



Board Report

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Receive a report of Natividad Medical Center's capital projects for Fiscal Year (FY) 2015 that were projects in progress in FY 2014, projects supported in previous fiscal years but were delayed or postponed and new projects for FY 2015. (ADDED VIA ADDENDUM)

RECOMMENDATION:

It is recommended that the Monterey County Board of Supervisors receive a report of Natividad Medical Center's capital projects for FY 2015 that were projects in progress in FY 2014, projects supported in previous fiscal years but were delayed or postponed, and new projects for FY 2015.

SUMMARY/DISCUSSION:

The Natividad Medical Center (NMC) Facilities and Construction Department staff administers capital projects focused on providing quality, safety and efficiency in providing healthcare to the citizens and visitors of Monterey County. Staff is requesting support in prioritization (Priority 1 equaling critical and Priority 2 equaling non-critical) and funding for additional projects that are not included in the FY 2015 NMC Recommended Budget. The projects have been grouped by category as follows: (1) Projects in Progress; (2) Reinstated Projects; and (3) New Projects.

Projects will be sourced from cash balances. The recommended projects FY 2015 budget impact is an additional \$6,897,000. Currently \$3,020,000 has been previously approved by the CIC committee, bringing the NMC Building and Improvement budget total to \$9,917,000. This budget amount is near the NMC FY 2015 Requested Budget (\$10,437,000). Based on NMC's fiscal performance forecast and resultant cash balance forecast for FY 2015, FY 2016 and FY 2017, this will render an estimated cash balance of approximately \$26,756,158, \$21,170,096 and \$22,735,219, respectively.

Projects in Progress - Projects that have commenced but have not yet been completed during FY 2014:

Building 400 - Floor Three:

NMC worked collaboratively with the Monterey County Health Department to design and develop the third floor of Building 400 for its primary care clinic. The floor consists of 7,500 square feet of shell space and 10,500 square feet of occupied office space. Relocation of occupants is necessary and represents the IT & Nursing (Modular T.I.) Project. The build-out enables NMC to achieve its Delivery System Reform Incentive Pool (DSRIP) milestone of increasing its number of Family Medicine residents. The construction cost is \$3,753,000 which includes a 10% contingency. This results in a total project cost increase by \$564,729 over what was originally budgeted. NMC has funded this budget shortfall with a FY 2012-13 carryover funds sourced from FY 2012-13 Hospital Seismic NPC-3 project. FY 2013-14 Building Construction Contingency funding will be sourced for any overages in actual construction cost. Total project cost including design and construction is currently calculated at \$4,317,729. The project is a carryover from FY 2012-13. (FY2014-\$4,500,000, & FY2015-\$1,625,000)

Interior Design Upgrades - Building Wide:

NMC has earmarked capital funding for interior design upgrades to include replacement furniture purchases (Patient, Visitor, Staff) and small dollar refresh projects under \$100,000. (FY2014-\$500,000, FY 2015-\$500,000, FY 2016-\$500,000 & FY2017-\$500,000)

Emergency Stations for Parking Lots:

Natividad Medical Center has 7 parking lots in various locations throughout the facility grounds. To provide our patients

and staff with security it has been decided to install wireless security notification stations throughout the above mentioned lots and various locations. The emergency stations will notify security to respond to the location that alarms. (FY 2015-\$95,000 & FY 2016-\$95,000)

Campus Lighting (Install L.E.D. Lighting):

NMC has earmarked capital funding for the maintenance of campus lighting to include replacement lighting fixtures and small dollar repair projects under \$100,000. (FY2015-\$50,000 & FY2016-\$50,000)

Hospital Wayfinder System:

NMC has identified a need to improve its interior and exterior signage. Our admitting department has been collecting data on patient language since winter 2012. The data shows that more than 50% of the patient population is Limited English Proficient (LEP). Additionally, due to the diversity of our patient population, pictogram signage (using universal symbols) 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). NMC recognizes that it needs to improve its signage program and will be installing signage that meets the needs of our diverse patient population. (FY2015-\$750,000)

