



## Finance and Management Committee Meeting Notice & Agenda

Wednesday, October 27, 2010  
7:30 a.m. – 9:00 a.m.  
Dal Cielo Conference Room A

Office of the Clerk: (510) 814-4001

Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address.

- |  |                     |
|--|---------------------|
| I. Call To Order   | Jordan Battani      |
| II. Approval of Minutes  | Jordan Battani      |
| A. September 29, 2010 ACTION ITEM [enclosure]  |                     |
| III. Action Items  |                     |
| A. Recommendation to Accept September 2010 Financial Statements ACTION ITEM [enclosure]              | David A. Neapolitan |
| B. Recommendation to Approve Seismic Budget ACTION ITEM [enclosure]                                  | Kerry J. Easthope   |
| C. Recommendation to Approve Fugro West – Geotechnical Services Contract ACTION ITEM [enclosure]     | Kerry J. Easthope   |
| D. Recommendation to Approve Ratcliff Architect Contract for Seismic Project ACTION ITEM [enclosure] | Kerry J. Easthope   |
| IV. Chief Financial Officer's Report   | David A. Neapolitan |
| V. Chief Executive Officer's Report  | Deborah E. Stebbins |
| VI. Board / Committee / Staff Comments   |                     |
| VII. Adjournment   |                     |

This is being noticed as a Board Meeting as a quorum of Directors may be present. Ex-officio members and non-committee members cannot vote on any item, whether or not a quorum of the Board is present.



**DRAFT**

CITY OF ALAMEDA HEALTH CARE DISTRICT

## **Finance and Management Committee**

September 29, 2010

These minutes have been prepared for the exclusive use of the City of Alameda Health Care District.

**Members Present:** Jordan Battani, Chair  
J. Michael McCormick  
Robert Bonta  
Leah Williams  
Robert Deutsch, MD  
Ed Kofman  
James Oddie  
Alka Sharma, MD  
Ann Evans

**Management / Staff:** David Neapolitan  
Deborah Stebbins

**Guests:**

**Absent:** William Sellman, MD  
Kerry Easthope

**Submitted by: Kristen Thorson**

<b>Topic</b>	<b>Discussion</b>	<b>Action / Follow-Up</b>
I. Call to Order	Mr. McCormick called the meeting to order at 7:40 a.m. noting that quorum of committee members were present.	
II. Approval of Minutes	August 25, 2010 minutes were reviewed as presented.	Mr. Kofman made a motion to approve the minutes. Mr. McCormick seconded the motion. The motion was approved.
III. Chief Financial Officer's Report	<p><b>A. Recommendation to Accept FYE 2010 Audit</b></p> <p>Rick Jackson, CPA from TCA Partners presented the FYE June 30, 2010 Audited Financial Statements. Mr. Jackson stated that overall, the audit went very well. The audited financials consist of the Management Discussion and Analysis, which highlights the activity and statistics over the past fiscal year, the Opinion Letter from the Auditor and the subsequent financial statements. Total Assets at the end of the year totaled \$28,388,699, an increase over FY 2009. Net patient Service revenue increased by nearly \$5 million over prior year to \$67,778,668. Total operating income (loss), without non operating revenues such as the parcel tax, improved over prior year from a loss of \$5,414,120 to a loss of \$4,126,713. The increase in net assets, as reported was an increase of \$2,016,539 compared to the 2009 increase in net assets of \$730,307.</p>	Dr. Deutsch made a motion to accept the FYE 2010 Audit and recommend approval by the Board of Directors. Ms. Evans seconded the motion. The motion carried.

Topic	Discussion	Action / Follow-Up
	<p><b>B. Recommendation to Accept the August 2010 Financial Statements</b></p> <p>Mr. Neapolitan reviewed the August Financial Statements. The acute average daily census was five days or 0.6% greater than budget and 1.3% greater prior year. Sub-Acute census was equal to budget with an ADC of 33.5. The SNF program census was 21.9 for the month or 4.8% below budget.</p> <p>There were 229 surgery cases which exceeded budgeted expectations by 31 cases or 15.7%. The majority of the growth was related to Outpatient Surgeries which accounted for 27 of the cases.</p> <p>Gross patient revenues were \$506,000 below budget for the month. Net patient revenues were also unfavorable to budget by \$89,000 or 1.7%.</p> <p>Expenses were \$189,000 unfavorable to the fixed budget and \$70 unfavorable on an adjusted patient day (APD) basis for the month. The majority of the unfavorable variance was in medical supplies (\$186,000) and salary expense (\$158,000).</p> <p>For the month of August, there is a loss of \$126,853 versus a budgeted profit of \$148,916. Bringing the year-to-date to a loss of \$314,000 versus a budgeted profit of \$278,000.</p> <p><b>C. Hospital Provider Fee Update</b></p> <p>Mr. Neapolitan informed the committee about the Hospital Provider Fee in the State of California. AB1383 created in 2009 (Jones, D-Sacramento) imposes a fee (Quality Assurance Fee) on hospitals to generate matching monies from the federal government and is used to increase Medi-Cal payments to hospitals. Public Hospitals are exempt from the fee but will receive increased funding generated by the program based upon previous Medi-Cal utilization (Calendar 2007). The Hospital will receive approximately \$500,000 that will be distributed in several installments beginning in October, 2010.</p> <p><b>D. RAC Update</b></p> <p>Discussion and updates on RAC were deferred in the interest of time.</p> <p><b>E. Seismic Financing Update</b></p> <p>Discussion and updates on seismic financing were deferred in the interest of time.</p>	<p>Ms. Williams made a motion to accept the August Financial Statements as presented and recommend approval by the Board of Directors. Mr. Bonta seconded the motion. The motion was approved.</p>
IV. Chief Executive Officer's Report	The Chief Executive Officer's report was deferred in the interest of time.	
V. Committee / Board / Staff Comments	Ms. Battani asked that Management to be prepared to discuss, at the next meeting, an action plan to mitigate losses if there is another financial loss for the month of September.	

**Finance and Management Committee****Minutes September 29, 2010**

Topic	Discussion	<i>Action / Follow-Up</i>
VI. Adjournment		The Finance and Management Committee was adjourned at 9:05 a.m.

DISTRICT BOARD/FINANCE/FINANCE AND MANAGEMENT COMMITTEE/MINUTES/09.29.10

# THE CITY OF ALAMEDA HEALTH CARE DISTRICT

## ALAMEDA HOSPITAL

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### UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING SEPTEMBER 30, 2010

**CITY OF ALAMEDA HEALTH CARE DISTRICT  
ALAMEDA HOSPITAL  
SEPTEMBER 30, 2010**

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## **ALAMEDA HOSPITAL MANAGEMENT DISCUSSION AND ANALYSIS SEPTEMBER, 2010**

The management of the Alameda Hospital (the “Hospital”) has prepared this discussion and analysis in order to provide an overview of the Hospital’s performance for the period ending September 30, 2010 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management’s Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the Hospital’s financial performance as a whole.

### ***Financial Overview as of September 30, 2010***

- Gross patient revenue for the month of September was greater than budget by \$166,000 or 0.8%. Inpatient revenue was less than budgeted by 0.2% while outpatient revenue was 2.8% greater than budgeted for the month. However, on an adjusted patient day basis gross patient revenue was 3.3% greater than budgeted at \$5,555 compared to a budgeted amount of \$5,378 for September. Both inpatient and outpatient gross revenue per adjusted patient day was greater than budgeted.
- Total patient days for the month were 2,446 compared to the prior month’s total patient days of 2,619 and the prior year’s 2,481 total patient days. The average daily acute care census was 27.2 compared to a budget of 27.9 and an actual average daily census of 29.1 in the prior month; the average daily Sub-Acute census was 32.4 versus a budget of 33.5 and 33.5 in the prior month and the Skilled Nursing program had an average daily census of 22.0 versus a budget of 23.0 and prior month census of 21.9, respectively.
- Emergency Care Center (ECC) visits were 1,445 or 1.8% less than the budgeted 1,471 visits and were 9.8% less than the prior year’s visits of 1,479.
- Total surgery cases were less than budgeted expectations for the month at 168 cases versus the budgeted 195 cases. The current month’s surgical volume was 1.8% greater than the same month prior year’s 165 cases.
- Outpatient registrations were 12.9% below budgeted targets at 1,964.
- Combined excess revenue over expenses (profit) for September was \$52,000 versus a budgeted excess of expense over revenues (loss) of \$113,000. This brings our year-to-date loss to \$262,000 versus a budget profit of \$166,000.
  - Total assets decreased by \$258,000 from the prior month as a result of a decrease in current assets of \$419,000, a increase in net fixed assets of \$154,000 and an increase in restricted contributions of \$8,000. The following items make up the increase in current assets:
  - Total unrestricted cash and cash equivalents for September increased by \$58,000. As a result day’s cash on hand increased slightly to 9.7 at September 30, 2010 from 9.2 days at August 31, 2010.
  - Net patient accounts receivable decreased in September by \$692,000 compared to increase of \$731,000 in August. Day’s in outstanding receivables decreased to 62.1 in September from 66.7 at August 31, 2010. This decrease in day’s outstanding was primarily the result of a decrease in gross accounts receivable of \$1,940,000 resulting from increased collections in September totaled \$5.3 million compared to \$4.3 million in August.

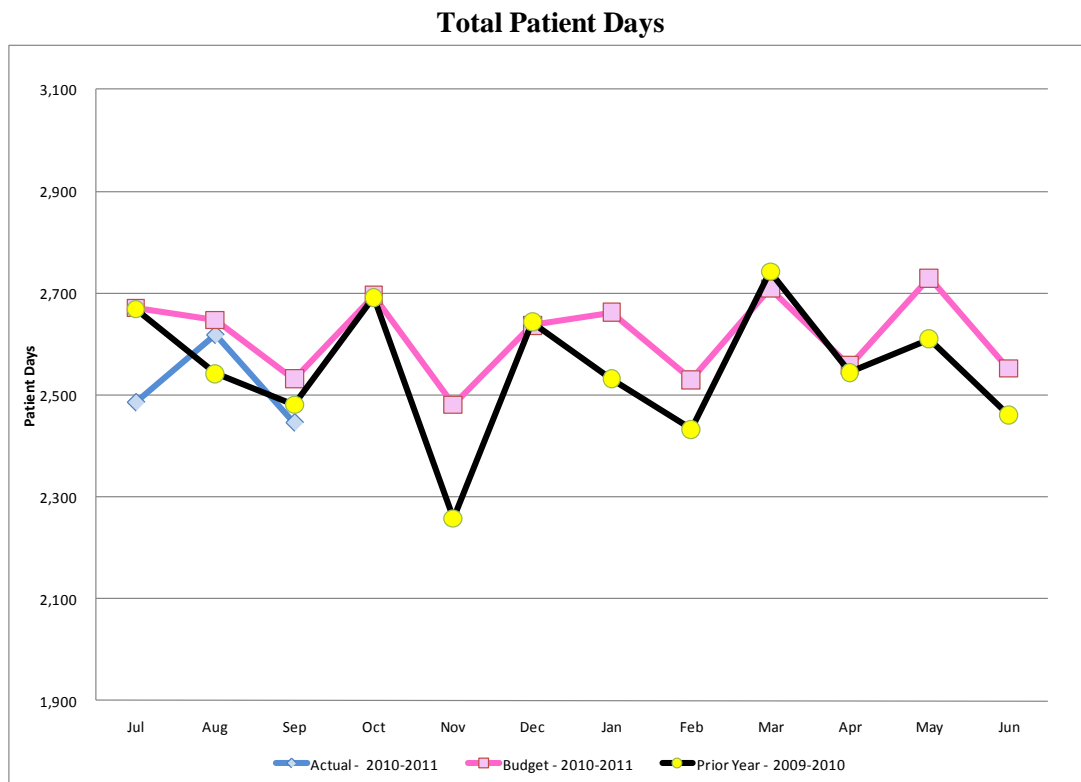
- Other receivables increased by \$215,000 as a result of the accrual of \$180,000 in estimated 2010/2011 intergovernmental transfer that is expected during the fiscal year.
- Total liabilities decreased by \$317,000 compared to an increase of \$423,000 in the prior month. This increase in the current month was the result of the following:
  - Accounts payable and accrued expenses increased by \$276,000 while payroll and accrued expenses increased by an additional \$71,000. As a result of this increase of \$347,000 and decrease in average daily expenses as of September 30th, the average payment period increased in September to 67.1 from 64.6 as of August 31, 2010.
  - Payroll and benefit related accruals increased by \$71,000 from the prior month. This increase was primarily the result of an increase in accrued payroll and related payroll tax accruals of \$154,000 offset by a reduction in accrued time off of \$61,000.
  - Deferred revenues decreased by \$480,000 as a result of the amortization of one-twelfth of the annual parcel tax revenues for the 2011 fiscal year.



### ***Volumes***

The combined actual daily census was 81.5 versus a budget of 84.4. The current month's unfavorable variance from the budgeted census was the result of lower than budgeted census in all three inpatient programs. The acute care program was slightly below budget by 0.8% with an average daily census of 27.2 versus the budgeted 27.9. The Sub-Acute program was below budgeted expectations with an average daily census of 32.4 versus the budgeted 33.5. In the Skilled Nursing unit the average daily census was 22.0 versus the budgeted average daily census of 23.0. This resulted in an overall unfavorable variance of 3.4% from budgeted expectations for inpatient utilization in the month of September.

The graph below shows the total patient days by month for fiscal year 2011.

