



KATHY HOCHUL
Governor

SHELTON J. HAYNES
President & CEO

BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR
Robert F. Mujica Jr., Director of BUDGET
Conway S. Ekpo
David Kraut
Howard Polivy
Michael Shinozaki

Agenda Item V, 2. March 24, 2022

PROPOSED RESOLUTION

**AUTHORIZATION TO ENTER INTO CONTRACT WITH LIRO PROGRAM &
CONSTRUCTION MANAGEMENT P.E., PC FOR OWNER'S REPRESENTATIVE
SERVICES FOR CAPITAL PROJECTS & STRATEGIC PLANNING**

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 LiRo Program & Construction Management P.E., PC for Owner's Representative Services for Capital Projects & Strategic Planning, upon such terms and conditions substantially similar to those outlined in the Memorandum from John O’Reilly to Shelton J. Haynes/RIOC Board of Directors dated March 15, 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: John O'Reilly, Chief Financial Officer
DATE: March 15, 2022
RE: Owner's Representative Services for Capital Projects and Strategic Planning

Background:

Owner's representative services for the planning and management of capital projects has long been an important part of the capital improvement industry, in both private and public sectors. Where owners lack the requisite knowledge or means to properly oversee capital projects; or, more importantly, where supplemental services are needed to assist an existing team of project managers, owner's representative firms provide a flexible and experienced full team of industry professionals who fill the voids and aid in achieving owner's goals efficiently and safely.

Upon receiving Board approval at the March 7, 2019, Roosevelt Island Operating Corporation (RIOCI) Board of Directors meeting, RIOCI entered into a three-year contract with LiRo Program & Construction Management P.E., PC (LiRo) to provide Owner's Representative Services for Capital Projects and Strategic Planning.

RIOCI is now seeking authorization to enter into a new contract as a single source procurement for a not to exceed value of \$5M; to allow for LiRo's continued services on approximately 8 active capital projects and services and for new work through the end of the contract term in March 2025.

This request was calculated using the existing project schedules, projected costs from LiRo for their services on these projects and applying an average project charge for essential infrastructure projects included in the approved Capital Plan for the contract duration.

Upon execution of the contract, RIOCI transferred approximately 15 active projects over to LiRo in 2019, as its new Owner's Representative (Owner's Rep), to provide project management services and oversee them, as needed by RIOCI staff, to completion.

In the past three years, new projects were added to the RIOCI capital plan and assigned to LiRo to oversee. During the first year of their contract (March 2019-March 2020), LiRo helped to complete seven construction projects on schedule. In 2021, with the help of LiRo as Owner's representative,

RIOC completed construction of eleven more projects largely on time and under budget. Leveraging LiRo's team expertise in constructability reviews, design management, estimating and construction change order management, RIOC realized a savings of over \$2.8M in the past three years.

Procurement:

RIOC is seeking authorization to enter into a new contract with LiRo using the New York State Single Source procurement process. LiRo's team is currently part of three active construction projects and various design projects. Over the past three years, LiRo's team has developed extensive knowledge of the RIOC capital projects and planning procedures, an understanding of RIOC-owned and operated properties and public spaces and have demonstrated expertise, or capacity and willingness to respond to the situations unique to Roosevelt Island and its community.

RIOC is now seeking authorization to enter into a new contract as a single source procurement for a not to exceed value of \$5M; this not to exceed value was derived from the current monthly burn rate of the LiRo staff.

Recommendation:

Based on the above, I recommend that, subject to the satisfaction of all contracting requirements, that the Board of Directors authorize and approve entering into the contract with LiRo Program & Construction Management P.E., PC to a maximum value of \$5M. The contract term shall remain three years, due to expire in 2025.