



# Monterey County

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## Board Report

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Receive a report on Natividad Medical Center's key capital projects

### RECOMMENDATION:

It is recommended the Capital Improvement Committee receive a report on Natividad Medical Center's key capital projects.

### SUMMARY/DISCUSSION:

The Facilities and Construction Department staff at Natividad Medical Center (NMC) administers capital projects focused on strategically upgrading the hospital by reconfiguring and remodeling to better accommodate healthcare services for Monterey County residents and visitors.

NMC is responsible for management, operation, and maintenance of building facilities and roads within the NMC campus.

### PROJECTS WITH SIGNIFICANT ACTIVITY

#### **Central Plant Equipment Upgrade:**

The Central Plant is located in Building 580, 3rd Floor and provides all the utility functions to Natividad Medical Center. The Central Plant Equipment Upgrade is comprised of replacing; two heating hot water boilers; two cooling towers and installing a new water softening system. The Central Plant contains heating hot water boilers; which provide hot water to heat ambient air temperature, cooling towers and chillers that lower the ambient air temperature of the air for the Heating Ventilation and Air Conditioning (HVAC) system. The condition of the cooling towers did not allow the hospital to provide adequate cooling and humidity control to the hospital. The cooling towers were only able to provide 50% of their required cooling capacity. Regulatory agencies require that relative humidity levels in an acute care hospital fall between 20% and 60%. As FY2015 was unseasonably warm, NMC was not able to adequately regulate relative humidity and as a result NMC declared an emergency and brought in a rented interim chiller (500 Ton) to complement the cooling capacity and lower the chilled water temperature to ultimately decrease the relative humidity levels in the hospital. Having the interim chiller on site allows NMC to replace the cooling towers without disrupting patient care as the chiller can supply the hospital with antiquate chilled water for cooling. Many of the systems are at the end of their useful life and need to be replaced in order to gain better efficiency and function performance, as well as lower maintenance costs. NMC has installed two new heating hot water condensing boilers and two cooling towers to provide higher efficiency and better reliability. To extend the useful life of replacements, NMC installed a Water Softener System to remove particulates that shorten life span of these systems, reduce maintenance costs and condition the water throughout the hospital. Each central plant component has capital funding associated to it.

#### **Central Plant - Cooling Tower Replacement:**

The Central Plant - Cooling Tower Replacement Project was approved by the Board of Supervisors on March 1, 2016 with a project total of \$1,252,094 and is 95% complete. The project was initially

scheduled to be completed on June 30, 2016; however, there were some delays due to deferred approval documents, field conditions which needed clarification from the design professional, and engineering calculations. The contractor could not proceed until the building permit was issued on August 8, 2016. With long lead times for the equipment, the construction didn't commence until October 11, 2016. The contractor is making final connections and energizing the equipment to verify it is functioning correctly. NMC anticipates that the project will be completed by September 21, 2017. The remaining balance for all three project; Cooling Tower Replacement; Water Softener Installation and Replace Boilers is \$271,453.

**Central Plant - Water Softener Installation:**

The Central Plant - Water Softener Installation Project was initially approved by the Board of Supervisors on March 1, 2016 with a project total of \$190,000 and is 95% complete. The project was initially scheduled to be completed on June 30, 2016. On April 11, 2017, the Board approved an increase of \$200,000 with a revised project total of \$390,000 to install an expanded water softener system throughout the hospital. Construction has taken longer than expected due to conditions in the field; deferred approval process, and the plans and specification did not identify as-built conditions which resulted in delays. Although the building permit was issued on April 22, 2015, construction did not commence until October 11, 2016 as NMC did not want to proceed with construction until the component projects (Replace Boiler and Cooling Tower Replacement) were permitted to minimize general contractor supervision. NMC anticipates that the project will be completed by September 21, 2017. The remaining balance for all three project; Cooling Tower Replacement; Water Softener Installation and Replace Boilers is \$271,453.

