



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

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Receive a report on Natividad Medical Center's key capital projects as of December 31, 2020.

RECOMMENDATION:

It is recommended that the Budget Committee receive a report on Natividad Medical Center's key capital projects as of December 31, 2020.

SUMMARY/DISCUSSION:

Natividad Medical Center (NMC) is responsible for the management, operation, and maintenance of building facilities and roads within the NMC campus. The Facilities and Construction Department staff administers capital projects focused on strategically upgrading the hospital by reconfiguring and remodeling the campus to better accommodate healthcare services.

Radiology Modernization:

The Diagnostic Imaging Department requires a complete remodel and modernization. Modernization 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 modernizing the Imaging Department. Phase 2 includes adding two CT scanners, an MRI, Nuclear Medicine, Angiography Equipment, and a Hemodynamic System. On July 10, 2018, the Board of Supervisors awarded the project to Otto Construction in the amount of \$12,947,000 and approved to increase the construction project cost to \$18,373,080. The total project cost, which includes design, construction, and equipment, equals \$24,621,331.

NMC is in the construction stage of modernizing the Radiology Department on the first floor of Building 500. The Radiology Department is adding two new Computerized Tomography (CT) scanners, a new Magnetic Resonance Imaging (MRI) as well as creating an Angiography hybrid suite for Interventional Radiology (IR).

The construction was originally forecasted to occur over a 24-month period, with construction occurring into 4 phases to maintain services during the remodel. Construction started on September 4, 2018, and has currently completed 85% of the project. In the first two quarters of FY 2019-20, it was identified that there would be a possible impact to the project schedule due to revisions of the magnetic/RF shielding for the MRI equipment and structural calculation of the anesthesia boom for the IR room.

The Coronavirus (COVID-19) pandemic is continually generating unprecedented delays and disruptions to the Radiology Modernization project by effecting equipment manufacturing, availability of contractor workforce, and governmental personnel for project inspections. The manufacturer of the second CT had a wide spread infection which quarantined factory workers and delayed delivery of the equipment until early March. The project has exceed the original project schedule and now is anticipated to be completed by the end of March of 2021.

Although the project may exceed the original forecasted time frame, Natividad feels confident that the project will come in at or below budget. The Radiology Modernization project is within budget with a remaining

balance of \$3,335,922 as of December 2020. The revised completion date for the project is estimated to be March 31, 2021.

Nurse Call:

The original Fisher Berkley nurse call system that was put into service in 1998. The current nurse call system is a traditional system, which has a centralized annunciator panel with audible alarms and visual displays at the nurse stations. Additionally, the call system has a light that illuminates to alert staff to a fire or medical emergency. All systems are original and have no interface with computers or other communication devices such as pagers and phones. The current Fisher Berkley Nurse Call system is at the end of life, and replacement parts are discontinued.

Natividad Medical Center was issued a building permit from the Office of Statewide Health Planning and Development (OSHPD) on July 11, 2019. NMC initiated and assigned the project to a JOC contractor and received a price proposal. OSHPD's comments on the construction documents didn't allow the use of a temporary wireless Nurse Call system, which dramatically increased the phasing and constructability of the project. From July 2019 through February 2020, the construction price proposal went through four revisions during the review process with the Gordian Group (the company that assists with the County's JOC program). During this period, NMC staff worked jointly with the architect, engineers, and contractor to extensively evaluate phasing to make the project more efficient. The Coronavirus (COVID-19) pandemic is generating unprecedented delays by not allowing access to patient rooms and resulting in building permit expiration. The project was resubmitted to OSHPD on January 5, 2021 for plan review and anticipate approval is expected to be early March of 2021. The remaining balance for the Nurse Call project is \$2,403,882 as of December 2020. The estimated completion date is June 30, 2023.

Pharmacy Remodel:

The Pharmacy 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 in patient harm due to infections. To prevent contamination, medications must be 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 facility 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 Board of Supervisors approved the Pharmacy project on March 1, 2016, in the amount of \$1,200,000. OSHPD approved this project on June 11, 2019, and NMC has initiated the project as a JOC project to Staples Construction. NMC has received the price proposal in the amount of \$849,813. NMC started construction on September 21, 2020 and is currently 50% complete with phase 1, but the global spread of Coronavirus (COVID-19) pandemic is generating unprecedented delays. The remaining balance for the Pharmacy project is \$460,284 as of December 2020. The estimated completion date is June 30, 2021.

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. The Parking lots and Roadwork project was approved by the Board of Supervisors on March 1, 2016, in the amount of \$840,000. NMC has initiated a JOC project with Ausonio Inc. to provide this scope of work. Resurfacing, restriping, and improvements to the bus stop are complete. The remaining portion of the projects is to mitigate erosion in parking lot "K." The geotechnical report was received on May 1, 2020. Natividad has proceeded with further investigation of the storm water system and roadway erosion and is currently reviewing potential options to mitigate the distressing stairs and roadway. The remaining balance for the Parking lots and Roadwork project is

\$261,623 as of December 2020. The estimated completion date has been revised to December 30, 2021.

Laboratory Remodel/Phlebotomy:

The Laboratory is where collection and testing of specimens are done to obtain information about the health of a patient as it pertains to the diagnosis, treatment, and prevention of disease. The phlebotomy area needs to be renovated to improve esthetics for better patient comfort during patient procedures. The blood bank needs additional space for specimen processing. The chemistry analyzers are to be replaced and supplemented with deionized water, resulting in decreased operational costs, faster turnaround time, and smaller sample size. OSHPD approved the project on September 4, 2019. NMC initiated a JOC project to Staples Construction. The project is currently on hold due to the global spread of Coronavirus Disease 2019 (COVID-19). The remaining balance for the Laboratory Remodel/Phlebotomy project is \$572,161 as of December 2020. The estimated completion date has been revised to December 30, 2021.

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

Capital projects are funded from NMC's operations. Where capital projects exceed \$100,000, funds are transferred from NMC Enterprise Fund 451 to NMC Capital Strategic Fund 404 to ensure funding is available for approved projects. Funds are transferred from the Capital Strategic Fund to the NMC Enterprise Fund as expenditures are paid to vendors.

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Attachments: Exhibit A - Capital Projects Matrix