Sterilizer Replacement:

The Central Sterile Department is located in Building 580, 2nd Floor, with the function of decontaminating the Surgery Department's surgical instruments using two existing sterilizers. The project is to replace both the sterilizers that are beyond their useful life with two new sterilizers. The project was supported by the Capital Improvement Committee on August 4, 2013, and the Budget Committee on September 28, 2013. The Plans and Specifications were approved by the Board of Supervisors on December 3, 2013. NMC proceeded with a Job Order Contract for construction. The project started on June 2, 2014. This project was scheduled to be completed by June 2014, but the completion needs to be revised to September 2014. (\$164,399)

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

The RME is located in Building 500, 1st Floor, within the Emergency Department. The RME evaluates and treats patients that have low acuity medical problems. If a patient is seriously ill, there is a need to be able to monitor patient activity in the waiting room, which the current layout does not allow. The project will give staff appropriate space, visual access to monitor patients in the waiting room, provide two additional exam rooms and two triage areas to reduce patient wait time. The project has moved slower than planned due to user group evaluation of key components and OSHPD (Office of Statewide Health and Planning Development) approval. The project was supported by the Budget Committee on November 26, 2013, and supported by the Capital Improvement Committee on December 2, 2013. The Plans and Specifications were approved by the Board of Supervisors on January 7, 2014. NMC is proceeding with a Job Order Contract for construction. (\$162,800)

Reinstated Projects - Projects previously supported by the CIC and Budget Committee (BC), and received BOS approval, but were delayed for various reasons, but are now ready to be reinstated through funding and placed back on the Quarterly Report.

Building 400 - First Floor

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 physician clinic space. The project was previously supported by both the CIC and BC, and approved by the BOS in FY 11/12 in the amount of \$2,950,000. During the negotiation of the leased space \$20,849 was expended for design. The lease agreement with the tenant could not be reached and therefore the project was delayed. Currently NMC has identified \$2,000,000 in capital for build out. (FY 2015-\$1,000,000 & FY 2016-\$1,000,000)

Parking lots and Roadwork

Throughout the campus of Natividad Medical Center 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 striping of pedestrian travel, stop signs, and handicapped parking stalls and curb paint has faded and needs a fresh coat of paint. This project was supported by both the CIC and BC, and approved by the Board in FY 11/12. There was \$42,800 expended in FY 2012 leaving \$557,200 for FY 2013 for a parking lot preliminary design. Other projects were deemed a higher priority resulting in the delay of this project. (FY 2015-\$250,000 & FY 2016-\$750,000)

Refresh Medical Surgical Unit/Intensive Care Unit Remodel - (Refresh MSU 3/ICU)

This project is a comprehensive remodel that includes a refurbishment to all patient rooms on the Medical/Surgical Unit third floor. The rooms have not been refreshed since they were constructed in 1999. The rooms will have new flooring, wallpaper removed and replaced with paint, new casework, new tiling in the toilet rooms, solid surface sinks, new cubicle curtains, and wall protection behind the patient beds. In addition to the patient rooms, the corridors of the unit will also be refreshed with paint, wall protection, and new flooring and the nurses' stations will be replaced. Med/Surg Remodel was previously supported by the CIC and BC, and approved by the BOS in FY 11/12 (B-2012-7) for \$1,500,000. (FY 2015-\$250,000 & FY 2016-\$500,000)

New Projects - Projects that Natividad Medical Center is requesting to be supported for implementation and is part of the FY 2015 Capital Budget.