**Central Plant - Replace Boilers:**

The Central Plant - Replace Boilers Project was initially approved by the Board of Supervisors on March 1, 2016 with a project total of \$1,000,000 and is 95% complete. The project was initially scheduled to be completed on June 30, 2016. Further analysis of the initial scope revealed a cost savings of approximately \$354,550 if the second boiler is replaced at the same time as the first. On June 19, 2016, the Board approved an increase of \$475,357 and sourcing capital funding (FY2016 - Replace Boiler #4) of \$87,500 for a revised project total of \$1,562,857 to purchase and install an additional boiler. With long lead times for the equipment and the approval of the additional boiler, construction didn't commence until October 11, 2016. Both boilers have been installed and are currently undergoing testing prior to being commissioned. There is still one outstanding deferred approval document that identifies the bracing of the flue pipe. After this deferred approval has been accepted by the Office of Statewide Health Planning and Development (OSHPD), the project will be substantially complete. The contractor could not proceed until the building permit was issued on August 18, 2016. NMC anticipates that the project will be completed by September 21, 2017. The remaining balance for all three project; Cooling Tower Replacement; Water Softener Installation and Replace Boilers is \$271,453.

**Acute Rehab Unit/Medsurg 2**

The Acute Rehab Unit/Medsurg 2 Project was initially approved by the Board of Supervisors on October 21, 2014 and is currently 100% complete. The project was a comprehensive remodel that included a refurbishment to all patient rooms in the Acute Rehab and Medical Surgical 2 Units located on the 2nd Floor of Building 100. This project also included expanding bed capacity from 20 to 24 beds for the Acute Rehab Unit. These rooms have not been refreshed since they were constructed in 1999. The rooms have new flooring, paint, casework, tile in the toilet rooms, solid surface sinks, cubicle curtains, and wall protection behind the patient beds. In addition to the patient rooms, the corridors of the unit have new paint, wall protection, flooring, new nurse stations and also expanded its dialysis capability to eight beds in Medical Surgical 2 and 4 beds in the Acute Rehab.

Infant Security (JC1406) and Dialysis (JC1411) are projects included as components of Acute Rehab Unit/Medsurg 2 project. The plans and specifications were approved by the Board of Supervisors on October 21, 2014 NMC proceeded with a Job Order Contract for construction in which the project started on August 22, 2016 and completed on December 15, 2016. On March 22, 2016 the board approved an increase of \$498,012 to a revised total project cost of \$2,676,384. The project is complete and NMC has filed the notice of completion with the Monterey County Recorder's Office. The remaining balance for the Acute Rehab Unit/Medsurg 2 Project is \$12,262.

**Emergency Department (ER) Rapid Medical Evaluation (RME) Remodel Project:**

The Emergency Department/ Rapid Medical Evaluation (RME) is located on the 1st Floor of Building 500. RME quickly treats patients that have low acuity medical problems. There are two main components to this minor remodel project:

The first component is the need for visual access to monitor patients in the waiting room if a patient's condition changes after initial check in. The current layout does not allow clinical staff to actively monitor patient activity in the waiting room. This project will allow for clinical staff to actively monitor the Emergency Department waiting room.

The project will allow for an increase in triage rooms (increase by 1 triage room) which will reduce patient wait time and improve patient satisfaction.

The Emergency Department/ RME project was approved by the Board of Supervisors in January 2014 at a project cost of \$197,200 and is currently 95% complete. Since the approval in January 2014, (the project was at the Construction Document phase during this time) there was a change in the Emergency Department leadership. The key stakeholders (doctors and nurses) made changes to the previously approved schematic design to further help triage patients. The changes resulted into an increase in project cost and delays to design and construction document submittal to the OSHPD. In April of 2014 NMC initiated a Job Order Contract (JOC) with a General Contractor to provide a price proposal for the project. The price proposal came back higher than previously approved by the Board of Supervisors in January 2014. As a result, NMC brought the increased project cost back to the Board of Supervisors in March 1, 2016 on NMC's Key Capital Project report, and received approval for a revised project cost of \$337,700 (\$292,300 for construction and \$45,400 for design).