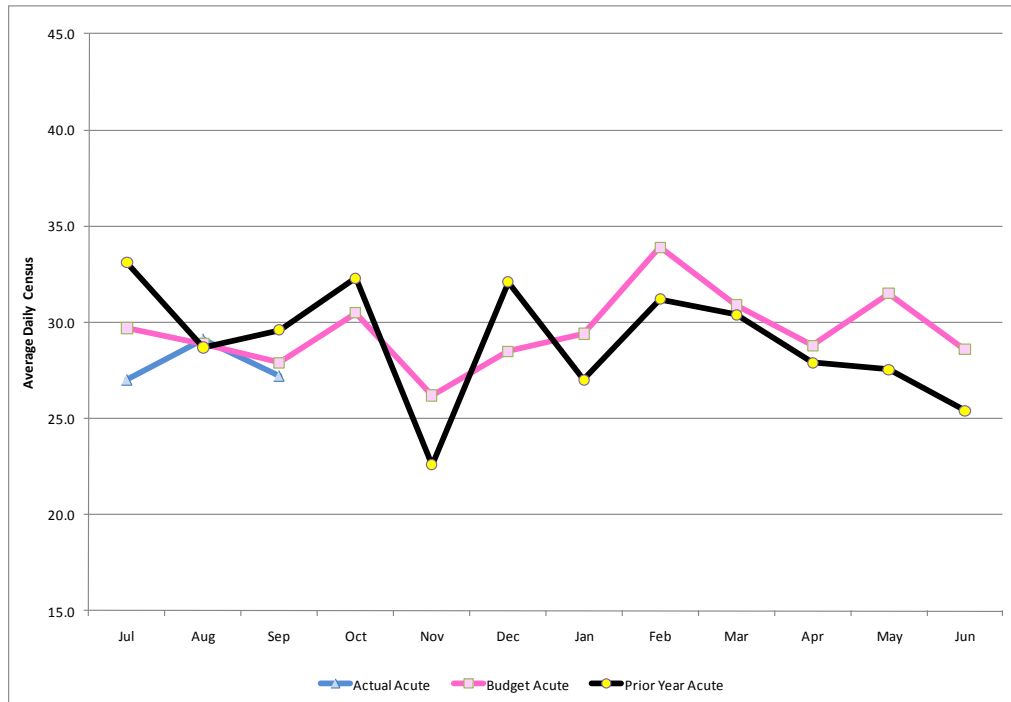


The various inpatient components of our inpatient volumes for the month of September are discussed in the following sections.

### **Acute Care**

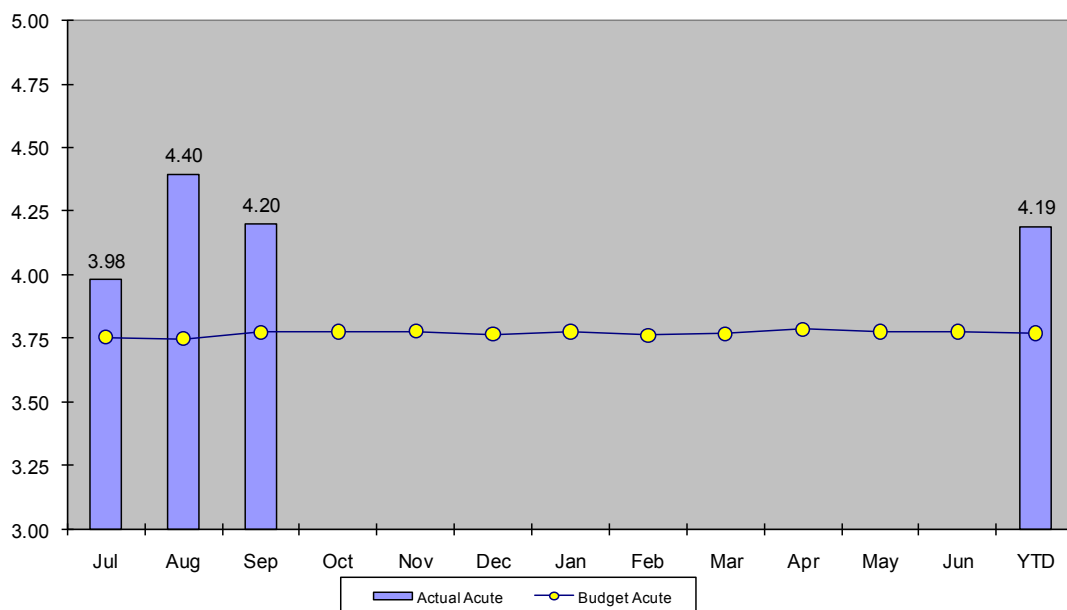
The acute care patient days were 2.7% (23 days) less than budgeted and were 8.2% less than the prior year's average daily census of 29.6. The acute care program was comprised of Critical Care Unit (4.5 ADC, 32.4% favorable to budget), Definitive Observation Unit (7.1 ADC, 30.4% unfavorable to budget) and Med/Surg Units (15.6 ADC, 9.1% favorable to budget). The graph on the following page shows the inpatient acute care census by month for the current fiscal year.

### Inpatient Acute Care Average Daily Census



The average length of stay (ALOS) decreased from that of the prior month to 4.20 days for the month of September versus the budgeted FY 2011 average of 3.75. The graph below shows the month ALOS by month and the budgeted ALOS for fiscal year 2011.

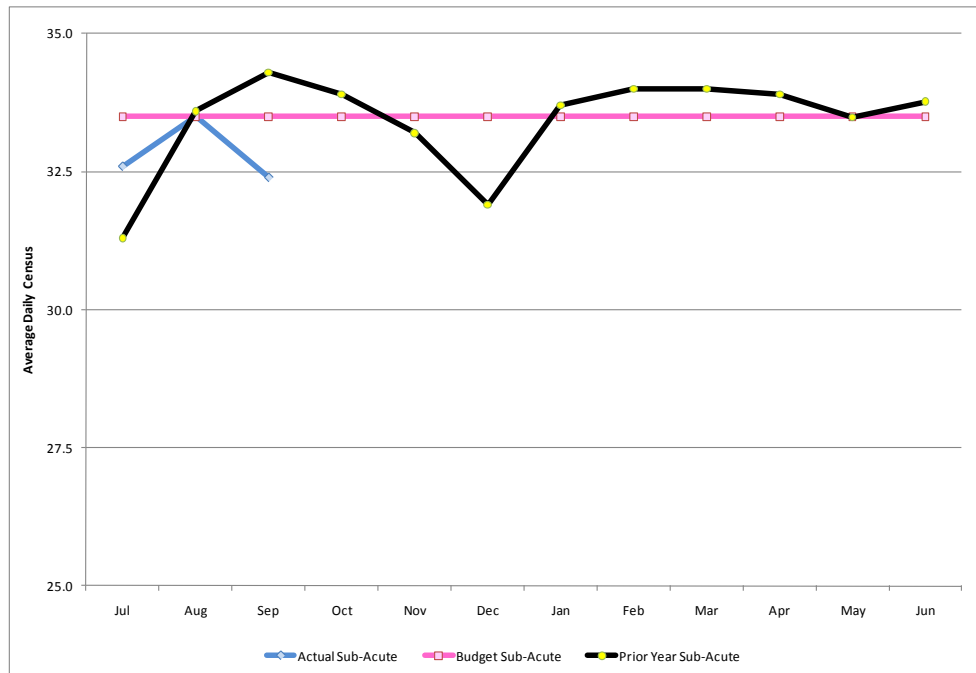
### Average Length of Stay



### Sub-Acute Care

The Sub-Acute program patient days were below budgeted projections with an average daily census of 32.4 for the month of September. The graph on the following page shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.

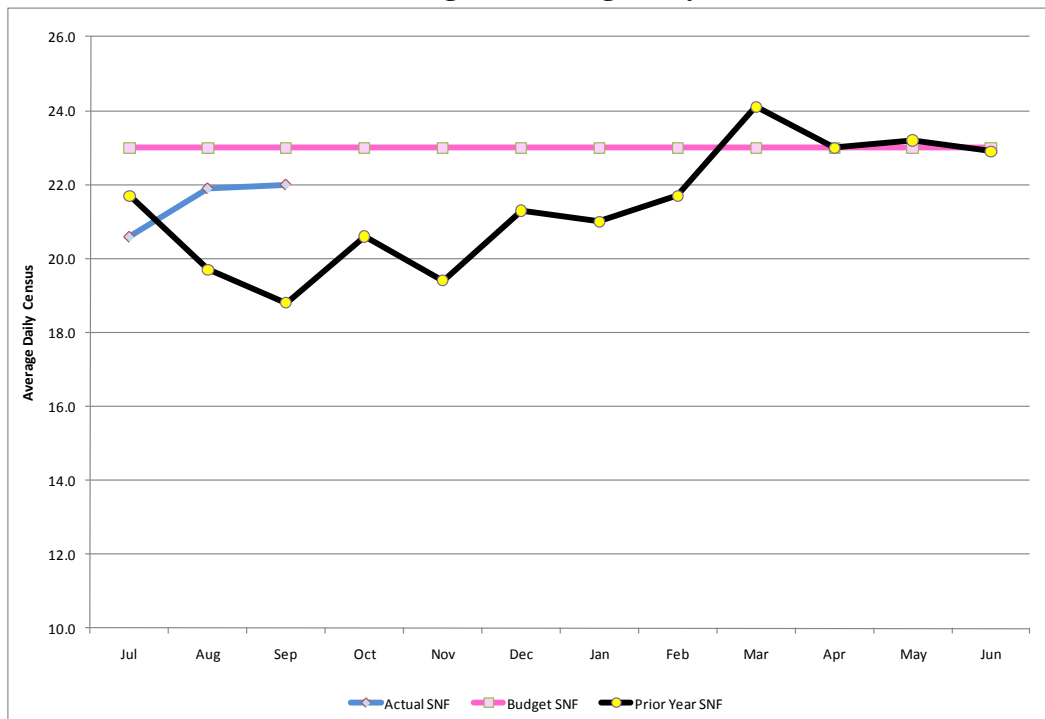
### Sub-Acute Care Average Daily Census



### Skilled Nursing Care

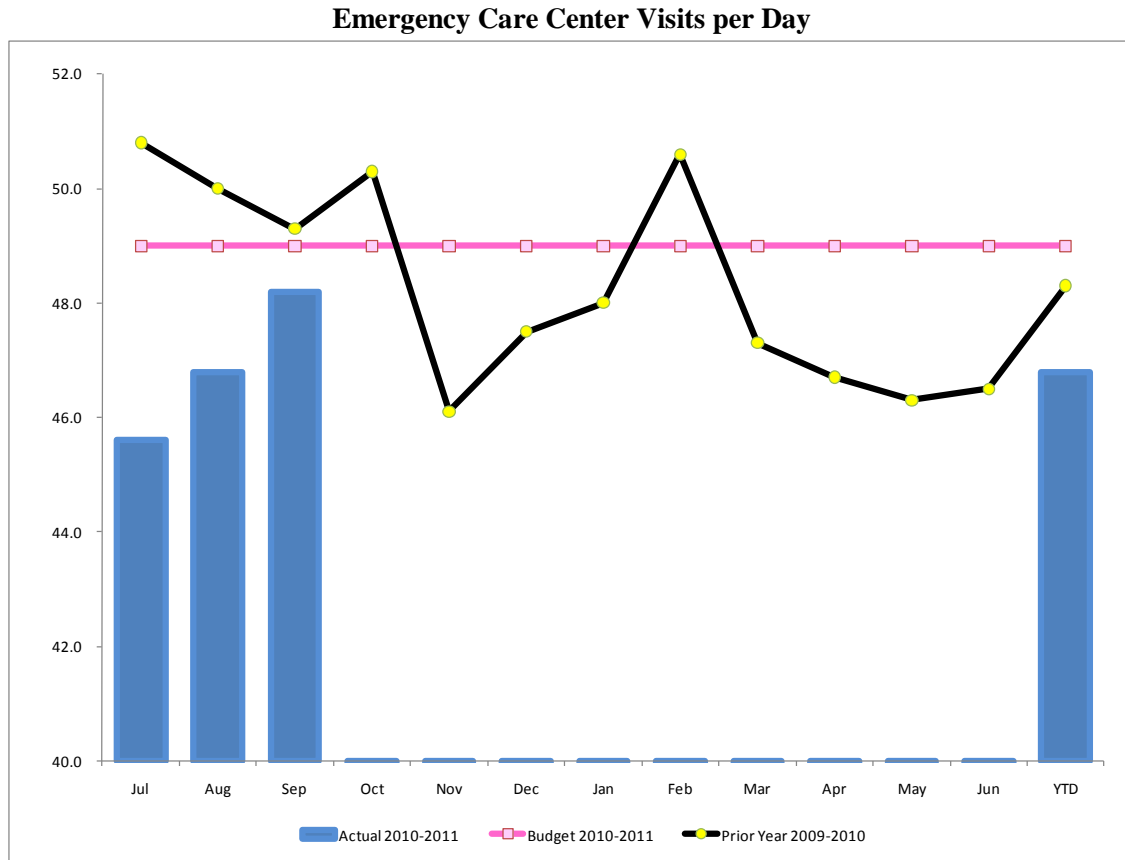
The Skilled Nursing Unit (South Shore) patient days were 4.3% or 30 patient days less than budgeted for the month of September. Comparing performance to the prior year this program remains slightly greater than the first quarter of fiscal year 2010 with an average daily census of 21.5 versus 20.1. The following graph shows the Skilled Nursing Unit average daily census as compared to budget and the prior year by month.