Acute Rehab Unit/Medsurg 2:

This project is a comprehensive remodel that includes a refurbishment to all patient rooms on the Acute Rehab Unit/Medsurg 2. The rooms have not been refreshed since they were constructed in 1999. The rooms will have new flooring, wallpaper removed and replaced with paint, new casework, new tiling in the toilet rooms, solid surface sinks, new cubicle curtains, and wall protection behind the patient beds. In addition to the patient rooms, the corridors of the unit will also be refreshed with paint, wall protection, and new flooring and the nurses' stations will be replaced. Capital from Interior Design Upgrades - Building Wide was sourced in the amount of \$80,591 to develop preliminary drawings and specifications allowing NMC to assemble a project scope and bring the project to committee for support. Infant Security (JC1406) and Dialysis (JC1411) are new projects included as components of this project. (FY 2015-\$1,425,000)

Radiology Modernization:

The Project was listed as a goal under the NMC's "Capital Budget Year Goals (Pg. 629)" in the Board of Supervisors' approved County Recommended Budget Book for FY 13/14. Natividad Medical Center 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 (Diagnostic Imaging - 4 Rooms Project - B13-2013-XX50 at a cost of \$479,100). This was considered Phase 1, in a multi-phase approach to modernize the Imaging Department. Phase 2, is the construction of an Angiography Hybrid Suite for Interventional Radiology (\$14,300,000). This phase includes adding two new CT scanners (FY16 and FY17-Total: \$1,800,000), a new MRI (FY16 and FY17-Total: \$1,200,000), and new Angiography Equipment (FY16 and FY17-Total: \$1,000,000). The Security Department Relocation Project is a component of the overall Radiology Modernization Project. The project is forecasted to occur over a 24-36 month process with actual construction phased into three construction phases to maintain services during the remodel.

Security Department Relocation:

The Project was listed as a goal under the NMC's "Capital Budget Year Goals (Pg. 629)" in the Board of Supervisors' approved County Recommended Budget Book for FY 13/14. Natividad Medical Center's Security Department is located in Building 500, 1st Floor and currently occupies a portion of the space that will need to be used for the Radiology Modernization project. Natividad Medical Center is utilizing one of the on-call architects (an architect from the NMC Architectural Services list) to develop plans and specifications to relocate the Security Department to Building 600. Funds from the Radiology Modernization project are being sourced for this project, since the project requires the space. This project is a key step in allowing the completion of the Radiology Modernization Project.

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 contains heating hot water boilers, cooling towers, and chillers for the Heating Ventilation and Air Conditioning (HVAC). 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. To extend the useful life of replacements, NMC will install a Water Softener System to remove particulates that shorten life span of these systems, reduce maintenance costs and condition the water throughout the hospital. Included in this project is to update the Building Management System (BMS), which will provide higher efficiency and lower overall energy costs through automation. The projects captured in this category are: HVAC (FY 2015-\$412,000 & FY 2016-\$300,000); Water Softener (FY 2015-\$669,153 & FY 2016-\$169,153); Boiler Replacement (FY 2015-\$260,000); and Cooling Tower Replacement (FY 2015-\$250,000).

First Floor Replacement Flooring:

Throughout the first floor of Natividad Medical Center the moisture has penetrated through the concrete slab and has compromised the integrity of the tile. Replacement tile is no longer available. NMC has patched with similar tile in several locations on the first floor but it is not esthetically pleasing. The moisture continues to affect the existing and new tile as it continues to crack and separate. The project includes removing the existing tile, applying concrete seal to prepare the concrete slab, and relaying new flooring. (FY 2015-\$750,000)

OTHER AGENCY INVOLVEMENT:

Natividad Medical Center has worked with County Counsel on Request for Qualifications, Request for Proposals Contract Award, and Protests, for the various capital projects listed. The Projects in Progress and the Reinstated Projects were reviewed and approved by the NMC Finance Committee and Board of Trustees when previously submitted to the CIC and BC for support and received Board approval. The New Capital Projects report has been supported by the Finance Committee and Board of Trustees (Special Meeting) on May 22, 2014.

FINANCING:

There is no fiscal impact to giving this report.

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Attachments: Exhibit A - Capital Project Fact Sheets