The general contractor was issued a notice to proceed to start the project. Unfortunately the general contractor was no longer interested in proceeding with construction on this project. As a result of the non-responsiveness of this JOC contractor, NMC re-initiated this project to Otto Construction off of the Fiscal Year (FY) 14-15 JOC program. Otto's price proposal came in slightly higher than the previous JOC Contractor at \$311,310. On June 7, 2016 NMC received Board of Supervisors approval for this increase in construction cost of the project from \$292,300 to \$311,310 and a 10% contingency in the amount of \$31,000 this results in a total construction cost of \$342,310, a design cost of \$45,400 for a total project cost of \$387,710. The project completion date has been revised to August 31, 2017 due to obtaining occupancy from the first phase of the project and design revisions to mitigate cost for the second phase of the project. The remaining balance for the Emergency Department/ RME project is \$102,929.

**MOB Buildout - Floor One:**

The Medical Office Building (MOB), Building 400, 1st Floor, consists of approximately 4,500 square feet of shell space. NMC anticipates using this space for Cardiopulmonary/Women's Diagnostic Imaging clinic. This building improvement will move outpatient clinical services from the inpatient Radiology Department in building 500 to the first floor of building 400 providing space for the Radiology Modernization project. The Building 400 - Mechanical Upgrade is a component to this

project but is funded separately as an independent capital project. This project was supported by the Capital Improvement Committee on September 19, 2011, and by the Budget Committee on September 28, 2011 and approved by the Board of Supervisors on June 6, 2012 in the amount of \$2,950,000 when NMC was going to contract with a tenant and perform tenant improvements. NMC now plans to occupy the space and has decreased the scope and cost of what was originally approved by the BOS in FY2012. On March 1, 2016 the project was reinstated by the Board of Supervisors with a revised capital budget amount of \$1,156,036. On May 10, 2016 the plans and specifications were adopted by the Board of Supervisors, and NMC went out to public bid on May 16, 2016 and May 23, 2016.

On November 1, 2016 NMC received authorization from the Board of Supervisors to increase the total project cost in the amount of \$1,059,716 to a revised total project cost of \$2,215,752 and to award the Building 400 Cardiology Clinic (MOB Buildout - Floor One) No.9600-66 to Tombelson Inc. A notice to proceed was issued, and construction started on December 13, 2016 and is currently 85% complete. NMC applied for a grant from Central California Alliance for Health (CCAH) on November 14, 2016 and was awarded the grant on February 22, 2017 in the amount of \$2.4M to assist with funding the project. The grant agreement was signed and approved by the Board of Supervisors on May 17, 2017. There has been one change order in the amount of \$55,625 which was funded by the contingency. NMC anticipates that the project will be completed by August 31, 2017. The remaining balance for the MOB Buildout - Floor One project is \$874,588.

**Building 400 - Mechanical Upgrade:**

The Medical Office Building (MOB), Building 400, has mechanical equipment that needs to be replaced and boilers that need repair. On March 1, 2016 the Board of Supervisors approved the Building 400 - Mechanical upgrade in the amount of \$800,000. This project is a complimentary to the Building 400 - First Floor project, allowing mechanical equipment upgrades that will benefit the tenants on the first floor. On May 10, 2016 the plans and specifications were adopted by the Board of Supervisors, and NMC went out to public bid on May 16, 2016 and May 23, 2016.

On November 1, 2016 NMC received authorization from the Board of Supervisors to increase the total project cost in the amount of \$44,381 to a revised total project cost of \$844,381 and award the Mechanical Upgrade (The Building 400 - Mechanical Upgrade) Project No.9600-66 to Tombleson Inc. A notice to proceed was issued, and construction started on December 13, 2016 and is currently 65% complete. NMC anticipates that the project will be completed by August 31, 2017. The remaining balance for the Building 400 - Mechanical Upgrade is \$409,516.