### Skilled Nursing Unit Average Daily Census



### **Emergency Care Center (ECC)**

Emergency Care Center visits in September totaled 1,445 and were 1.8% less than budgeted for the month and 14.1% of these visits resulted in inpatient admissions versus 15.2% in August. In September there were 284 ambulance arrivals versus 280 in the prior month, an increase of 1.4%. Of the 284 ambulance arrivals in the current month 153 or 53.9% were from Alameda Fire Department (AFD) ambulances. The graph below shows the Emergency Care Centers average visits per day for fiscal year 2011 as compared to budget and the prior year performance.

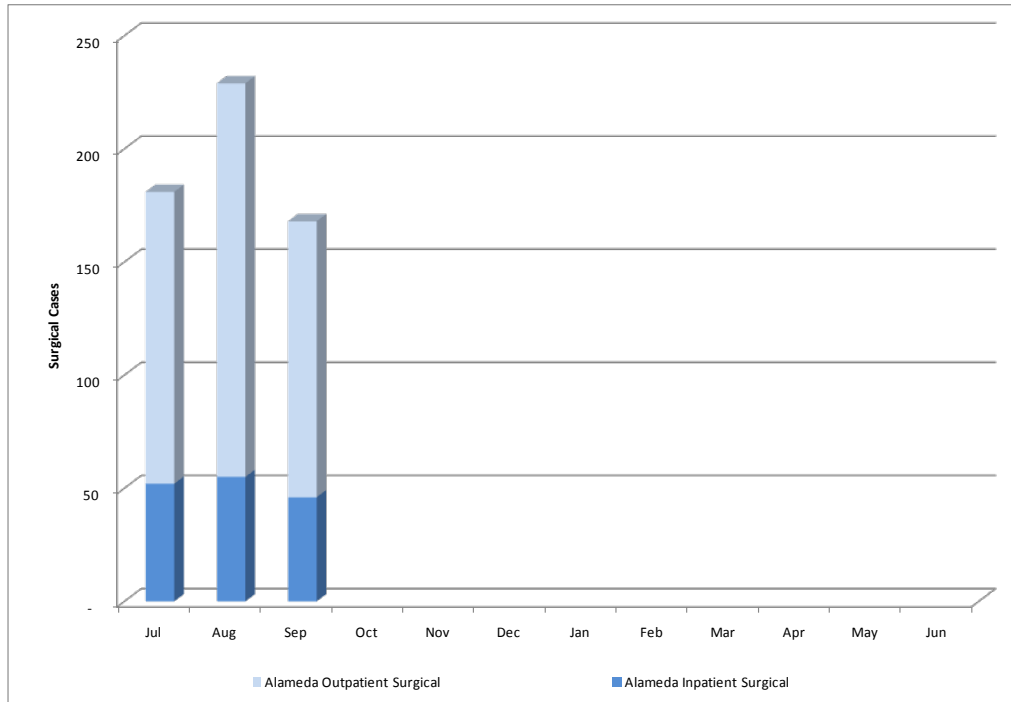


### **Surgery**

Surgery cases were 168 versus the 195 budgeted and 165 in the prior year. In September, surgery cases decreased over the prior month by 26.5%. The decrease of 61 cases over the prior month was the result of a decrease 52 outpatient cases and 9 inpatient cases. Inpatient and outpatient cases totaled 46 and 122 versus 55 and 174 in August, respectively. The decrease from the prior month was driven by decreases in outpatient GI cases (37), Ophthalmology cases (13). On the inpatient side the decrease was primarily in the general surgery category.

The graph on the following page shows the number of inpatient and outpatient surgical cases by month for fiscal year 2011.

### Surgical Cases

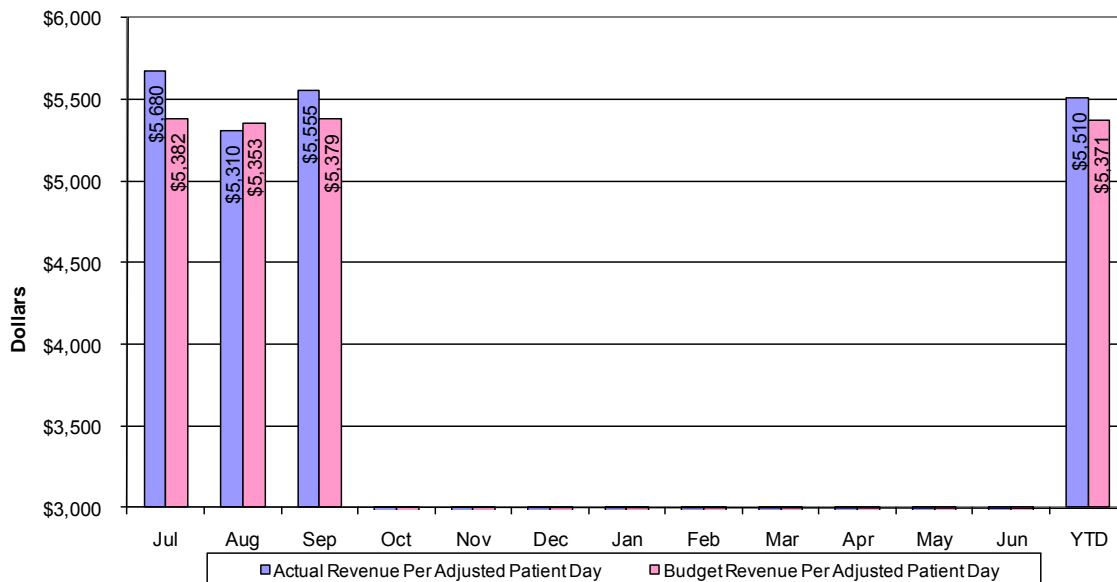


### Income Statement

#### Gross Patient Charges

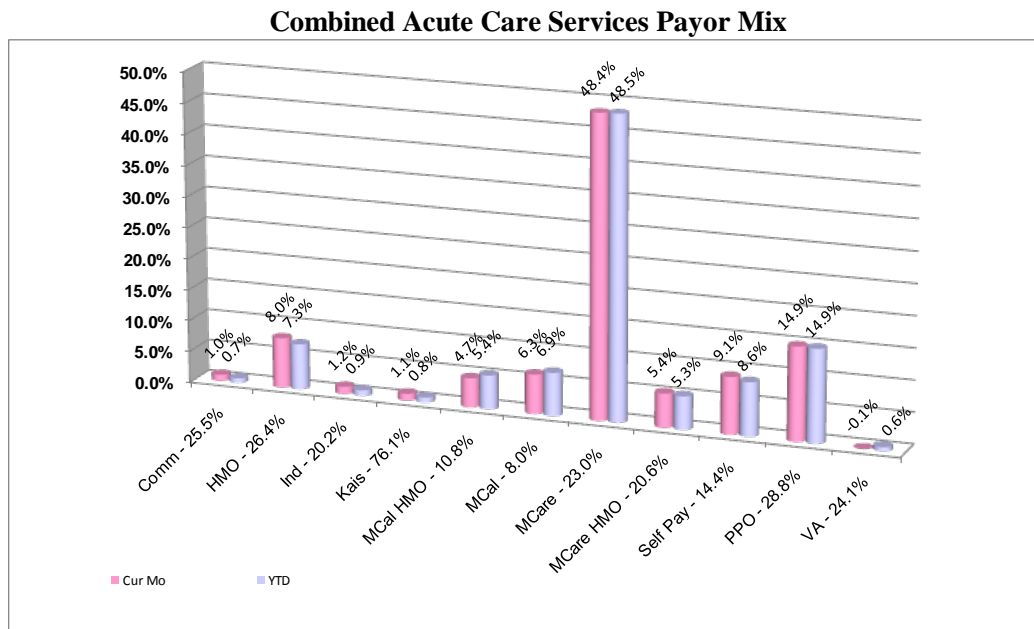
Gross patient charges in September were greater than budgeted by \$166,000. This favorable variance was comprised of an unfavorable variance of \$30,000 and a \$197,000 favorable variance in inpatient and outpatient revenues respectively. On an adjusted patient day basis total patient revenue was \$5,555 versus the budgeted \$5,378 or a favorable variance of 3.3% from budget for the month of September. For the first quarter of fiscal year 2011 gross charges per adjusted patient day are 2.9% favorable to budget at \$5,510

#### Gross Charges per Adjusted Patient Day



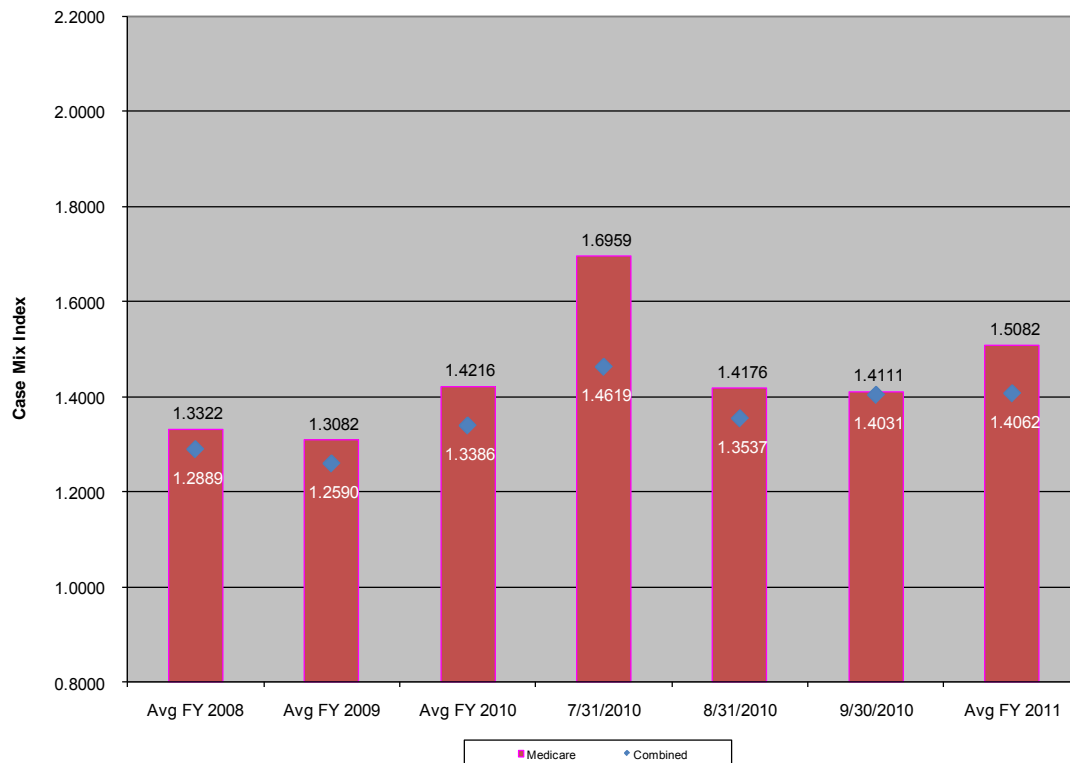
### Payor Mix

Combined inpatient and outpatient acute care Medicare and Medicare Advantage total gross revenue in September made up 53.8% of the months total gross patient revenue. Combined Medicare revenue was followed by HMO/PPO utilization at 22.9%, Medi-Cal Traditional and Medi-Cal HMO utilization at 11.0% and self pay at 9.1%. The graph below shows the percentage of gross revenues generated by each of the major payors for the current month and fiscal year to date as well as the current months estimated reimbursement for each payor for the combined inpatient and outpatient acute care services.



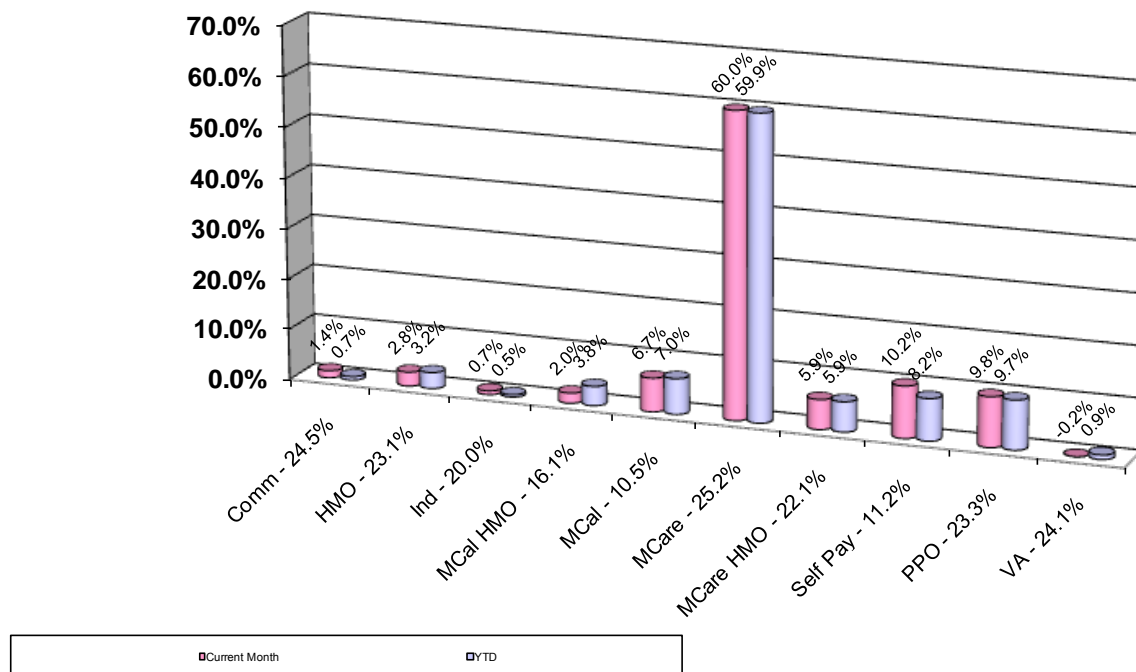
The inpatient acute care current month gross Medicare and Medicare Advantage charges made up 65.9% of our total inpatient acute care gross revenues followed by HMO/PPO at 12.6%, Self Pay at 10.2% and Medi-Cal and Medi-Cal HMO was 8.7% of the inpatient acute care revenue. The hospitals overall Case Mix Index (CMI) increased to 1.4031 from 1.3537 in the prior month while the Medicare CMI decreased slightly over the prior month from 1.4176 in August to 1.4111 in September. In September there were no outlier cases in the month. The overall Medicare reimbursement increased to 25.2% in September versus 24.6%. The graph on the following page shows the CMI for the hospital during the current fiscal year as compared to the prior three fiscal years.

