

Approved 12-13-17



**BOARD OF DIRECTORS MEETING
NEW YORK CONVENTION CENTER OPERATING CORP.
655 West 34th Street
New York, NY 10001-1188**

MINUTES

MEMBERS PRESENT:

Henry R. Silverman, Chairman of the Board
Hugh L. Carey II
John Lee Compton
George Tsunis
Ronald Goldstock
Gary Lavine
Andrew Murstein
Lee H. Perlman
Joseph E. Spinnato
Christine Ferer
Edward P. Kane

OTHERS PRESENT:

STAFF:

Alan E. Steel, President & CEO
Bradley A. Siciliano, General Counsel & Corporate Secretary
Doreen Guerin, Senior SVP, Sales & Marketing
Melanie McManus SVP & Controller
Christine McMahon, SVP, HR & Labor Solutions
Mark Sims, SVP, CIO
Tim Gaburungyi, VP, IT Solutions
Kenneth Sanchez, SVP, Facilities Management
Ken Dixon, Vice President, Security & Safety Solutions
Tony Sclafani, Senior SVP, CCO
Mike Ruberry, VP Event Solutions & Set-Up
Shirley Coley, Legal Assistant

DATE:

September 13, 2017

Time:

3:00 p.m.

Location:

Large Conference Room

ABSENT:

Robert Azeke
David Emil
Mark Schienberg
Sara Berman
Andrew D. Stone

Guests/Visitors:

Robin Stout, President, NY Convention Center Development Corporation
David Thurm, Executive Vice President, Lehrer LLC
Marion Phillips, Senior Vice President, Community Relations, Empire Development Corporation

<p>Call to Order</p>	<p>The meeting of the Board of Directors for the New York Convention Center Operating Corporation was called to order at 3:00 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman.</p>	
<p>Agenda</p>	<p>Discussion</p>	<p>Recommendation Action/Follow-up</p>
<p>I. Approval of the Minutes</p>	<p><u>Approval of the Minutes of June 14, 2017 (Attachment 17-82)</u> A motion was made and seconded to approve the minutes of the Board of Directors meeting held on June 14, 2017. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1320</u></p> <p>NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on June 14, 2017, are hereby approved.</p> <p>Before proceeding further, Mr. Silverman asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the Agenda and requested that they make an appropriate disclosure on the record and the individual with such conflict would recuse themselves from any discussion or vote with regard to such item or items. No Director indicated such a potential conflict, the meeting proceeded.</p>	
<p>II. Corporate Matters</p>	<p><u>President’s Report (Attachment 17-83)</u> Mr. Steel presented his report to the Board. Mr. Steel advised the Board that the Center had issued its Fiscal Year 2017 Annual Report, which is available both in print and digital format. The Center was recently profiled in the New York Times in connection with its harvesting of honey from the beehives maintained on the Center’s green roof, yielding 135 1.5 ounce bottles of honey. Employees and customers were invited to an eclipse party on the green roof during the recent eclipse. The Center participated in a recent report on the impact of the green roof, which findings included that the green roof was on average, 16 degrees cooler during warm weather months than a black bitumen roof, and 5 to 10 degrees cooler than the side walk. The 2016 Build Smart New York annual report was released and identified the Javits Center as a “Top Performer” in the reduction of energy use. The New York Building Council, of which the Javits</p>	