**Security Department Relocation:**

NMC's Security Department is located in Building 500, 1st Floor and currently occupies a portion of the space that will be needed for the Radiology Modernization project. NMC is utilizing one of the on-call architects (from the NMC Architectural Services list) to develop plans and specifications to relocate the Security Department to Building 600. This project is a key step in allowing the completion of the Radiology Modernization Project. The construction documents were approved by OSHPD on March 3, 2016 (which was later than expected) and then NMC initiated a Job Order Contract to Ausonio Construction. NMC approved the price proposal and started construction on September 6, 2016. There were several unforeseen unbudgeted conditions that were discovered, such as, a seven inch gap from the corridor to the new Security Department space once the walk in refrigerators were removed, hazardous materials that must be abated, and existing walls that require bracing. The Security project had expenditures in FY2015 in the amount of \$66,500 that were sourced from the Radiology Modernization capital budget; these expenditures were previously overstated on March 1, 2016. The project now has been recognized as a separate capital project and was budgeted in the amount of \$437,550. On April 11, 2017 the Board of Supervisors approved a project budget increase in the amount \$100,000 for construction resulting in a revised total project cost of \$537,550 and is currently

75% complete. NMC anticipates that the project will be completed by August 31, 2017. The remaining balance for the Security Department Relocation is \$189,485.

**Temporary Parking Lot:**

Resource Management Agency - Public Works is progressing with the Jail House Addition and new Juvenile Hall projects, which are located on the back side of the NMC's (NMC) campus. These projects are going to impact parking lot M2 which serves as staff parking for NMC employees. Parking lot M2 will be removed and replaced with the new Jail House addition. NMC is collaborating with Public Works to install a gravel parking lot at the corner of Constitution and Campus Drive. The parking lot will accommodate displaced parking during the construction of the Jail House Addition until other accommodations are made for parking.

The Temporary Parking Lot project was initially approved on July 19, 2016 by the Board of Supervisors in the amount of \$1,610,400 and is currently 90% complete. NMC has identified 370 parking spaces that will be displaced during the construction phase of the Jail House Addition and New Juvenile Hall projects. At the end of the construction phase NMC will regain 258 parking spaces (overall loss of 112 parking spaces). In order for NMC to have adequate parking for patients and visitors, an additional parking lot is required. Resource Management Agency - Public Works used one of their Job Order Contractors to perform the project and is currently under construction. Grading has been completed and lighting and wheel stops have been installed. Project is substantially complete. NMC anticipates that the project will be completed by July 31, 2017. The remaining balance for the Temporary Parking Lot is \$766,019.

**PROJECTS IN PROGRESS**

**Radiology Modernization:**

NMC Diagnostic Imaging Department is located in Building 500, 1st Floor and requires a complete remodel and modernization. This includes the replacement of obsolescent medical equipment, such as Computer Tomography (CT) and Magnetic Resonance Imaging (MRI). In 2013, the department replaced aging X-Ray equipment with new digitally enhanced basic radiographic equipment. This was considered Phase 1, in a multi-phase approach to modernize the Imaging Department. Phase 2, includes adding two new CT scanners a new MRI and new Angiography Equipment. The cost for architectural services and construction is budgeted at \$14,300,000 which does not include the equipment cost. The Security project has current expenditures of \$66,500 in FY2015 which was funded by the Radiology Modernization Project. The Security Relocation Project has its own capital budget in FY2016 which will reduce the Radiology Modernization's overall estimated project cost by \$371,050 in FY2016 and FY2017, therefore, reducing the estimated total cost from \$14,300,000 to \$13,928,950. The project is forecasted to occur over a 24-36 month period with actual construction phased into several phases to maintain services during the remodel. On May 23, 2017 the board approved Amendment No. 2 with RBB Architects for the Radiology Modernization Project at NMC, extending the agreement an additional two (2) year period (July 1, 2017 through June 30, 2019) for a revised full agreement term of September 23, 2014 through June 30, 2019, and adding \$1,307,000 for a revised total agreement amount not to exceed \$2,524,350. This requested increase will leave \$11,404,600 for construction and associated fees. Our original estimate for the construction is \$10,236,545. This project is currently approved by Office of Statewide Health Planning and Development (OSHDP). The remaining balance for the Radiology Modernization project is \$12,124,082.

**Nurse Call:**

The original Fisher Berkley nurse call system that was put into service in 1998 at NMC. The current nurse call system is a traditional system, which has a centralized annunciator panel with audible alarms and visual displays at the nurse's stations. Additionally the call system has a light that illuminates

outside the patient rooms and patient bathrooms to alert staff to a fire or medical emergency. The bathrooms have a pull cord and the patient rooms have a hand push button cord with visual display. Pull cords are also found in patient showers and public bathrooms. All units have the same system but are independent of each other. All systems are original and have no interface with computer or other communication devices such as pagers, and phones. The current Fisher Berkley Nurse Call system is at end of life and parts have been discontinued.

