLK Reno. & Garage		\$ 325.1 M
	Notes: (1) Separate DASNY work orders		
	(2) Project on hold		
	(3) Final funding pending DOT approval		

FINANCING: New York City General Obligation Bonds, Federal Transportation Bill funding, City Council funding and Federal Appropriations.

MANAGEMENT: DASNY & HHC

ARCHITECTS: DMJM/Harris – Demolition and utility relocations
Goshow/EverGreene – Mural removal/relocations
Desman Associates – EMS and Staff Garage
Hellmuth, Obata + Kassabaum, Inc. – New Pavilion & Martin Luther King Chiller Plant Renovations

CONSTRUCTION

MANAGERS: McKissack Group/HAKS – EMS and Staff Garage
TDX/Howell – New Pavilion

**HARLEM HOSPITAL CENTER
MAJOR MODERNIZATION PROJECT
PROJECT FACT SHEET – Page 2**

CON STATUS: OPD Demolition CON: Approved – December 2005
New Pavilion CON: Approved with contingencies – December 26, 2006

SCHEDULE: Make-Ready start: June 2005
Demolition start: October 2005
Construction completion: December 2011
Beneficial Occupancy: February 2012
Move-In: Summer/Fall 2012

AFFIRMATIVE ACTION/EEO: DASNY, on behalf of the Corporation, is fully committed to providing opportunities for M/WBE firms and workforce, and has required consultants and contractors to comply with NYS Executive Law Article 15-A and NYC Executive Order 50 requirements.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
GENERATIONS+/NORTHERN MANHATTAN HEALTH NETWORK

HARLEM HOSPITAL CENTER
MAJOR MODERNIZATION PROJECT

STATUS REPORT – OCTOBER 2012

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

DESIGN: Hellmuth, Obata + Kassabaum, Inc. (HOK) completed design of the New Patient Pavilion (NPP) now called the Mural Pavilion (MP) and all construction packages have been awarded.

The Martin Luther King (MLK) pavilion renovation and infrastructure construction documents are approximately 60% complete and presently on hold due to the 30%, \$47.1 million required budget reduction.

CONSTRUCTION: The Mural Pavilion is substantially complete and is in the move-in phase. The WPA Murals have been delivered and installed and final restoration is in-progress. The Emergency Department is in construction and spans the first floors of the Mural Pavilion and Ron Brown building. This phase of the project is expected to be complete in fall 2013.

The new chiller plant is complete.

The elevators in the Martin Luther King (MLK) Pavilion have been modernized and turned over to the facility.

This project includes a special community employment component and to date 221 people have been employed through the program. This has been a very successful aspect of the project and a similar program is being implemented at Columbia University and North General/Goldwater North projects.

**CONSTRUCTION
MANAGEMENT:**

McKissack/HAKS is managing the mural conservation, garage/EMS, demolition and MLK elevator renovation work. TDX/Howell is managing the construction of the Mural Pavilion and the MLK chiller upgrade.

FINANCING: New York City General Obligation Bonds, Federal Transportation Bill funding, City Council funding, and donations.

**ORIGINAL
BUDGET:**

\$330.3 million - all phases (excluding interest, financing, and contractor claims).

**ADJUSTED
BUDGET:**

\$325.1 million - all phases (excluding interest, financing, and contractor claims).

NPP FORECAST:

\$292.8 million - NPP phase (excluding interest, financing, and contractor claims)

**TOTAL PROJECT
FORECAST:**

\$428.5 million - all phases (excluding interest, financing, and contractor claims).

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
GENERATIONS+ /NORTHERN MANHATTAN NETWORK