<p>III. Committee Reports</p>	<p>Center is a member, will be issuing a report on tourism in New York. The Javits Center will be a sponsor of the report. As Board members may have read in the newspapers, the Regional Planning Authority has proposed a new bus terminal on level one of the Center. The Center staff has not seen the actual report but will be looking into the proposal.</p> <p>On the security front, Public Safety Officers have completed 150 hours of intensive training to simulate the training that New York State peace officers undergo. PSOs who complete the training will be entitled to premium pay under their collective bargaining agreement, reflecting their training level. In addition PSO's will be getting new uniforms, which they had a hand in selecting.</p> <p>On the IT front, the Kronos workforce management implementation remains on schedule and on budget for its January launch. A change management strategy is being developed to facilitate the launch. The Center is also in the process of implementing Oracle CPQ, a cloud based order management system for customers to place orders for services. This will streamline the ordering and invoicing process. This program is similarly on budget and on schedule for a December launch. A change management program is in place. Finally, the Center launched its e-maintenance program. This is an ordering and tracking system used to manage asset maintenance. The implementation went smoothly and has been well received by the staff.</p> <p>Mr. Steel then introduced David Thurm, Executive Vice President, Lehrer LLC, to update the Board on the expansion plans. Mr. Thurm reported that Javits North is in the process of coming down. Construction should begin in the next month. They are in the process implementing the processes and controls before the construction starts. As everyone is aware, they are utilizing the design/build process rather than the more traditional design/bid/build process. Consequently, the design continues to evolve while they are working on the foundation. They anticipate excavation to begin within the next two weeks.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>A. Audit & Finance Committees – Gary Lavine and Ronald Goldstock, Committee Chairmen</u> Before the reports of the Audit and Finance Committees, The Chairman noted the years of service by Mr. Lavine as Chair of the Audit Committee and thanked him for his continued service. Mr. Lavine reported on behalf of the Audit and Finance Committees, noting that the Committee had met on July 31 and again immediately prior to the day’s meeting. The committees had received a report on the review conducted of the Centerplate contract, which found no material deficiencies. The Committees met in executive session regarding an analysis being conducted by management on employee time keeping. The review is ongoing and management will report back upon its completion.</p> <p><u>Procurement Summaries for Approval (Attachments 17-84 through 17-91)</u> Ms. McManus presented the Board with a packet of individual procurements for approval. The Chairman advised the members that by voting to approve the listed procurements, the Board would be passing separate resolutions reflecting each procurement individually, and the minutes will reflect that each procurement was the subject of a separate resolution.</p> <p><u>Approval of Contract – Robert Half International, Inc. (Attachment 17-84)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Robert Half International, Inc. to provide the Oracle CPQ & A/R Implementation Project Manager. The contract term is for a six month period at a total estimated cost of \$144,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1321</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Robert Half International, Inc. for the Oracle CPQ & A/R Implementation Project Manager at an estimated cost of \$144,000 for a six month term is hereby approved.</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Approval of Contract – MTS Integratrak, Inc. (Attachment 17-85)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source renewal contract to MTS Integratrak, Inc. to provide hosted call accounting services. The contract is for a period of three years at a cost of \$28,620 (\$795/month).</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1322</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to MTS Integratrak, Inc. for a three year contract term at a cost of \$28,620 is hereby approved.</p> <p><u>Approval of Contract – Ceridian HCM, Inc. (Attachment 17-86)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Ceridian HCM, Inc. for payroll services at an estimated cost of \$195,000 (\$65,000 per year) for a period of three years with a one year renewal option.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1323</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Ceridian HCM, Inc. for payroll services for three years at an estimated cost of \$195,000, with a one year renewal option, is hereby approved.</p> <p><u>Approval of Contract – Card Connect, Inc. (Attachment 17-87)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to Card Connect, Inc. to provide Oracle CPQ and EBS to ipayments credit card integration at the Jacob K. Javits Convention Center. The contract is for a period of three years at an estimated cost of \$141,600. The cost includes the following charges: Implementation fees -\$25,000 (one-time fee), hosting fees - \$18,000 per year (3 years), EBS integration - \$9,000 per year (3 years), devices - \$8,000 (one-time fee), software - \$8,000 per year (3 years) and account updater - \$1,200 per year (3 years).</p>	
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<p>III. Committee Reports (continued)</p>	<p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1324</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to Card Connect, Inc. to provide Oracle CPQ and EBS to ipayments credit card integration at the Jacob K. Javits Convention Center for three years at an estimated cost of \$141,600 is hereby approved.</p> <p><u>Approval of Contract – Arch Insurance Group, Inc. (Attachment 17-88)</u> Ms. McManus presented a procurement summary seeking Board approval to award a workers compensation insurance contract to Arch Insurance Group, Inc. beginning October 1, 2017 through September 30, 2020. The contract is for a period of three years with a first-year cost of \$2,258,628, with a projected 1% increase in year 2 (\$2,281,214) and a projected 2% increase in year 3 (\$2,326,838) for an estimated total cost of \$6,866,680.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1325</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a workers compensation insurance contract to Arch Insurance Group, Inc., beginning October 1, 2017 through September 30, 2020 (3 years), at an estimated total cost of \$6,866,680 is hereby approved.</p> <p><u>Approval of Contract – Siemens Building Technologies, Inc. (Attachment 17-89)</u> Ms. McManus presented a procurement summary seeking Board approval for an extension on a sole source contract that had been awarded to Siemens Building Technologies, Inc. to provide technical support to the Building Management System and Fire Safety Systems at the Jacob K. Javits Convention Center for a period of 12 months at a cost of \$306,170. An extension is necessary while a new life safety system is being designed to bring the existing building up to current code and align with the requirements of the expansion.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>	
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<p>III. Committee Reports (continued)</p>	<p><u>Resolution No. 1326</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a sole source contract to Siemens Building Technologies, Inc. to provide technical support to the Building Management System and Fire Safety Systems at the Jacob K. Javits Convention Center for one year at a cost of \$306,170 is hereby approved.</p> <p><u>Approval of Contract – Jensen Hughes Engineering, P.C. (Attachment 17-90)</u> Ms. McManus presented a procurement summary seeking Board approval to award a single source contract to Jensen Hughes Engineering, P.C. to provide fire protection and life safety system consulting services at the Jacob K. Javits Convention Center. The contract term is 3 years at an estimated cost of \$540,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1327</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Jensen Hughes Engineering, P.C. to provide fire protection and life safety system consulting services at the Jacob K. Javits Convention Center for a contract period of 3 years at the estimated cost of \$540,000 is hereby approved.</p> <p><u>Approval of Contract – WSP USA (Attachment 17-91)</u> Ms. McManus presented a procurement summary seeking Board approval to award a contract to WSP USA to provide design services for a fire alarm system replacement at the Jacob K. Javits Convention Center at an estimated cost of \$650,000.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1328</u></p> <p>NOW THEREFORE BE IT RESOLVED that the award of a contract to WSP USA to provide design services for a fire alarm system replacement at the Jacob K. Javits Convention Center at an estimated cost of \$650,000 is hereby approved.</p>	
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III. Committee Reports (continued)	<u>Finance Committee Approved Procurements (Attachment 17-92 through – 17-93)</u>		
	<p>Ms. McManus reported to the Board on two procurements approved by the Finance Committee on July 31, 2017. The Board, during its June 21, 2017 meeting had authorized the Finance Committee to act on the full Board’s behalf of procurements for Oracle Hosting services being bid pursuant to RFP 2115M and Public Safety Uniforms being bid pursuant to RFP 2121M. The following procurements were approved by the Finance Committee:</p>		
	Vendor	# of Year	Amount/Year
	Application Software Technology Corporation (AST) (Attachment 17-94)	3	\$698,609-Year 1, \$420,149-Year 2, \$416,242-Year 3 \$1,535,000 total for 3 Years
Clean Rental Service, Inc. (Attachment 17-95)	3	\$114,422 per year \$343,267 total for 3 Years	
<u>Review Of Procurement Summaries – (Attachments 17-94 through 17-96)</u>			
<p>Ms. McManus stated that previously approved service procurement contracts that extend for more than one year were being submitted for annual Board review as required by the Corporation’s procurement guidelines. The procurement summaries were included with the packet sent to the Board in advance of the meeting. No Board Member had any comment or question with respect to these procurements.</p>			
<p><u>Procurement Contracts for Review – First Response Ambulance, Hy-Safe, Brosnan Risk Consultants, Business Compliance, Inc., MG Security Services LLC.</u></p>			
Vendor	Year #	Amount/Year	
First Response Ambulance (Attachment 17-96)	3	\$343,725 per Year \$1,031,175 total for 3 Years	
Hy-Safe (Attachment 17-97)	3	\$108,900-Year #1/\$5,600–Year #2 and #3 \$120,100 total for 3 Years	