### Case Mix Index Comparison

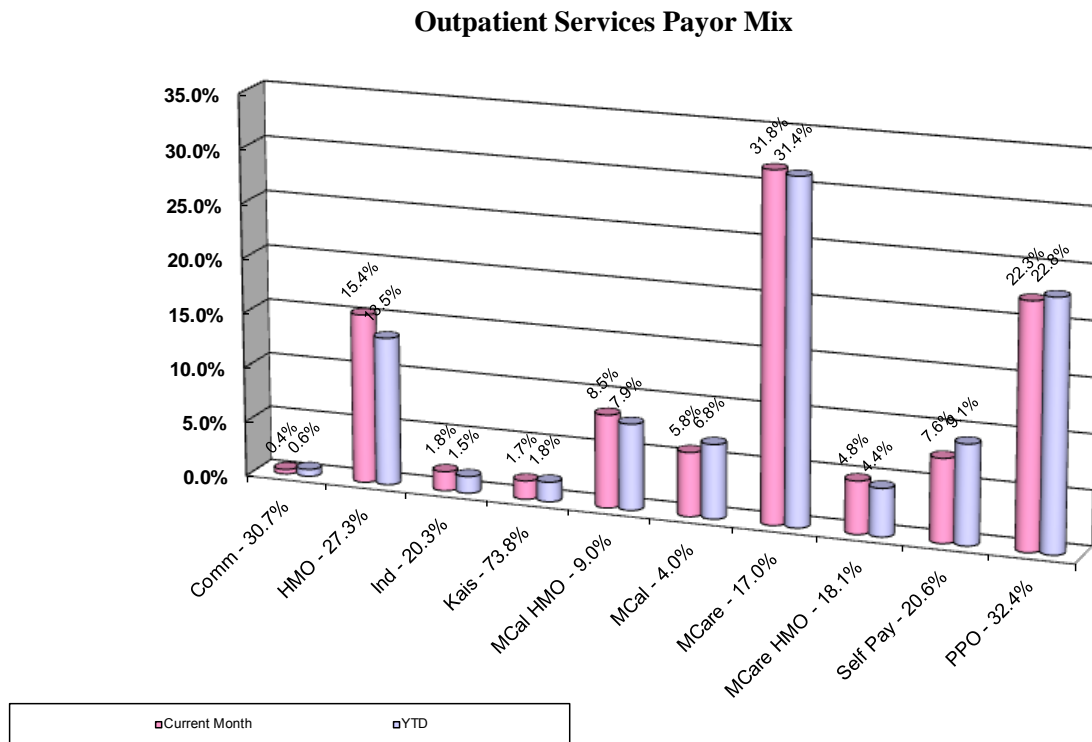


The overall net inpatient revenue percentage increased slightly from the prior month to 22.5% in September versus 21.7% in August. The graph below shows inpatient acute care current month and year to date payor mix and current month estimated net revenue percentages for fiscal year 2011.

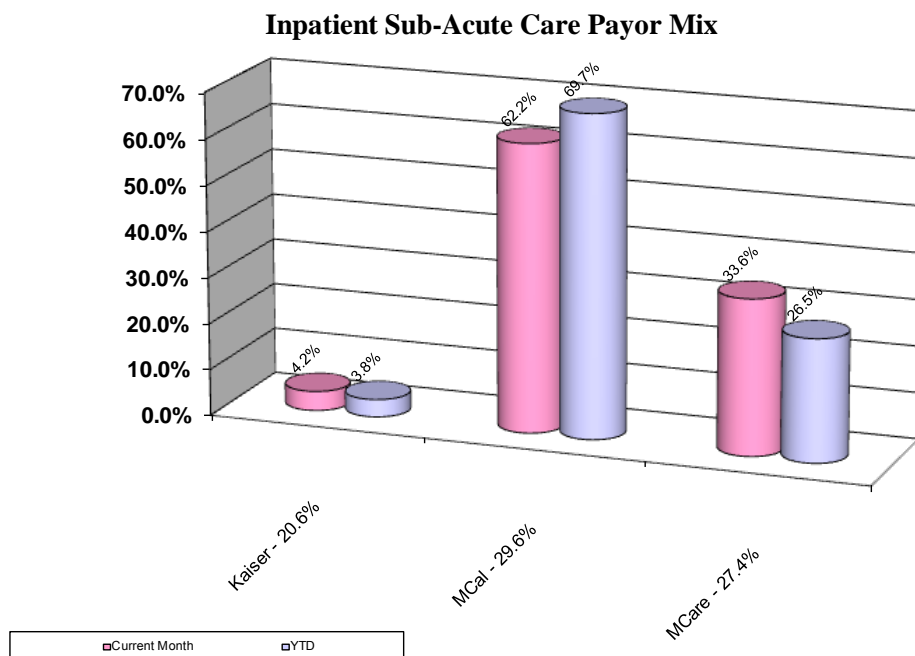
### Inpatient Acute Care Payor Mix



The outpatient gross revenue payor mix for September was comprised of 37.7% HMO/PPO, 36.6% Medicare and Medicare Advantage, 14.4% Medi-Cal and Medi-Cal HMO, and 7.6% self pay. The graph below shows the current month and fiscal year to date outpatient payor mix and the current months estimated level of reimbursement for each payor.

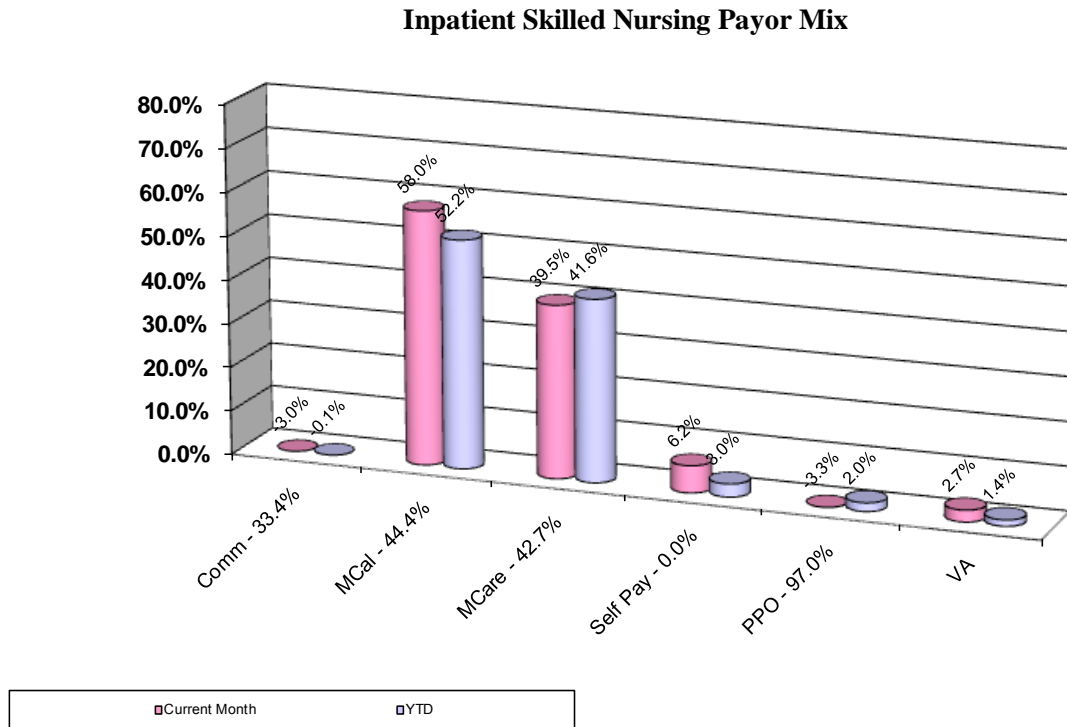


In September the Sub-Acute care program again was dominated by Medi-Cal utilization of 62.2% versus 73.5% in August. The graph below shows the payor mix for the current month and fiscal year to date and the current months estimated reimbursement rate for each payor.





In September the Skilled Nursing program was again comprised primarily of Medi-Cal at 58.0% and Medicare at 39.5%. The graph below shows the current month and fiscal year to date skilled nursing payor mix and the current months estimated level of reimbursement for each payor.



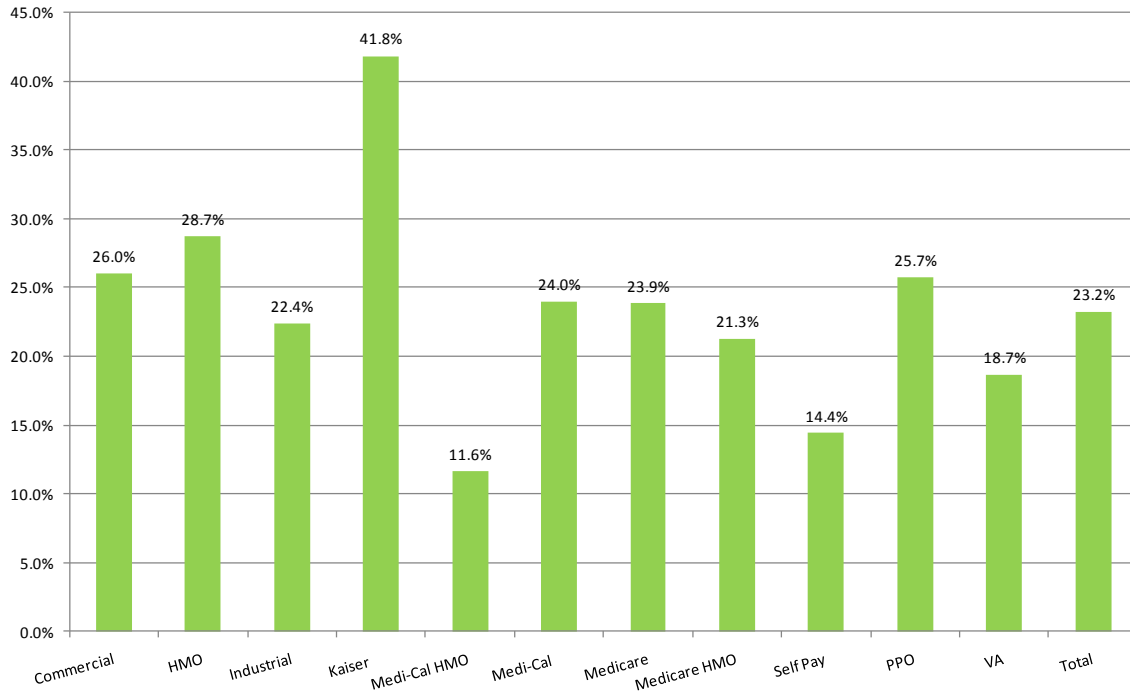
### ***Deductions from Revenue***

Contractual allowances are computed as deductions from gross patient revenues based on the difference between gross patient charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare, Medi-Cal and other third party payors such as Blue Cross. In the month of September contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 76.4% versus the budgeted 76.1%.

### ***Net Patient Service Revenue***

Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. This difference reflects what the anticipated cash payments the Hospital is expecting to receive for the services provided. The graph on the following page shows the level of reimbursement that the Hospital has estimated for fiscal year 2011 by major payor category.