The Nurse Call project was approved by the Board of Supervisors on June 25, 2015. It is the intent of NMC to phase the removal of the current wired system and to provide and install a new nurse call system. NMC will need to install a phased temporary wireless system which must be fully operational prior to the replacement of the old system. When the new Nurse call system is installed it will have the capability of using two way devices that are text capable to receive alerts from the nurse call system along with computer work stations in each unit. The project scope of work and contract are currently under review. Total approved capital funding for the Nurse Call project is \$1,200,000.

**Pharmacy Remodel:**

The Pharmacy Department is located on the first floor of building 580. The department develops intravenous (IV) medications that are introduced directly into the bloodstream, bypassing the anti-infective defenses of the stomach and skin. Contaminated compounding IV medications can result into patient harm due to infections. To prevent contamination, it is necessary that medications are developed by trained staff using proper procedures in facilities designed to prevent contamination. The current IV compounding facility in the Pharmacy department will not meet new regulations set by the California State Board of Pharmacy for IV compounding. This project will update the department to meet new laws and regulations by providing a new compounding room with a new non-hazardous anteroom and a hazardous medication storage room. The Pharmacy project was approved by the Board of Supervisors as new project on March 1, 2016 in the amount of \$1,200,000. The Pharmacy remodel project will span over two fiscal years. NMC preliminarily contracted with The Stinnett Group to perform a feasibility study and work with the key stakeholders to propose a schematic design drawing to accommodate a hazardous materials and IV compounding rooms. NMC then contracted with Kasavan Architects to proceed with the design development and construction document phase of the project. Total approved capital funding for the Pharmacy Remodel project is \$1,200,000.

**Parking lots and Roadwork:**

Throughout the campus of NMC the roadways need improvement, from resurfacing and restriping of the parking lots to providing additional parking spaces and resurfacing the main roadway. Bus stop locations need improvements due to the increased traffic. NMC will need to improve the sub grade and provide adequate foundation for the weight of the Monterey-Salinas Transit buses. The paint that designates pedestrian travel, stop signs, handicapped parking stalls, and curb paint has faded and will need to be repainted. The Parking lots and Roadwork project was approved by the Board of Supervisors as new project on March 1, 2016 in the amount of \$840,000. NMC has initiated a JOC project with Ausonio to provide this scope of work. Currently soils investigation was performed at the Monterey-Salinas Transit bus stops to identify the current condition of the sub grade. Total approved capital funding for the Parking lots and Roadwork project is \$840,000.

**Hospital Wayfinder System:**

NMC has identified a need to improve its interior and exterior signage as way finding is a huge dissatisfier with our patients. The data shows that more than 50% of the patient population is Limited English Proficient (LEP). Due to the diversity of our patient population, pictogram signage (using universal symbols) and bilingual language signage may provide further assistance in effective communication to our population. The majority of the hospital's existing signage is in English, and the signage does not use universal symbols (pictograms).

On August 27, 2013 the Board of Supervisors authorized NMC to enter into an agreement with GNU Group based on qualification selection. NMC has contracted with GNU Group which has performed a complete analysis and evaluation of wayfinding/ signage needs for the hospital that included interior and exterior signage. GNU Group has also developed a comprehensive signage program that includes a signage masterplan identifying wayfinding signage for the entire campus. At this time NMC has postponed the project to future fiscal years. The remaining balance for the Hospital Wayfinder System is \$572,203.

OTHER AGENCY INVOLVEMENT:

This report will be scheduled to be presented to the Capital Improvement Committee and Budget Committee.

FINANCING:

Funding for all capital projects has been appropriated by NMC's operations. Remaining funding for all projects are in NMC's Capital Strategic Reserve fund 404. The Fund is specific for approved capital expenditures. There is no impact to the General Fund.

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Approved by: Dr. Gary Gray, Chief Executive Officer, (831) 783-2563

Attachments: Exhibit A - Capital Projects Matrix