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President & CEO

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Howard Polivy
Michael Shinozaki

Agenda Item V, 1. October 28, 2021

PROPOSED RESOLUTION

**AUTHORIZATION TO ENTER INTO CONTRACT WITH LANGAN ENGINEERING
FOR DESIGN SERVICES IN CONNECTION WITH THE STEAM TUNNEL PROJECT**

RESOLVED by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:

- Section 1. that RIOC is hereby authorized to enter into contract with Langan Engineering for Design Services in Connection with the Steam Tunnel Project, upon such terms and conditions substantially similar to those outlined in the Memorandum from Gretchen Robinson to Shelton J. Haynes/RIOC Board of Directors dated October 21, 2021, attached hereto;
- Section 2. that the President/Chief Executive Officer or President’s designee is hereby authorized to take such actions and execute such instruments as deemed necessary to effectuate the foregoing; and
- Section 3. that this resolution shall take effect immediately.



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Memorandum

TO: Shelton J. Haynes and the Board of Directors
FROM: Gretchen Robinson, General Counsel
DATE: October 21, 2021
RE: 21-37662 Steam Tunnel Design
Award for Design to Langan Engineering

Background:

In 1969, the City of New York formed the New York City Health and Hospital Corporation (HHC), to take over operations of its hospitals. That same year, it also executed a master lease with RIOC's predecessor, the Urban Development Corporation (UDC), where said corporation was charged with developing, and maintaining the infrastructure of Roosevelt Island. Excluded from that agreement, were four areas on Roosevelt Island, that remained owned and operated by New York City, including Goldwater Hospital and Coler Hospital. Goldwater Hospital was located on the southern point of the Island, and Coler Hospital was at the northern part of the Island. Both hospitals were operated and maintained by HHC. A steam plant, also maintained by HHC, supplied steam heat to both hospitals via a single steam tunnel that ran the length of east side sea wall of Roosevelt Island.

In 2013, HHC closed Goldwater Hospital and relinquished control of that property back to the City. Ultimately, that property became the location of Cornell Technion; and there has been an ongoing discussion between the State and New York City as to ownership of the Stream Tunnels.

The Steam Tunnel structure consists of a Box Culvert supported by different foundation systems, dependent upon proximity to the bedrock. The structure was design to serve a dual purpose as a seawall to protect a large portion of Roosevelt Island from the East River and a utility corridor. The box culvert structure is 6,150-foot long, out of which, 4,150 feet functions as a seawall. In addition, the structure has been historically utilized as a conduit for the transmission of steam from the power plant to the hospital and other buildings, and as a service vault for various other utility services.

Deterioration of the Steam Tunnel:

Notwithstanding the above, the infrastructure of the steam tunnel has – over time – deteriorated to a state of disrepair that poses serious safety concerns. In 2001, the Army Corp of Engineers conducted a study to assess the shore stabilization of Roosevelt Island. Even back then, it was determined, based on their findings, that 4,200 linear feet of the steam tunnel also served as the Island's seawall, and that

certain repairs to the infrastructure were required. To RIOC's knowledge, no such repairs were made. Then, in 2014, Langan Engineering conducted a full study of the steam tunnel – at RIOC's request – and concluded that “extensive major defects” to the tunnel “seriously compromised” its structure; and that the seawall was vulnerable to storm events of the East River, among other things. Langan subsequently returned in 2018; and again in September 2020, for purposes of updating its report. After further inspection, Langan determined that the condition of the tunnel and the seawall had further deteriorated; and inaction will result in further deterioration of the steam tunnel and possible failure.

Issuance of an RFP and Other Considerations:

Over the past several months, RIOC has been in negotiations with the City to determine how the repairs will be made, and also by which entity. However, those negotiations temporarily stalled due to election and the impending change of administrations. And, although RIOC is confident that an agreement will be reached with the City, the management team, in consultation with other state government stakeholders, did not wish to wait for such a deal to be struck as the project is a matter of health and public safety. As such, and without claiming responsibility to make such repairs or presuming ownership of the structure – RIOC issued a Request for Proposals for these repairs in August 2021. Interested bidders were encouraged to attend a walk-through of the facility; and bid proposal packages were due on October 1, 2021. Documents that were included in the RFP materials were all reports mentioned above, including the 2001 report from the Army Corps of Engineers.

Scope of Work:

The scope of work includes:

- Concrete spalling on the walls
- Rebar conditions revealed by concrete spalling
- Seawall expansion-contraction joints
- Water infiltration through expansion joints
- Operational condition of the sump pump
- Removal of steam piping and supports that are no longer required
- Concrete Haunch erosion at the seawall exterior base
- Tunnel sub slab voids
- Rip Rap rock levels on the shoreline
- Removal of vent houses on promenade

The amount of Rip Rap protecting the seawall where it is integral with the tunnel

- Condition of the piles that support a portion of the tunnel

The scope of work also was outlined to also require the work to be completed in three phases:

Design – evaluate existing site conditions; and perform surveys (such as geotechnical evaluations, regulatory agency notifications, conceptual planning, among other things; as well as probes to establish criterion for the design as well as the production of design documents.

Construction Administration – Provide construction administration services (such as submittal logs, among other things) in the assistance in the development of the Construction RFP RIOC approved Construction Design documents will be posted for bidding, the consultant will assist in the development of the Request for Proposal and assist RIOC in the bidding process.

Closeout - Develop a punch list of items that require attention upon substantial completion of the project.

Procurement:

Roosevelt Island Operating Corporation (RIOC) posted a Request for Proposal (“RFP”) for Design Services for “Steam Tunnel Design” on August 16, 2021. The Sealed Bid Proposals were due October 1, 2021 and a total of three (3) proposals were received from Langan Engineering, Cameron, and Dewberry. We opted to issue an RFP to the public with the intention that it would increase participation and provide a competitive fee. The current A/E panel were informed of the solicitation only a few chose to participate.

Evaluation:

As outlined in the RFP, proposals were rated using a two-step process, a technical rating of the written proposal and financial qualifications. Each proposal was rated on the following evaluation criteria:

- | | |
|---|------------|
| 1. Experience & Qualifications | 30 points |
| 2. Ability to Perform Required Services | 30 points |
| 3. Financial Capability | 20 points |
| 4. Fee | 20 points |
| Total | 100 points |

After the initial rating by the panel, all three proposals met the threshold of 70 points.

<u>Ranking</u>	<u>Firm</u>	<u>Points</u>	<u>Cost</u>
1	Langan Engineering	89.185	\$429,000
2	Cameron Engineering	74.582	\$1,296,744
3	Dewberry Engineers	71.445	\$1,900,475

Langan Engineering received the highest evaluation score among three bidders, particularly in the areas of “Experience and Qualifications” and “Ability to Perform Required Services”. Through its proposal, they demonstrated the best approach and understanding of the project, schedule assessment and work plan to meet RIOC’s needs. Langan received a cumulative score of 89.185 and their fee is \$429,000 for the proposed contract duration – a sum that comes in at about \$867,744 less than the next lowest bid; clearly indicating that they are the best situated and most knowledgeable for the design phase of this project.

Recommendation: Based on the above, RIOC Capital Planning and Projects recommends subject, to the satisfaction of all contracting requirements, that the Board of Directors authorize and approve entering into contract with Langan Engineering to provide Design Services for the Steam Tunnel Design for a total amount of \$429,000 with a 15% contingency of \$64,350 bringing the total authorized not-to-exceed amount to \$493,350.