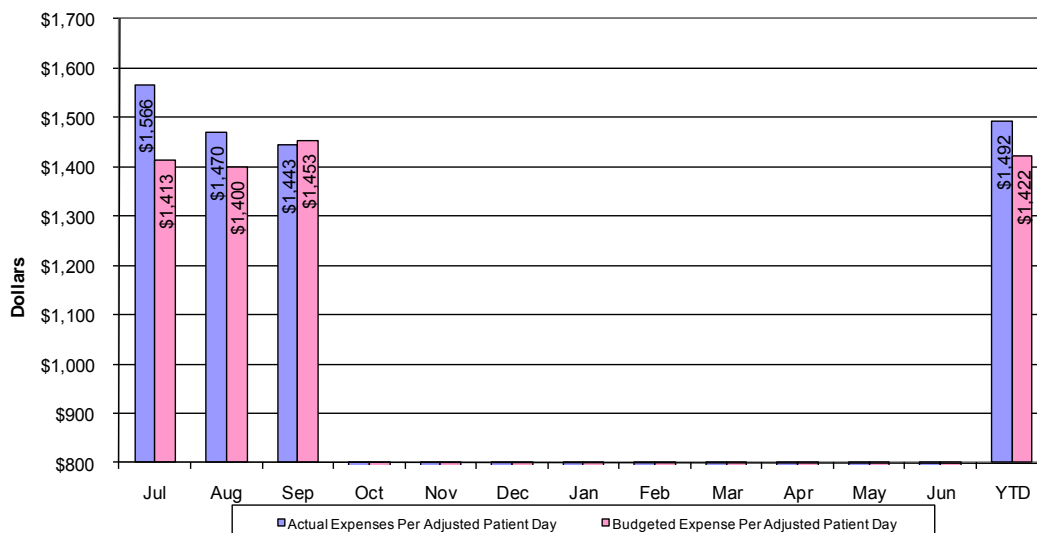
**Average Reimbursement % by Payor  
September  
FY 2011 Year-to-Date**



***Total Operating Expenses***

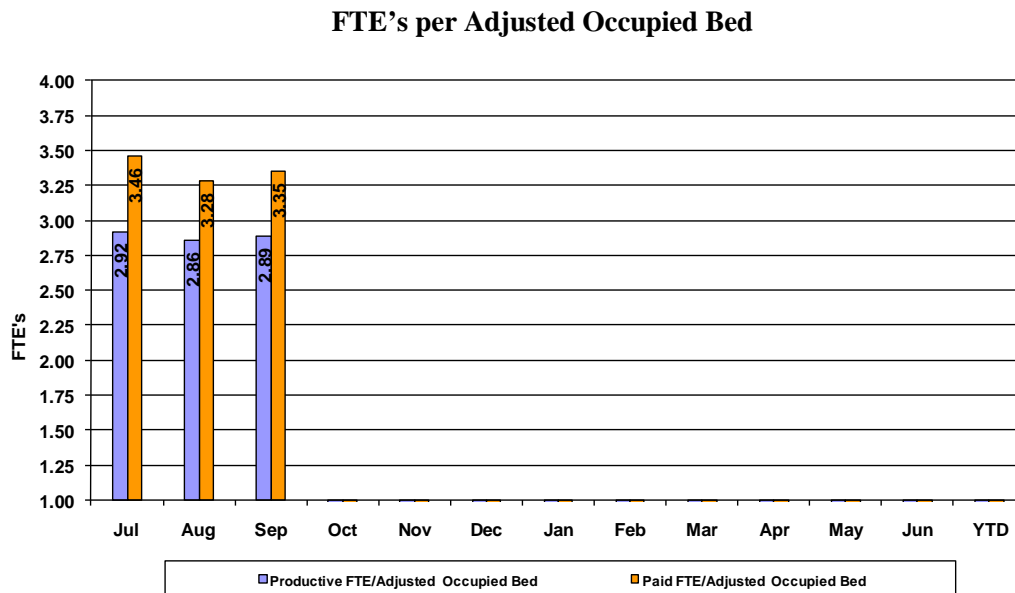
Total operating expenses were less than the fixed budget by \$169,000 or 3.0%. On an adjusted patient day basis, our cost per adjusted patient day was \$1,443 which was \$10 per adjusted patient day favorable to budget. This variance in expenses per adjusted patient day was primarily the result of an favorable variance in salaries and benefits offset by an unfavorable variance in supply costs experienced in the month of September. The graph below shows the hospital operating expenses on an adjusted patient day basis for the 2011 fiscal year by month and is followed by explanations of the significant areas of variance that were experienced in the current month.

**Expenses per Adjusted Patient Day**



### ***Salary and Registry Expenses***

Salary and registry costs combined were unfavorable to the fixed budget by \$87,000 and were unfavorable to budgeted levels on a per adjusted patient day basis by \$42. The current month's unfavorable variance in salary costs was comprised of unfavorable variances of \$12,000 and \$75,000 in productive and non-productive salary costs. On an adjusted occupied bed basis, productive FTE's were favorable to budget by 0.5% at 2.90 FTE's versus the budgeted 2.91 FTE's. The graph below shows the productive and paid FTE's per adjusted occupied bed for FY 2011 by month and year to date.



Non-productive salary costs were over budget by \$75,000 in the month. This unfavorable variance was the result of the payment of accrued time off benefits \$23,000 (earned time is reflected in benefit costs), surgical staff stand-by costs of \$20,000 (offset by favorable variance in productive salaries), moving expenses in the amount of \$10,000 related to the relocation of nursing staff and higher than budgeted nursing inservice / orientation costs of \$4,000 and call back pay that exceeded budget by \$4,000.

### ***Benefits***

Benefits were favorable to the fixed budget by \$365,000 or 41.3%. On an adjusted patient day basis benefits were favorable to budget by \$92 or 39.9%. This favorable variance was the result of lower than budgeted health insurance costs of \$236,000 (\$96,000 related to stop loss recoveries and \$44,000 related to reduced IBNR requirements and the remainder from lower overall utilization) the utilization of paid time off resulted in a favorable variance from budget of \$93,000 in accrued time off benefits. Additional favorable variances in workers compensation insurance costs and pension contributions of \$25,000 and \$14,000, respectively, made up the remainder of the favorable variance.

### ***Supplies***

Supply costs were \$188,000 unfavorable to the fixed budget and were \$55 unfavorable to budget on an adjusted patient day basis. The primary cause of the unfavorable variance from the fixed budget was from unfavorable variances of \$74,000, \$67,000 and \$21,000 in surgical supplies pharmacy supplies and nonmedical supplies, respectively.

### ***Purchased Services***

Purchased services were \$80,000 favorable to the September operating budget as a result of lower than budgeted costs incurred for medical purchased services, collection agency fees, repairs and maintenance and other purchased services of \$38,000, \$12,000, \$5,000 and \$25,000, respectively.

***Other Operating Expenses***

Other operating expenses were greater than budgeted by \$17,000 as a result of higher than budgeted dues and subscription costs incurred in the month of \$7,000 and recruitment expenses that exceeded budget by \$10,000.

The following pages include the detailed financial statements for the three months ended September 30, 2010, of fiscal year 2011.

**ALAMEDA HOSPITAL**  
KEY STATISTICS  
SEPTEMBER 2010

	ACTUAL SEPTEMBER 2010	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	SEPTEMBER 2009	YTD SEPTEMBER 2010	YTD FIXED BUDGET	VARIANCE	%	YTD SEPTEMBER 2009
<b>Discharges:</b>										
Total Acute	194	222	(28)	-12.6%	218	609	706	(97)	-13.7%	722
Total Sub-Acute	2	1	1	100.0%	2	5	4	1	25.0%	5
Total Skilled Nursing	7	13	(6)	-46.2%	17	28	39	(11)	-28.2%	38
	203	236	(33)	-14.0%	237	642	749	(107)	-14.3%	765
<b>Patient Days:</b>										
Total Acute	815	838	(23)	-2.7%	888	2,552	2,654	(102)	-3.8%	2,802
Total Sub-Acute	971	1,004	(33)	-3.3%	1,028	3,021	3,080	(59)	-1.9%	3,041
Total Skilled Nursing	660	690	(30)	-4.3%	565	1,978	2,116	(138)	-6.5%	1,849
	2,446	2,532	(86)	-3.4%	2,481	7,551	7,850	(299)	-3.8%	7,692
<b>Average Length of Stay</b>										
Total Acute	4.20	3.77	0.43	11.3%	4.07	4.19	3.76	0.43	11.5%	3.88
<b>Average Daily Census</b>										
Total Acute	27.17	27.93	(0.77)	-2.7%	29.60	27.74	28.85	(1.11)	-3.8%	30.46
Total Sub-Acute	32.37	33.47	(1.10)	-3.3%	34.27	32.84	33.48	(0.64)	-1.9%	33.05
Total Skilled Nursing	22.00	23.00	(1.00)	-4.3%	18.83	21.50	23.00	(1.50)	-6.5%	20.10
	81.53	84.40	(2.87)	-3.4%	82.70	82.08	85.33	(1.75)	-2.1%	83.61
<b>Emergency Room Visits</b>	1,445	1,471	(26)	-1.8%	1,479	4,310	4,511	(201)	-4.5%	4,603
<b>Outpatient Registrations</b>	1,964	2,256	(292)	-12.9%	2,623	5,938	6,647	(709)	-10.7%	7,691
<b>Surgery Cases:</b>										
Inpatient	46	53	(7)	-13.2%	56	153	156	(3)	-1.9%	190
Outpatient	122	142	(20)	-14.1%	463	425	432	(7)	-1.6%	1,331
	168	195	(27)	-13.8%	519	578	588	(10)	-1.7%	1,521
Kaiser Inpatient Cases	-	-	-	-	3	-	-	-	-	34
Kaiser Eye Cases	-	-	-	-	176	-	-	-	-	493
Kaiser Outpatient Cases	-	-	-	-	175	-	-	-	-	512
<b>Total Kaiser Cases</b>	-	-	-	-	354	-	-	-	-	1,039
% Kaiser Cases	0.0%	0.0%			68.2%	0.0%	0.0%			68.3%
<b>Adjusted Occupied Bed</b>	123.95	127.62	3.67	2.9%	148.02	123.31	129.11	(5.80)	-4.5%	147.79
<b>Productive FTE</b>	358.92	371.25	12.33	3.3%	402.24	359.02	362.06	3.04	0.8%	394.73
<b>Total FTE</b>	416.54	422.86	6.32	1.5%	454.55	417.56	417.54	(0.02)	0.0%	448.89
<b>Productive FTE/Adj. Occ. Bed</b>	2.90	2.91	0.01	0.5%	2.72	2.91	2.80	(0.11)	-3.8%	2.67
<b>Total FTE/ Adj. Occ. Bed</b>	3.36	3.31	(0.05)	-1.4%	3.07	3.39	3.23	(0.15)	-4.7%	3.04

**City of Alameda Health Care District**  
**Statements of Financial Position**  
September 30, 2010  
\$ in thousands

	Current Month	Prior Month	Prior Year End
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,742,907	\$ 1,685,140	\$ 3,480,668
Patient Accounts Receivable, net	9,802,096	10,494,127	9,558,147
Other Receivables	6,851,838	6,636,843	6,654,035
Third-Party Payer Settlement Receivables	444,202	420,987	374,557
Inventories	1,153,441	1,144,782	1,149,706
Prepays and Other	685,024	717,440	453,872
Total Current Assets	20,679,508	21,099,319	21,670,985
Assets Limited as to Use, net	507,717	499,942	476,630
Property, Plant and Equipment, net	7,162,621	7,008,419	6,993,735
<b>Total Assets</b>	<b>\$ 28,349,846</b>	<b>\$ 28,607,680</b>	<b>\$ 29,141,350</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities:			
Current Portion of Long Term Debt	\$ 409,761	\$ 413,003	\$ 450,831
Accounts Payable and Accrued Expenses	6,471,170	6,195,642	6,112,296
Payroll Related Accruals	5,134,632	5,063,883	4,351,133
Deferred Revenue	4,301,670	4,781,188	5,736,951
Employee Health Related Accruals	591,933	636,365	645,750
Third-Party Payer Settlement Payable	400,000	500,000	500,000
Total Current Liabilities	17,309,166	17,590,081	17,796,961
Long Term Debt, net	1,164,499	1,200,734	1,236,831
Total Liabilities	18,473,665	18,790,815	19,033,792
Net Assets:			
Unrestricted	9,298,464	9,246,923	9,560,928
Temporarily Restricted	577,717	569,942	546,630
Total Net Assets	9,876,181	9,816,865	10,107,558
<b>Total Liabilities and Net Assets</b>	<b>\$ 28,349,846</b>	<b>\$ 28,607,680</b>	<b>\$ 29,141,350</b>

**City of Alameda Health Care District**

**Statements of Operations**

September 30, 2010

\$'s in thousands

	Current Month				Year-to-Date					
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Patient Days	2,446	2,532	(86)	-3.4%	2,481	7,551	7,850	(299)	-3.8%	7,692
Discharges	203	235	(32)	-13.6%	235	642	748	(106)	-14.2%	763
ADC (Average Daily Census)	81.5	84.4	(2.87)	-3.4%	82.7	82	85.3	(3.25)	-3.8%	83.6
CMI (Case Mix Index)	1,4031				1,3103	1,4062				1,3417
Revenues										
Gross Inpatient Revenues	\$ 13,588	\$ 13,618	\$ (30)	-0.2%	\$ 13,556	\$ 41,615	\$ 42,163	\$ (548)	-1.3%	\$ 42,767
Gross Outpatient Revenues	7,143	6,946	197	2.8%	10,714	20,958	21,549	(591)	-2.7%	32,836
Total Gross Revenues	20,730	20,564	166	0.8%	24,271	62,573	63,712	(1,138)	-1.8%	75,603
Contractual Deductions	15,062	14,866	(196)	-1.3%	18,070	45,146	45,849	703	1.5%	56,557
Bad Debts	659	627	(33)	-5.2%	656	1,873	1,940	67	3.4%	1,456
Charity and Other Adjustments	118	157	39	24.8%	103	496	485	(11)	-2.3%	294
Net Patient Revenues	4,891	4,915	(24)	-0.5%	5,441	15,058	15,437	(380)	-2.5%	17,297
Net Patient Revenue %	23.6%	23.9%			22.4%	24.1%	24.2%			22.9%
Net Clinic Revenue	43	28	15	55.4%	9	112	84	28	33.3%	9
Other Operating Revenue	9	14	(5)	-36.2%	213	28	42	(14)	-33.0%	269
Total Revenues	4,944	4,957	(13)	-0.3%	5,664	15,197	15,563	(365)	-2.3%	17,575
Expenses										
Salaries	2,900	2,783	(117)	-4.2%	3,108	8,943	8,484	(458)	-5.4%	9,575
Registry	137	167	30	17.9%	184	485	522	36	7.0%	572
Benefits	519	884	365	41.3%	804	2,135	2,654	519	19.6%	2,741
Professional Fees	312	313	1	0.4%	352	926	940	14	1.5%	1,013
Supplies	877	689	(188)	-27.3%	891	2,421	2,097	(324)	-15.4%	2,711
Purchased Services	315	394	80	20.2%	429	1,089	1,162	73	6.3%	1,206
Rents and Leases	71	68	(3)	-3.8%	73	193	207	14	7.0%	205
Utilities and Telephone	52	71	19	26.7%	73	168	217	48	22.3%	214
Insurance	31	38	8	20.1%	44	96	109	14	12.6%	136
Depreciation and amortization	82	73	(9)	-12.4%	100	247	220	(27)	-12.3%	301
Other Operating Expenses	92	75	(17)	-22.6%	100	246	250	4	1.4%	272
Total Expenses	5,387	5,555	169	3.0%	6,158	16,949	16,863	(86)	-0.5%	18,947
Operating gain (loss)	(443)	(599)	156	26.0%	(495)	(1,752)	(1,300)	(452)	34.7%	(1,372)
Non-Operating Income / (Expense)										
Parcel Taxes	478	477	1	0.2%	477	1,434	1,431	2	0.2%	1,431
Investment Income	1	-	1	0.0%	2	5	-	5	0.0%	6
Interest Expense	(7)	(13)	6	45.0%	(9)	(22)	(32)	10	-32.5%	(27)
Other Income / (Expense)	23	22	1	3.4%	29	72	67	5	7.7%	68
Net Non-Operating Income / (Expense)	495	486	9	1.8%	499	1,489	1,466	23	1.6%	1,479
Excess of Revenues Over Expenses	\$ 52	\$ (113)	\$ 164	-145.9%	\$ 4	\$ (262)	\$ 166	\$ (428)	-258.5%	\$ 107