**HARLEM HOSPITAL CENTER
MAJOR MODERNIZATION PROJECT
PROJECT NO. 13200372**

**BUDGET STATUS REPORT
AS OF 9/25/2012
(IN THOUSANDS OF DOLLARS)**

TOTAL PROJECT BUDGET

COST CATEGORY	BUDGET	ACTUAL EXPENDITURES a/o 9/25/12	PROJECTED FORECAST	VARIANCE
	(a)		(b)	(a)-(b)
<u>New Patient Pavilion (NPP)</u>				
Construction (1)	199,338	169,057	199,286	52
Murals Removal and relocation (5)	4,273	3,921	4,147	126
Design fees (2)	22,712	25,922	30,140	(7,428)
Construction management fees	15,435	17,483	20,330	(4,895)
Planning & other fees (3)	2,960	1,351	1,562	1,398
Moveable equipment, furniture & telecom	19,098	13,792	24,549	(5,451)
DASNY fees	11,393	10,354	11,393	0
Construction Contingency	15,024	0	0	15,024
Subtotal	290,233	241,880	291,407	(1,174)
NYS DOH FEES (4)	1,412	1,412	1,412	0
NPP Modernization Subtotal	291,645	243,292	292,819	(1,174)
<u>PROJECT COMPONENTS:</u>				
<u>Approved Modernization Master Plan Projects</u>				
Elevator Upgrades – MLK Building (4) (Completed)	2,453	2,356	2,453	0
Staff Parking Facility (4) ** (Modified)	16,400	528	12,567	3,833
Approved Modernization Master Plan Projects Subtotal	18,853	2,884	15,020	3,833
Grand Total NPP & Approved Master Plan Projects	310,498	246,176	307,839	2,659
<u>Deferred Modernization Master Plan Projects</u>				
New EMS Garage (4) *	4,600	269	5,469	(869)
WP Decanting and Demolition	10,000	0	25,000	(15,000)
MLK Renovation and Infrastructure	0	0	80,000	(80,000)
Deferred Modernization Master Plan Projects Total	14,600	269	110,469	(95,869)

Definitions:

Budget Column: Refers to the budget established for a cost category.

Actual Expenditures: Actual expenses paid as of 9/25/2012.

Forecast Column: Measures expenditures in a cost category against the budget established for that cost category.

Variance Column: Difference between budget and forecast for a specific cost category.

Notes:

(1) Includes design contingency.

(2) Includes architectural and engineering design consultants.

(3) Includes land use and environmental analysis, value engineering, equipment planning and moving.

(4) Separate DASNY work orders.

(5) Includes donations received in the amount of \$507,786.

* This portion of project has been placed on hold.

** Modified scope. Parking accommodations currently being considered to provide a parking facility utilizing a vehicle stacking system. Any surplus city capital funding may be re-allocated to another master plan project after approval by OMB.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
 GENERATIONS+/NORTHERN MANHATTAN NETWORK
 HARLEM HOSPITAL CENTER
 MAJOR MODERNIZATION PROJECT
 Project NO. 13200370

BUDGET STATUS REPORT
 As of
September 25, 2012
 (IN THOUSANDS OF DOLLARS)

COST CATEGORY	PROJECT CAPITAL BUDGET	DASNY MANAGED:		HHC MANAGED:		Overall Project Spending	TOTAL PROJECT FORECAST	VARIANCE (Surplus/Shortfall)
		SPENT TO DATE	FORECAST	SPENT TO DATE	FORECAST			
	(a)	(b)	(c)	(d)	(e)	(f) (b) + (d)	(g) (c) + (e)	(h) (a) - (g)
NEW PATIENT PAVILION								
Construction	199,338	150,376	180,605	18,681	18,681	169,057	199,286 ⁽¹⁾	52
Murals Removal and relocation	4,273	3,291	3,517	630	630	3,921	4,147	126
Design fees	22,712	23,457	27,675	2,465	2,465	25,922	30,140	(7,428)
Construction management fees	15,435	16,349	19,196	1,134	1,134	17,483	20,330	(4,895)
Planning & other fees	2,960	1,273	1,484	78	78	1,351	1,562	1,398
Moveable equipment, furniture & telecom	19,098	9,396	20,153	4,396	4,396	13,792	24,549	(5,451)
DASNY fees	11,393	10,354	11,393	0	0	10,354	11,393	0
Construction Contingency	15,024	0	0	0	0	0	0	15,024
SUBTOTAL	290,233	214,496	264,023	27,384	27,384	241,880	291,407	(1,174) **
NYS DOH FEES	1,412	0	0	1,412	1,412	1,412	1,412	0
SUBTOTAL	291,645	214,496	264,023	28,796	28,796	243,292	292,819	(1,174)
Emergency Vehicle Access Road			0				0	0
NPP Modernization	291,645	214,496	264,023	28,796	28,796	243,292	292,819	(1,174)

(1) DASNY Forecast includes \$3.5M projection for ONR demolition, which will be funded through the Parking Garage - Federal Transportation Bill

****Partial Explanation of NPP Variance**

<u>Unanticipated Costs Related to Project</u>		
MLK Boiler Plant Steel	\$	500
MLK Facade Work	\$	499
MLK PICU Roof Leaks	\$	304
MLK Temporary MRI (A)	\$	1,416
MLK Additional Temp. Chiller	\$	862
NPP Temp. Heat 2011-2012 (B)	\$	1,200
NPP Con Ed 6th Transformer	\$	855
Total:	\$	5,636

(A) Cost of rental unit assumed by the project.