<p>III. Committee Reports (continued)</p>	<p>Brosnan Risk Consultants Business Compliance, Inc. MG Security Services, LLC. (Attachment 17-98)</p>	<p>2nd Year Renewal Option</p>	<p>\$200,000 \$50,000 \$50,000</p>	
	<p><u>Month of July 31, 2017 financials for review - (Attachment 17-97)</u> Ms. McManus presented the financial report for the month ending July 31, 2017. Year to date, there is a total gross revenue of \$81,700,000, against a plan of \$81,600,000. Total operating expenses YTD are \$74,200,000 against a plan of \$73,600,000. Operating surplus was \$7,600,000 against a plan of \$8,100,000. Net surplus after depreciation and accrual reversals was \$5,500,000 against a plan of \$5,800,000.</p> <p><u>B. Human Resources – Edward Kane, Committee Chairman</u> No report.</p> <p><u>C. Facilities/Operations – Mark Schienberg, Committee Chairman</u> No report</p> <p><u>D. Sales & Marketing – Lee Compton, Committee Chairman – (Attachment 17-98)</u> Ms. Guerin presented a report of the Sales and Marketing Committee. There were 88 days of activity in the third quarter of 2017 with a total of 43 events. For the 4th Quarter, it is expected there will be 71 days of activity, with a total of 49 events, 14 of which are new.</p> <p><u>E. Governance – Ronald Goldstock, Committee Chairman</u> No report</p>			
<p>IV. Other Business</p>	<p>None</p>			
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 3:37 PM with the next meeting to be held on November 15, 2017.</p>			

Approved 12-13-17