**City of Alameda Health Care District**  
**Statements of Operations - Per Adjusted Patient Day**  
September 30, 2010

	Current Month				Year-to-Date					
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	\$ 3,641	\$ 3,562	\$ 79	2.2%	\$ 3,052	\$ 3,665	\$ 3,554	\$ 111	3.1%	\$ 3,145
Gross Outpatient Revenues	1,914	1,817	97	5.4%	2,412	1,846	1,817	29	1.6%	2,415
Total Gross Revenues	5,555	5,378	177	3.3%	5,464	5,511	5,371	140	2.6%	5,560
Contractual Deductions	4,036	3,888	(148)	-3.8%	4,068	3,976	3,865	(111)	-2.9%	4,159
Bad Debts	177	164	(13)	-7.8%	148	165	164	(1)	-0.9%	107
Charity and Other Adjustments	32	41	9	23.0%	23	44	41	(3)	-6.9%	22
Net Patient Revenues	1,311	1,286	25	2.0%	1,225	1,326	1,301	25	1.9%	1,272
Net Patient Revenue %	23.6%	23.9%			22.4%	24.1%	24.2%			22.9%
Net Clinic Revenue	12	7	4	59.2%	2	10	7	3	39.3%	1
Other Operating Revenue	2	4	(1)	-34.6%	48	2	3	(1)	-30.0%	20
Total Revenues	1,325	1,296	28	2.2%	1,275	1,339	1,312	27	2.0%	1,293
Expenses										
Salaries	777	728	(49)	-6.8%	700	788	715	(72)	-10.1%	704
Registry	37	44	7	15.8%	41	43	44	1	2.8%	42
Benefits	139	231	92	39.9%	181	188	224	36	16.0%	202
Professional Fees	84	82	(2)	-2.0%	79	82	79	(2)	-2.9%	75
Supplies	235	180	(55)	-30.4%	201	213	177	(36)	-20.6%	199
Purchased Services	84	103	19	18.2%	96	96	98	2	2.1%	89
Rents and Leases	19	18	(1)	-6.3%	16	17	17	0	2.8%	15
Utilities and Telephone	14	18	5	24.9%	16	15	18	3	18.8%	16
Insurance	8	10	2	18.2%	10	8	9	1	8.7%	10
Depreciation and Amortization	22	19	(3)	-15.2%	23	22	19	(3)	-17.3%	22
Other Operating Expenses	25	20	(5)	-25.6%	23	22	21	(1)	-3.0%	20
Total Expenses	1,443	1,453	10	0.7%	1,386	1,493	1,422	(71)	-5.0%	1,393
Operating Gain / (Loss)	(119)	(157)	38	24.2%	(111)	(154)	(109)	(45)	40.9%	(101)
Net Non-Operating Income / (Expense)	133	127	5	4.3%	112	131	124	8	6.1%	109
Excess of Revenues Over Expenses	\$ 14	\$ (29)	\$ 43	-147.0%	\$ 1	\$ (23)	\$ 14	\$ (37)	-261.0%	\$ 8



**City of Alameda Health Care District**  
**Statement of Cash Flows**  
**For the Three Months Ended September 30, 2010**  
\$ in thousands

	<u>Current Month</u>	<u>Year-to-Date</u>
<b>Cash flows from operating activities</b>		
Net Income / (Loss)	\$ 51,707	\$ (262,462)
Items not requiring the use of cash:		
Depreciation and amortization	81,828	\$ 246,723
Changes in certain assets and liabilities:		
Patient accounts receivable, net	692,031	(243,949)
Other Receivables	(214,995)	(197,803)
Third-Party Payer Settlements Receivable	(123,215)	(169,645)
Inventories	(8,659)	(3,735)
Prepays and Other	32,416	(231,152)
Accounts payable and accrued liabilities	275,528	358,874
Payroll Related Accruals	70,749	783,499
Employee Health Plan Accruals	(44,432)	(53,817)
Deferred Revenues	(479,518)	(1,435,281)
Cash provided by (used in) operating activities	<u>333,440</u>	<u>(1,208,748)</u>
<b>Cash flows from investing activities</b>		
(Increase) Decrease in Assets Limited As to Use	(7,775)	(31,087)
Additions to Property, Plant and Equipment	(236,030)	(415,609)
Other	(166)	(2)
Cash provided by (used in) investing activities	<u>(243,971)</u>	<u>(446,698)</u>
<b>Cash flows from financing activities</b>		
Net Change in Long-Term Debt	(39,477)	(113,402)
Net Change in Restricted Funds	7,775	31,087
Cash provided by (used in) financing and fundraising activities	<u>(31,702)</u>	<u>(82,315)</u>
Net increase (decrease) in cash and cash equivalents	57,767	(1,737,761)
<b>Cash and cash equivalents at beginning of period</b>	1,685,140	3,480,668
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,742,907</u>	<u>\$ 1,742,907</u>



DATE: October 27, 2010

TO: Finance and Management Committee

FROM: Kerry Easthope, Associate Administrator

SUBJECT: Seismic Retrofit Budget Approval

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**Recommendation:**

Hospital management is recommending that the Finance and Management Committee review and approve the attached capital budget for the seismic retrofit program as required by SB 1953 and recommend approval by the District Board on November 1, 2010.

Although the attached budget is comprised of four components, the Committee is being asked to approve the total combined project budget in the amount of **\$10.3** million. Discussion on the cost categories that make up this total budget will follow.

Contracts for services provided within this budget will follow District policy and will be brought to the Board of Directors for approval as required. In addition, it is understood that being able to act upon the approved budget will depend upon our ability to obtain the necessary capital financing.

**Background:**

Alameda Hospital has three buildings that do not comply with the structural building standards required under SB 1953. Two of these buildings (the Stephens and West buildings) will be retrofit to comply with the current deadline set for 2013. The 1925 building will not be able to be retrofit under current standards. Upon completion of construction and the removal of the connecting bridge, this building will be decommissioned for medical use and turned to City jurisdiction as a B occupancy building. None of these buildings will be allowed to support or function as inpatient use past 2030 under the current building code.

Over the past year or so, management has engaged the architects and engineers necessary to understand the scope of work required to bring the non compliant buildings up to code. In addition, because of state mandated plan submission filing deadlines, the hospital has provided the architects and engineers with sufficient “notice to proceed” authorization to have the required construction plan documents submitted to OSHPD for review. During

this process, multiple independent project cost estimates have been prepared to help us understand the estimated cost of construction for the project.

### **Discussion:**

The combined project budget is comprised of three sub-budget components that allow management to better track costs associated with the project. The sub-budget components are Structural Work, Kitchen Relocation and Enabling Moves.

The budget is also broken down into eight cost Categories to help organize and track expenditures by type of cost. These categories and amounts are summarized as follows:

Fees, Entitlements & Permits	\$418,834
Construction	\$6,307,737
Equipment	\$121,000
Furniture & Furnishings	\$184,300
Communication	\$125,000
Professional Services	\$2,200,117
Legal & Real Estate Expenses	\$15,000
Contingency	\$937,199
Total	\$10,309,187

#### Fees, Entitlements & Permits

This category includes the cost of the building permit with OSHPD and the cost of testing and special inspections required before, during and after construction.

#### Construction

This category includes the cost of construction. Three cost estimates were provided by independent cost estimators as the project progressed through the planning phase. Faithful Gould provided estimates for the structural work, Davis Langdon provided estimates for the kitchen relocation. The entire project was also reviewed by The Hunter Pacific Group, who was engaged through JTEC our construction management firm.

Also included in this category is an allowance for Non Structural work if we are not able to obtain an extension until 2030, make ready enabling moves, lead asbestos sampling and abatement, waterproofing of the room and foundation and decommissioning of the 1925 building.

#### Equipment

This category is for the installation of kitchen equipment, cost of decommissioning the equipment in the 1925 building and includes a contingency of 10%. Specific equipment items have been specified for the new kitchen and cost estimated by Marshall & Associates (kitchen design consultant).

### Furniture & Furnishings

This category allows for the cost of furniture and furnishings (e.g. chairs, tables, plants, artwork etc) as well as, signage, lockers for staff and makes ready moves furniture.

### Communications

This category includes the cost to provide data and telephone lines for the newly constructed area in the Stephens building. The most significant portion of this relating to the redesign and relocation of the Servers, CPU and phone switch in the IT room which is adjacent to the structural work and has become part of this project.

### Professional Services

This category includes all of the Architectural and engineering costs to develop the construction drawings and provide project oversight. It also includes the cost of construction management and OSHPD IOR fees as is required. There is an allowance for reimbursable expenses (plan reproduction, shipping & postage, bid documents, community communication boards and materials etc) and about a 5% contingency.

### Legal & Real Estate Expense

The costs in this category are quite low as the hospital already owns the real estate associated with this project. There is an allowance for legal review of contracts such as the architectural contract, the bid documents and ultimately the Contractors contract.

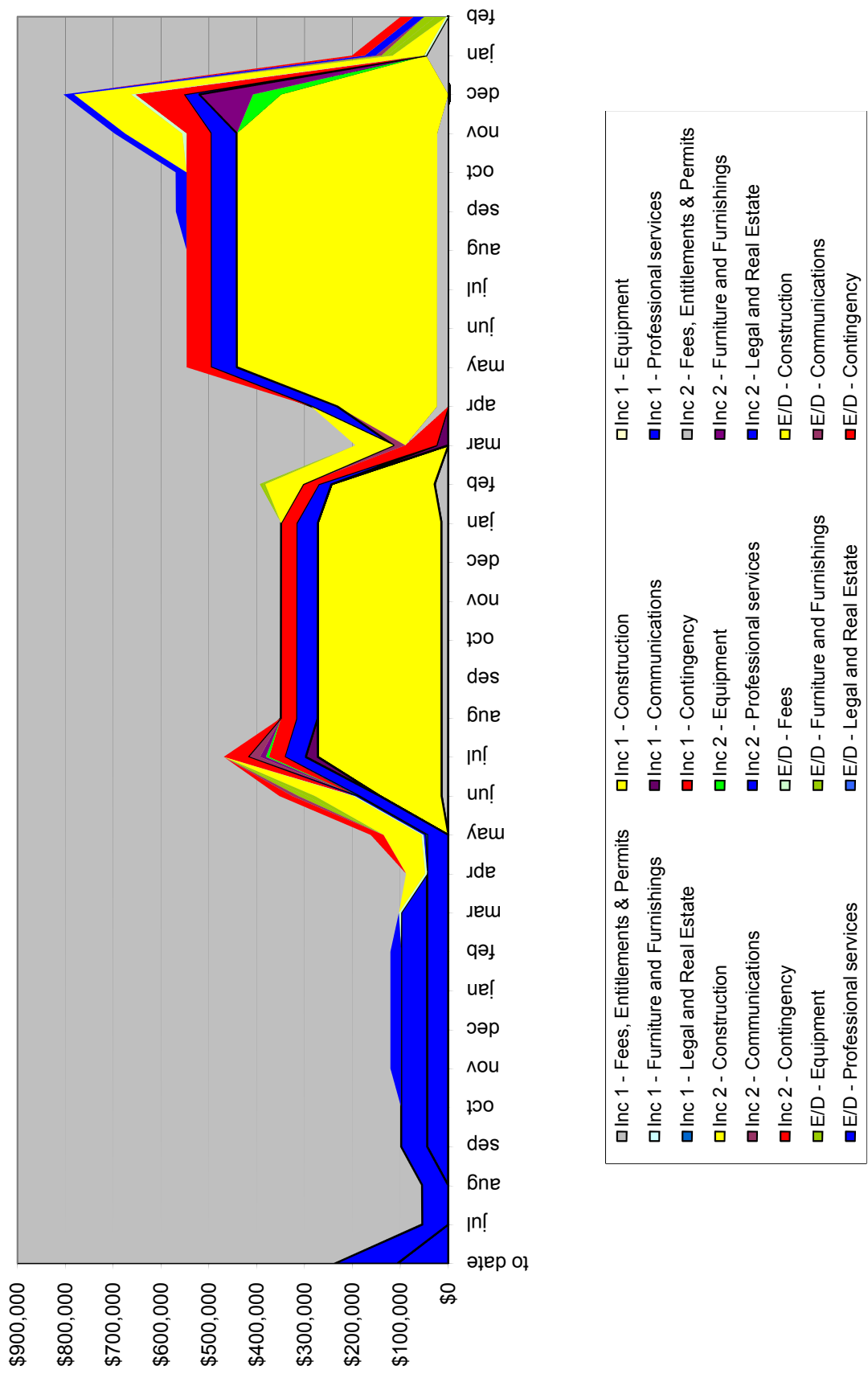
### Contingency

This category is an overlaying contingency of 10% of the estimated total project cost, including the Construction cost category. This amount is deemed appropriate based upon Jtec's, experience with similar type construction projects. This is especially important given the nature of this construction project and the unforeseen variables that will present themselves as we move forward.