(B) Cost of labor for the second year temporary heat in the NPP, which was not included in the project.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
 GENERATIONS+/NORTHERN MANHATTAN NETWORK
 HARLEM HOSPITAL CENTER
 MAJOR MODERNIZATION PROJECT
 Project NO. 13200370

BUDGET STATUS REPORT

As of

September 25, 2012

(IN THOUSANDS OF DOLLARS)

COST CATEGORY	PROJECT CAPITAL BUDGET	DASNY MANAGED:		HHC MANAGED:		Overall Project Spending	TOTAL PROJECT FORECAST	VARIANCE (Surplus/Shortfall)
		SPENT TO DATE	FORECAST	SPENT TO DATE	FORECAST			
	(a)	(b)	(c)	(d)	(e)	(f) (b) + (d)	(g) (c) + (e)	(h) (a) - (g)
PARTIALLY FUNDED/UNFUNDED								
New EMS Garage ^{(2) (3)}	4,600	269	269	0	5,200	269	5,469	(869)
Parking Garage ^{(2) (4)}	16,400	528	528	272	22,272	800	22,800	(6,400)
Elevators Upgrade - MLK Building	2,453	1,733	2,453	0	0	1,733	2,453	0
WP Decanting and Demolition ⁽⁵⁾	10,000	0	0	0	25,000	0	25,000	(15,000)
MLK Renovation and Infrastructure ⁽⁶⁾	0	0	0	0	80,000	0	80,000	(80,000)
Non-NPP Modernization Costs	33,453	2,530	3,250	272	132,472	2,802	135,722	(102,269)
Total Modernization	325,098	217,026	267,273	29,068	161,268	246,094	428,541	(103,443)

(2) Contingent upon prior completion of WP decant and demolition

(3) HHC Forecast Includes Total of \$5.2 M to Complete EMS Station as per Original Master Plan

(4) HHC Forecast Includes Total of \$22 M to Complete Garage as per Original Master Plan

(5) HHC Forecast includes \$25 M to Complete WP Decanting and Demolition as per Original Master Plan

(6) HHC Forecast Includes \$80 M to Complete MLK Renovation and Infrastructure Upgrade as per Original Master Plan, using Contractors vs. In-house Labor

Narrative: There are presently insufficient funds to proceed with any of the partially funded/unfunded projects due to construction sequencing constraints.

(i) Of the \$33.45 million identified as partially funded/unfunded -

The sequence of the construction must be as follows:

* Decanting and Demolition of WP building, including the relocation and renovation of new space for existing services (i.e., IT; medical records, dental clinic)

* Construction of parking garage;

* Integration of New EMS garage into Parking Garage.

(ii) Funds in the amount \$4.6 million reflected in the New EMS garage is FDNY restricted funding

(iii) Funds in the amount \$4.494 million are anticipated to be reallocated from the WP decanting and demolition budget line to eliminate the projected NPP Modernization deficit described above

(iv) Funds in the amount \$8 million in the Parking Garage budget line is restricted for parking garage construction.

PROJECT STATUS REPORTS

North Bronx Healthcare Network

South Manhattan Health Network

Southern Brooklyn/Staten Island Health Network

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	2,742	59.02%	Jun-11	May-13	May-13		Project is approximately 50% complete and slightly ahead of schedule due to favorable weather conditions. Additional work will be done in the lobby area to take advantage of the closed main entrance.
21201101	Corrective Work for Local Law 11 Compliance	610	420	68.85%	Jun-11	Dec-12	Dec-12		Project is approximately 60% complete and slightly ahead of schedule due to favorable weather conditions.

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	834	27.00%	May-12	Sep-12	Dec-12	(3)	The project is approximately 45% complete with internal partitions being erected.

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	6,916	69.16%	Dec-10	Dec-12	Dec-12		New ED expansion unit is nearing completion (Phase 1). Fit-out, start-up and commissioning are in progress in progress. Project is approximately 70% complete.
26201001	Window Replacement	10,995	6,162	56.00%	Oct-11	Dec-12	Dec-12		Project is approximately 70% complete. As of September 27, 2012, 1,750 windows and 506 air conditioning units have been installed.
26201102	Boiler Plant Replacement	7,000	240	0.00%	Jun-12	Feb-13	Feb-13		Boilers and major equipment are on order. Cleaning of three (3) #6 tanks are in progress. National Grid gas work scheduling in progress. Project is approximately 10% complete.
26201202	Convert 6-Bedded rooms to 4-Bedded rooms	211	4	0.00%	Aug-12	Dec-12	Mar-13	(3)	Mobilization in progress.
26201203	New Non-Invasive Cardiology Unit	114	6	5.00%	Aug-12	Dec-12	Mar-12	(3)	Mobilization in progress.

Facility: SEA VIEW HOSPITAL REHABILITATION CENTER & HOME

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
75201203	Installation of Fire/Smoke Dampers - Robitzek Building	102	5	5.00%	Jan-12	Mar-12	Jun-12	(3)	Project is substantially completed.