PROPOSED RESOLUTION

AUTHORIZATION TO ENTER INTO CONTRACT WITH ENVAC IBERIA, SA.
FOR ON-CALL AVAC REPAIR SERVICES

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 ENVAC Iberia, SA. for On-Call AVAC Repair Services, upon such terms and conditions substantially similar to those outlined in the Memorandum from Alvaro Santamaria to Shelton J. Haynes/RIOC Board of Directors dated March 18, 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.
MEMO

TO: Shelton J. Haynes & Board of Directors
FROM: Alvaro Santamaria, Director of Engineering
DATE: March 18, 2022
RE: Authorization to Enter into Contract with ENVAC Iberia, S.A.
For On-call AVAC Repair Services

Introduction:

RIOC has two main lines of Schedule 80 steel pipework with an outside diameter of 20 inch and 1 inch wall thickness. These lines run almost parallel in the East and West side and extends southbound from the AVAC facility at 728 Main Street to building 505 Main Street in the west side and building 460 Main Street in the east side. One branch of the west side is directed northbound directly into 888 Main Street (Octagon). The lines have a combined average distribution of 2 miles (map attached). The AVAC facility pulls garbage under vacuum via underground piping from each area in the network until it reaches the collection center, where it is then compacted inside garbage containers for disposal by DSNY.

Procurement Process:

Since inception of the AVAC (Automated Vacuum Waste Collection) System in 1975, the repairs of water and air leaks in the pipe work have been carried out by ENVAC Iberia (Spain).

This is a proprietary system and requires certified personnel that can work in confined spaces where welders enter inside the pipe and put in steel plate patches (Plates: HARDOX 14-1/4 x 11-3/4) to cover holes resulting from degradation of the pipe surface area over time (starting from a full 1-inch wall thickness down to perforations / holes that enlarges progressively over time).

We have searched for alternate vendors in the United States and have also asked ENVAC to find a local service company that they would train and do this work under their supervision (particularly during emergency situations), but due to liability, insurance, and the know-how of the trade, only ENVAC holds this
responsibility and liability for the integrity of the repairs and the personnel executing this job in confined spaces (all workers have insurance, certificates of fitness, and the inherent experience). Therefore, this is a sole source procurement in accordance with RIOC’s Procurement Guidelines.

**Request to Enter into Service Agreement with ENVAC Iberia:**

The last 5-year service agreement entered into on February 15, 2017 expired on February 15, 2022. It is imperative that we enter into a new contract with the adjustments provided in the estimated cost per trip in a bi-annual basis. The execution of a five (5) year agreement would offer an incentive of 8% discount of the total invoice value. We forecast $130,000.00 USD / year, plus 10% contingency reserve for materials (steel plates and other miscellaneous pneumatic valves).

Therefore, the request to authorize extension of service agreement with ENVAC Iberia is for $143,000.00 USD / year, for a total of $715,000.00 USD for a five-year term, with three one-year renewal options.