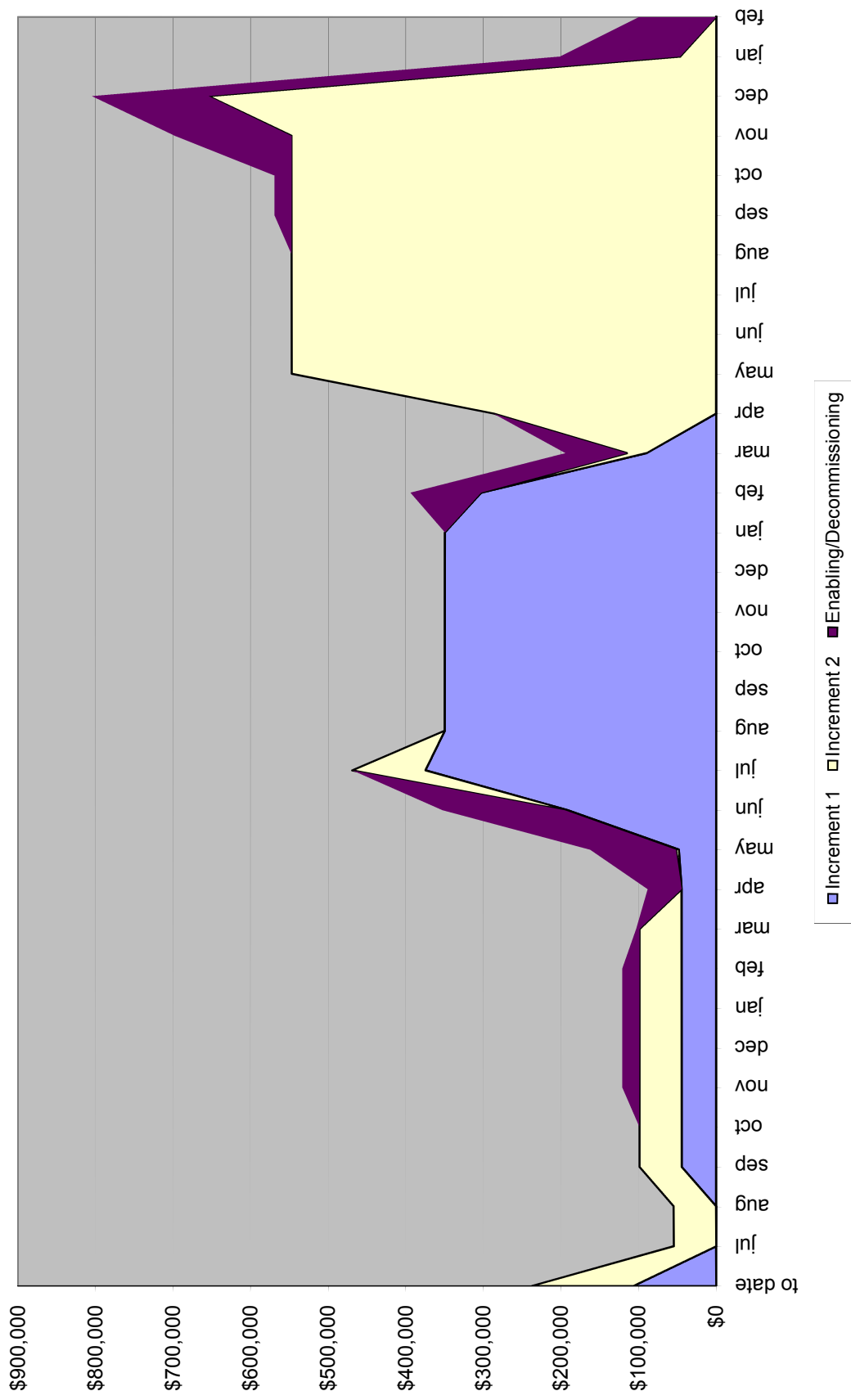
The budget document will be updated monthly to reflect the actual amount "Committed" to date, the amount "Spent to Date" and the "Remaining Budget". This document will be reported to the board each month going forward.

We feel that this budget accurately reflects the current scope of the project and the areas and operations that will be impacted. Although we know there will be unknown variables, we have made efforts to discover as many as we could to develop a solid budget necessary to complete this project.

Alameda Hospital - Capital Projects Cash Flow



cash flow by project



## Combined Project budget

Description	2010 Budget	Committed	Spent to date	Budget remaining
<b>Fees, Entitlements &amp; Permits</b>	<b>\$418,834</b>	<b>\$0</b>	<b>\$0</b>	<b>\$418,834</b>
Construction	\$6,307,737	\$0	\$0	\$6,307,737
Equipment	\$121,000	\$0	\$0	\$121,000
Furniture and Furnishings	\$184,300	\$0	\$0	\$184,300
Communications	\$125,000	\$0	\$0	\$125,000
Professional services	\$2,200,117	\$1,240,450	\$674,882	\$1,525,235
Legal and Real Estate	\$15,000	\$0	\$0	\$15,000
Contingency	\$937,199	\$0	\$0	\$937,199
<b>total</b>	<b>\$10,309,187</b>	<b>\$1,240,450</b>	<b>\$674,882</b>	<b>\$9,634,305</b>

Description	2010 Budget	Committed	Spent to date	Budget remaining	NOTES/Risks
<b>Fees, Entitlements &amp; Permits</b>					
OSHPD Permit Fees (1.64% of Constr.)	\$103,447	\$0	\$0	\$103,447	
Testing & Special Inspection (5%)	\$315,387	\$0	\$0	\$315,387	
Roof Testing	\$0	\$0	\$0	\$0	
Contingency	\$0	\$0	\$0	\$0	
<b>TOTAL CATEGORY #1</b>	<b>\$418,834</b>	<b>\$0</b>	<b>\$0</b>	<b>\$418,834</b>	

<b>Construction</b>					
NPC-3 Work (Surgery Area)	\$500,000	\$0	\$0	\$500,000	
Bridge Removal, Liquefaction Mitigation, Shear Walls	\$1,455,237	\$0	\$0	\$1,455,237	per Faithful Gould 6/1/10
Make Ready enabling Moves	\$300,000	\$0	\$0	\$300,000	
Kitchen Café	\$3,460,000	\$0	\$0	\$3,460,000	per Davis Langdon 8/17/10
Lead/Asbestos - Sampling	\$27,500	\$0	\$0	\$27,500	
Lead/Asbestos - Abatement	\$60,000	\$0	\$0	\$60,000	
West Wing subgrade improvements	\$75,000	\$0	\$0	\$75,000	
Waterproofing allowance	\$50,000	\$0	\$0	\$50,000	
Miscellaneous utility bracing allowance	\$30,000	\$0	\$0	\$30,000	
Decommissioning projects	\$350,000	\$0	\$0	\$350,000	East kitchen dining renovation
<b>TOTAL CATEGORY #2</b>	<b>\$6,307,737</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,307,737</b>	

<b>Equipment</b>					
Kitchen Equipment Allowance	\$15,000	\$0	\$0	\$15,000	
Decommissioning Equipment Allowance	\$50,000	\$0	\$0	\$50,000	
Contingency 10%	\$56,000	\$0	\$0	\$56,000	per kitchen equipment in DL
<b>TOTAL CATEGORY #3</b>	<b>\$121,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$121,000</b>	

<b>Furniture and Furnishings</b>					
Artwork and Plants	\$5,000	\$0	\$0	\$5,000	
Furniture and Furnishings	\$80,000	\$0	\$0	\$80,000	
Lockers Allowance	\$8,000	\$0	\$0	\$8,000	
Signage Fabrication and Install allowance	\$50,000	\$0	\$0	\$50,000	
Make Ready Moves furniture Allowance	\$30,000	\$0	\$0	\$30,000	
contingency 10%	\$11,300	\$0	\$0	\$11,300	
<b>TOTAL CATEGORY #4</b>	<b>\$184,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$184,300</b>	

<b>Communication</b>					
IT Cabling & Equipment	\$108,276	\$0	\$0	\$108,276	
Contingency	\$16,724	\$0	\$0	\$16,724	
<b>TOTAL CATEGORY #5</b>	<b>\$125,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,000</b>	

<b>Professional Services</b>					
Previous struct/geotech fees paid	\$197,190	\$197,190	\$197,190	\$0	
Make Ready Design	\$80,000	\$0	\$0	\$80,000	
Architecture/engineering	\$883,960	\$650,000	\$445,772	\$438,188	
CD add services (server room / increment 3)	\$27,900	\$27,900	\$7,000	\$20,900	
Fugro Liquefaction Additional testing	\$16,987	\$0	\$0	\$16,987	
Geo Technical Field Administration	\$101,603	\$0	\$0	\$101,603	
Pre-Construction Project Management	\$131,400	\$131,400	\$24,920	\$106,480	
Construction Management	\$207,730	\$0	\$0	\$207,730	
OSHPD Field Observation (IOR) 3% Construction	\$189,232	\$0	\$0	\$189,232	
FA design	\$40,000	\$0	\$0	\$40,000	
Reimbursables	\$111,115	\$0	\$0	\$111,115	
Nursecall upgrade allowance	\$100,000	\$0	\$0	\$100,000	
Contingency	\$113,000	\$0	\$0	\$113,000	
<b>TOTAL CATEGORY #6</b>	<b>\$2,200,117</b>	<b>\$1,006,490</b>	<b>\$674,882</b>	<b>\$1,525,235</b>	

<b>Legal &amp; Real Estate Expenses</b>					
Contract review	\$10,000	\$0	\$0	\$10,000	
Insurance policy review	\$5,000	\$0	\$0	\$5,000	
<b>TOTAL CATEGORY #7</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,000</b>	

<b>SUBTOTAL CATEGORIES 1-7</b>	<b>\$9,371,988</b>	<b>\$1,006,490</b>	<b>\$674,882</b>	<b>\$8,697,106</b>	
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<b>Contingency</b>					
Owner's Contingency (10%)	\$937,199	\$0	\$0	\$937,199	
<b>TOTAL CATEGORY #8</b>	<b>\$937,199</b>	<b>\$0</b>	<b>\$0</b>	<b>\$937,199</b>	

<b>TOTAL PROJECT</b>	<b>\$10,309,187</b>	<b>\$1,006,490</b>	<b>\$674,882</b>	<b>\$9,634,305</b>	
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Increment 1

Description	2010 Budget	Committed	Spent to date	Budget remaining
Fees, Entitlements & Permits	\$143,108	\$0	\$0	\$143,108
Construction	\$2,155,237	\$0	\$0	\$2,155,237
Equipment	\$0	\$0	\$0	\$0
Furniture and Furnishings	\$0	\$0	\$0	\$0
Communications	\$50,000	\$0	\$0	\$50,000
Professional services	\$886,657	\$515,830	\$321,828	\$564,830
Legal and Real Estate	\$7,500	\$0	\$0	\$7,500
Contingency	\$324,250	\$0	\$0	\$324,250
total	\$3,566,752	\$515,830	\$321,828	\$3,244,925

Description	2010 Budget	Committed	Spent to date	Budget remaining	NOTES/Risks
Fees, Entitlements & Permits					
OSHPD Permit Fees (1.64% of Constr.)	\$35,346			\$35,346	
Testing & Special Inspection (5%)	\$107,762			\$107,762	
TOTAL CATEGORY #1	\$143,108	\$0	\$0	\$143,108	

Construction					
NPC-3 Work (Surgery Area)	\$500,000			\$500,000	
Bridge Removal, Liquefaction Mitigation, Shear Walls	\$1,455,237			\$1,455,237	per Faithful Gould 4/2/10
Lead/Asbestos - Sampling and clearances	\$25,000			\$25,000	
Lead/Asbestos - Abatement	\$50,000			\$50,000	
West Wing subgrade improvements	\$75,000			\$75,000	moves and added allowance
Waterproofing allowance	\$50,000			\$50,000	
TOTAL CATEGORY #2	\$2,155,237	\$0	\$0	\$2,155,237	

Equipment					
				\$0	
				\$0	
				\$0	
TOTAL CATEGORY #3	\$0	\$0	\$0	\$0	

Furniture and Furnishings					
				\$0	
				\$0	
				\$0	
				\$0	
TOTAL CATEGORY #4	\$0	\$0	\$0	\$0	

Communication					
IT Cabling & Equipment relocations	\$33,276	\$0	\$0	\$33,276	next level estimate 7/27/10
Contingency	\$16,724	\$0	\$0	\$16,724	
TOTAL CATEGORY #5	\$50,000	\$0	\$0	\$50,000	

Professional Services					
Previous struct/geotech fees paid	\$197,190	\$197,190	\$197,190	\$0	
Architecture/engineering	\$259,960	\$259,960	\$114,710	\$145,250	
Fugro Liquefaction Additional testing	\$16,987			\$16,987	four additional tests
Geo Technical Reporting and CA	\$101,603			\$101,603	
Pre-Construction Project Management	\$58,680	\$58,680	\$9,928	\$48,753	
Construction Management	\$103,865			\$103,865	
OSHPD Field Observation (IOR) 3% Construction	\$64,657			\$64,657	
Reimburseables	\$45,715			\$45,715	
Contingency	\$38,000			\$38,000	
TOTAL CATEGORY #6	\$886,657	\$515,830	\$321,828	\$564,830	

Legal & Real Estate Expenses					
contract review	\$5,000	\$0	\$0	\$5,000	
insurance policy review	\$2,500	\$0	\$0	\$2,500	
TOTAL CATEGORY #7	\$7,500	\$0	\$0	\$7,500	

SUBTOTAL CATEGORIES 1-7	\$3,242,502	\$515,830	\$321,828	\$2,920,674	
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Contingency					
Owner's Contingency (10%)	\$324,250	\$0	\$0	\$324,250	
TOTAL CATEGORY #8	\$324,250	\$0	\$0	\$324,250	

TOTAL PROJECT	\$3,566,752	\$515,830	\$321,828	\$3,244,925	
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Increment 2

Description	2010 Budget	Committed	Spent to date	Budget remaining
Fees, Entitlements & Permits	\$231,736	\$0	\$0	\$231,736
Construction	\$3,490,000	\$0	\$0	\$3,490,000
Equipment	\$66,000	\$0	\$0	\$66,000
Furniture and Furnishings	\$124,300	\$0	\$0	\$124,300
Communications	\$50,000	\$0	\$0	\$50,000
Professional services	\$1,089,545	\$710,580	\$347,990	\$741,556
Legal and Real Estate	\$7,500	\$0	\$0	\$7,500
Contingency	\$505,908	\$0	\$0	\$505,908
total	\$5,564,989	\$710,580	\$347,990	\$5,217,000

Description	2010 Budget	Committed	Spent to date	Budget remaining	NOTES/Risks
Fees, Entitlements & Permits					
OSHPD Permit Fees (1.64% of Constr.)	\$57,236			\$57,236	
Testing & Special Inspection (5%)	\$174,500			\$174,500	
Roof Testing				\$0	
Contingency				\$0	
TOTAL CATEGORY #1	\$231,736	\$0	\$0	\$231,736	

Construction					
				\$0	
Kitchen Café	\$3,460,000			\$3,460,000	per Davis Langdon 8/17/10
				\$0	
Miscellaneous utility bracing allowance	\$30,000			\$30,000	
TOTAL CATEGORY # 2	\$3,490,000	\$0	\$0	\$3,490,000	

Equipment					
Kitchen Equipment Allowance	\$15,000			\$15,000	installation and miscellaneous
Kitchen Contingency 10%	\$51,000			\$51,000	510K equipment in construction
TOTAL CATEGORY # 3	\$66,000	\$0	\$0	\$66,000	

Furniture and Furnishings					
Artwork and Plants	\$5,000			\$5,000	
Furniture and Furnishings	\$80,000			\$80,000	Café Seating
Lockers Allowance	\$8,000			\$8,000	
Signage Fabrication and Install allowance	\$20,000			\$20,000	
contingency 10%	\$11,300.0			\$11,300	
TOTAL CATEGORY # 4	\$124,300	\$0	\$0	\$124,300	

Communication					
IT Cabling & Equipment & design	\$50,000		\$0	\$50,000	
Contingency	\$0	\$0		\$0	
TOTAL CATEGORY # 5	\$50,000	\$0	\$0	\$50,000	

Professional Services					
Architecture/engineering	\$624,000	\$624,000	\$331,062	\$292,938	
CD add services (server room / increment 3)	\$27,900	\$27,900	\$7,000	\$20,900	
Pre-Construction Project Management	\$58,680	\$58,680	\$9,928	\$48,753	
Construction Management	\$103,865			\$103,865	
OSHPD Field Observation (IOR) 3% Construction	\$104,700			\$104,700	
FA design	\$40,000			\$40,000	
Reimburseables	\$65,400			\$65,400	
Contingency	\$65,000			\$65,000	
TOTAL CATEGORY #6	\$1,089,545	\$710,580	\$347,990	\$741,556	

Legal & Real Estate Expenses					
contract review	\$5,000	\$0	\$0	\$5,000	
insurance policy review	\$2,500	\$0	\$0	\$2,500	
TOTAL CATEGORY # 7	\$7,500	\$0	\$0	\$7,500	

SUBTOTAL CATEGORIES 1-7	\$5,059,081	\$710,580	\$347,990	\$4,711,092
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Contingency					
Owner's Contingency (10%)	\$505,908			\$505,908	
TOTAL CATEGORY #8	\$505,908	\$0	\$0	\$505,908	

TOTAL PROJECT	\$5,564,989	\$710,580	\$347,990	\$5,217,000
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Enabling / Decommissioning

Description	2010 Budget	Committed	Spent to date	Budget remaining
Fees, Entitlements & Permits	\$43,990	\$0	\$0	\$43,990
Construction	\$662,500	\$0	\$0	\$662,500
Equipment	\$55,000	\$0	\$0	\$55,000
Furniture and Furnishings	\$60,000	\$0	\$0	\$60,000
Communications	\$25,000	\$0	\$0	\$25,000
Professional services	\$223,915	\$14,040	\$5,065	\$218,850
Legal and Real Estate	\$0	\$0	\$0	\$0
Contingency	\$107,041	\$0	\$0	\$107,041
total	\$1,177,446	\$14,040	\$5,065	\$1,172,381

Description	2010 Budget	Committed	Spent to date	Budget remaining	NOTES/Risks
Fees, Entitlements & Permits					
OSHPD Permit Fees (1.64% of Constr.)	\$10,865			\$10,865	
Testing & Special Inspection (5%)	\$33,125			\$33,125	
Roof Testing				\$0	
Contingency				\$0	
TOTAL CATEGORY #1	\$43,990	\$0	\$0	\$43,990	

Construction					
				\$0	
Make Ready enabling Moves	\$300,000			\$300,000	
Lead/Asbestos - Sampling East building	\$2,500			\$2,500	
Lead/Asbestos - Abatement East building	\$10,000			\$10,000	
				\$0	
Decommissioning projects	\$350,000			\$350,000	East kitchen dining renovation
TOTAL CATEGORY # 2	\$662,500	\$0	\$0	\$662,500	

Equipment					
Decommissioning Equipment Allowance	\$50,000			\$50,000	
Decommissioning Contingency 10%	\$5,000			\$5,000	
TOTAL CATEGORY # 3	\$55,000	\$0	\$0	\$55,000	

Furniture and Furnishings					
Artwork and Plants				\$0	
Furniture and Furnishings				\$0	
Lockers Allowance				\$0	
Signage Fabrication and Install allowance	\$30,000			\$30,000	
Make Ready Moves furniture Allowance	\$30,000			\$30,000	
Contingency				\$0	
TOTAL CATEGORY # 4	\$60,000	\$0	\$0	\$60,000	

Communication					
IT Cabling & Equipment Allowance	\$25,000		\$0	\$25,000	
Contingency	\$0			\$0	
TOTAL CATEGORY # 5	\$25,000	\$0	\$0	\$25,000	

Professional Services					
Make Ready Design	\$80,000			\$80,000	
Pre-Construction Project Management	\$14,040	\$14,040	\$5,065	\$8,975	
Construction Management					
OSHPD Field Observation (IOR) 3% Construction	\$19,875			\$19,875	
Nursecall upgrade allowance	\$100,000			\$100,000	
Contingency	\$10,000			\$10,000	
TOTAL CATEGORY #6	\$223,915	\$14,040	\$5,065	\$218,850	

Legal & Real Estate Expenses					
contract review		\$0		\$0	
insurance policy review					
TOTAL CATEGORY # 7	\$0	\$0	\$0	\$0	

SUBTOTAL CATEGORIES 1-7	\$1,070,405	\$14,040	\$5,065	\$1,065,340
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Contingency					
Owner's Contingency (10%)	\$107,041			\$107,041	
TOTAL CATEGORY #8	\$107,041	\$0	\$0	\$107,041	

TOTAL PROJECT	\$1,177,446	\$14,040	\$5,065	\$1,172,381
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DATE: October 27, 2010

TO: Finance and Management Committee

FROM: Kerry Easthope, Associate Administrator

SUBJECT: Fugro West, Geotechnical Services Contract

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**Recommendation:**

Management is recommending that the Finance and Management Committee approve the attached Fugro West, Geotechnical Service Contract and recommend approval by the District Board on November 1, 2010.

The contract is for an amount not to exceed \$101,603 to perform the required CPT testing, analysis, and documentation / reporting to OSHPD and the California Geological Service. This base fee will include 8 CPT test locations. It is believed by Fugro that testing in these locations will provide sufficient data to complete the structural plan design and review. However, an additional 4 CPT tests may be required at an additional cost of \$16,987.

Since the Structural plans have already been submitted to OSHPD back on June 30, 2010, and this additional soil investigation and reporting is being required by OSHPD in order to continue with the structural plan review, management has provided Fugro with Notice to Proceed so that the work can be scheduled without further delay. The testing is scheduled to take place the week of November 1, 2010. This contract amount is included in the proposed Seismic Project Budget.

**Background:**

Alameda Hospital is required to comply with California Senate Bill 1953, which requires that all hospitals achieve specific structural and non-structural standards by 2013 and 2030. Buildings affected at Alameda Hospital include decommissioning the 1925 building and relocating all essential service to a compliant building, the Stephens building and the West building.

**Discussion:**

One of the key components of this seismic retrofit work is mitigating the liquefaction potential beneath the footings and floor slab of the Stephens building, and possibly a portion of the West building. The soil investigation and reporting that will be provided by

Fugro in this proposal will substantiate the scope of sub terrain work that will need to be performed and provide the required construction specifications to the structural engineer and architect to include in the Structural Design plans. In addition, by better understanding the scope of construction work that will be required, management will be able to better plan for all pre-construction service relocations, ensure that there is sufficient budget allowance to cover the cost of this work and to provide a more exact scope of work to contractors who will be bidding on this project. It is essential that this testing occur as scheduled to keep the seismic plan development and review progressing as planned.

DATE: October 27, 2010

TO: Finance and Management Committee

FROM: Kerry Easthope, Associate Administrator

SUBJECT: Ratcliff Architect Contract for Seismic Project

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**Recommendation:**

Management is recommending that the Finance and Management Committee approve the Architectural Service Contract (available for review upon request) and recommend approval by the District Board on November 1, 2010.

The contract is for the planning, design, development of construction drawings, submittal to OSHPD to obtain the required building permit and construction administration / oversight. The contract includes the work of subcontractors and engineers (electrical, mechanical, kitchen design, structural, soil) that have been required for plan development. The scope of work includes most of the structural work, and all of the kitchen relocation portions of the seismic retrofit project. A portion of the structural design work was performed by Thorton Tomasetti early on before it was determined that all components of the seismic project should be submitted as one project and have Ratcliff as the primary on the entire project. The value of the work performed previously by Thorton Tomasetti was about \$197,000.

Not included in the Ratcliff scope of work are plans/permits that may be required for the pre-construction enabling moves, construction phase moves and decommissioning of the 1925 building. Also not included is the additional soil testing that OSHPD is requiring that is being performed by Fugro Engineers, any asbestos abatement and the fire sprinkler / alarm system design and install (design build).

The value of the contract, including all work performed to date on the seismic project is \$911,850. The hospital has already obtained board approval and has provided Ratcliff "notice to proceed" on about \$650,000 of this contract amount in order to have plans submitted to OSHPD by the required dates.

The contract has been thoroughly reviewed by Jtec, our construction management firm, by legal council and by hospital management. It is part of the Seismic Project budget.

**Background:**

Alameda Hospital is required to comply with California Senate Bill 1953, which requires that all hospitals achieve specific structural and non-structural standards by 2013 and 2030. Buildings affected at Alameda Hospital include decommissioning the 1925 building and relocating all essential service to a compliant building, the Stephens building and the West building.

The key aspects of the seismic project include:

- Removing all essential services from the 1925 building by 2013. These include: dietary services, the morgue, Administrator's office, and Medical Records.
- Removal of the bridge between the 1925 and Stephens buildings.
- Filling in openings in the north and south wall of the Stephens building.
- Structural reinforcement under the footings and floor slab of the Stephens and potentially the West buildings.
- Strap reinforcement on the north and south sheer walls of the Stephens building.
- Decommission the 1925 building
- Non-Structural work – (we have applied for an extension under SB 499).

**Discussion:**

This project and need for this work has been discussed at length at previous meetings of the board. We are pleased to finally get the terms & conditions and other contract language that we feel were important incorporated into a formal contract with Ratcliff Architect. Ratcliff has had a long relationship with Alameda Hospital and has performed well on previous projects, as well as, other seismic / hospital building projects in the Bay Area.