



January 16, 2025

TO: Legal Counsel

News Media

Salinas Californian

El Sol

Monterey County Herald

Monterey County Weekly

KION-TV

KSBW-TV/ABC Central Coast

KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE** of **SALINAS VALLEY HEALTH**<sup>1</sup> will be held **MONDAY, JANUARY 20, 2025, AT 4:00 P.M., DOWNING RESOURCE CENTER, ROOMS A, B, & C, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.**

(For Public Access Information Visit <https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/board-committee-meetings-virtual-link/>.)

A handwritten signature in black ink, appearing to read "Allen Radner".

Allen Radner, MD  
President/Chief Executive Officer

Committee Voting Members: **Joel Hernandez Laguna**, Chair, **Juan Cabrera**, Vice-Chair, **Allen Radner, MD**, President/CEO; **Augustine Lopez**, Chief Financial Officer; and **Tarun Bajaj, M.D.**, Medical Staff Member.

Advisory Non-Voting Members: Sanjeev Tandon and Harry Wardwell, Community Members, Administrative Executive Team.

**FINANCE COMMITTEE  
COMMITTEE OF THE WHOLE  
SALINAS VALLEY HEALTH<sup>1</sup>**

**MONDAY, JANUARY 20, 2025, 4:00 P.M.  
DOWNING RESOURCE CENTER, ROOMS A, B & C**

**Salinas Valley Health Medical Center  
450 E. Romie Lane, Salinas, California**

**(Visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.SalinasValleyHealth.com/virtualboardmeeting) for Public Access Information)**

**AGENDA**

1. Call to Order / Roll Call
2. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

3. Approve Minutes of the Finance Committee Meeting of December 16, 2024 (HERNANDEZ LAGUNA)
  - Motion/Second
  - Public Comment
  - Action by Committee/Roll Call Vote
4. Consider Recommendation for Board Approval of Initial Project Cost Estimate and Award Contract to John A. Martin & Associates, Inc. for the Seismic Retrofit Project. (MILLER)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote

<sup>1</sup>Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

5. Consider Board Ratification and Approval of Competitive Solicitation and Contract Award for Epic Acute Project Training Consultant Engagement with Evergreen Healthcare Partners, Inc. (HYLAND/RIVERA)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
6. Closed Session
7. Reconvene Open Session
8. Consider Recommendation for Board Approval of Purchase of MRI Equipment and Service Agreement From Canon for SVH Clinics Imaging Services (ALBERT)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
9. Capital Spending YTD December 31, 2024 Update (LOPEZ/NORMAN/SULLIVAN)
10. Financial and Statistical Review (LOPEZ)
11. Review Balanced Scorecard (LOPEZ)
12. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, February 24, 2025, 12:00 p.m.**

<sup>1</sup>Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Salinas Valley Health (SVH) Board packet is available at the Board Meeting, electronically at <https://www.salinasvalleyhealth.com/about-/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2025/>, and in the SVH Human Resources Department located at 611 Abbott Street, Suite 201, Salinas, California, 93901. All items appearing on the agenda are subject to action by the SVH Board.

Requests for a disability related modification or accommodation, including auxiliary aids or Spanish translation services, in order to attend or participate in-person at a meeting, need to be made to the Board Clerk during regular business hours at 831-759-3050 at least forty-eight (48) hours prior to the posted time for the meeting in order to enable the District to make reasonable accommodations.

**FINANCE COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
SALINAS VALLEY HEALTH**

**AGENDA FOR CLOSED SESSION**

*Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.*

**CLOSED SESSION AGENDA ITEMS**

**REPORT INVOLVING TRADE SECRET**

(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility): Trade secrets, strategic planning/proposed new programs and services

Estimated date of public disclosure: (Specify month and year): Unknown

**ADJOURN TO OPEN SESSION**

*CALL TO ORDER*  
*ROLL CALL*

*(Chair to call the meeting to order)*

*PUBLIC COMMENT*

**DRAFT SALINAS VALLEY HEALTH<sup>1</sup>**  
**FINANCE COMMITTEE**  
**COMMITTEE OF THE WHOLE**  
**MEETING MINUTES DECEMBER 16, 2024**

Committee Member Attendance:

Voting Members Present: **Joel Hernandez Laguna**, Chair, **Juan Cabrera**, Vice-Chair, **Allen Radner, M.D.**, President/CEO, **Augustine Lopez**, CFO, and **Tarun Bajaj, M.D.**, Medical Staff Member.

Voting Members Absent: None.

Advisory Non-Voting Members Present:

Via teleconference: Michelle Childs, CHRO

In person: Tim Albert, CCO, Alysha Hyland, CAO, and Clement Miller, COO.

Other Board Members Present, Constituting Committee of the Whole:

Via teleconference: Catherine Carson and Victor Rey, Jr.

*Vice-Chair Cabrera arrived at 4:09 p.m.*

*Dr. Bajaj arrived at 4:10 p.m.*

## **1. CALL TO ORDER/ROLL CALL**

A quorum was present and Chair Joel Hernandez Laguna, called the meeting to order at 4:01 p.m. in the CEO Conference Room.

## **2. PUBLIC COMMENT:**

None.

## **3. MINUTES OF THE FINANCE COMMITTEE NOVEMBER 18, 2024**

Approve the minutes of the November 18, 2024 Finance Committee meeting. The information was included in the Committee packet.

**COMMITTEE MEMBER DISCUSSION:** None.

**PUBLIC COMMENT:** None.

### **MOTION:**

Upon motion by Committee Member Dr. Radner, and second by Committee Member Lopez, the minutes of the November 18, 2024 Finance Committee were approved as presented.

### **ROLL CALL VOTE:**

Ayes: Chair Hernandez Laguna, Lopez, Dr. Radner;

Nays: None;

Abstentions: None;

Absent: Vice-Chair Cabrera, Dr. Bajaj.

**Motion Carried**

<sup>1</sup>Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

#### **4. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF CEPHEID GENEXPERT PLACEMENT AGREEMENT**

Clement Miller, COO, reported that the Cepheid GeneXpert is the industry gold-standard for molecular Microbiology patient testing and is requested by our laboratory and SVH ER physicians. Internalizing with this vendor allows SVH ER to triage, treat and discharge patients expeditiously due to Cepheid's precision and rapid test to result turnaround-time. The testing platform we've chosen allows for cost savings by the consolidation of at least two-vendors currently used while expanding our in-house clinical testing menu, in-line with our rising ER patient needs.

Salinas Valley Health Laboratory has an enduring need to maintain current with gold-standard laboratory technology to ensure rapid and accurate patient testing. Cepheid GeneXpert is a rapid PCR-based testing platform, specifically geared toward infectious disease, respiratory infection, women's health, and L&D clinical testing. In striving to meet our mission standards, our laboratory is requesting approval for a three-year Placement agreement with Cepheid to include the analyzer, reagents, and analyzer technical service. Cepheid GeneXpert testing has been requested by several SVH ER clinicians and will allow for increased efficiency in ER triage, diagnosis, and patient discharge. Procurement of Cepheid GeneXpert will also support new in-house testing, reduce cost associated from send-out tests, and allow for the elimination of two outdated labor-intensive and costly testing platforms with annual savings.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** Projected savings are \$261,583. The equipment will be used across the organization but all ER requests are stat. There is a Lab Utilization Committee that focuses on cost effectiveness which is part of a bigger initiative.

**PUBLIC COMMENT:** None.

#### **MOTION:**

Upon motion by Committee Member Dr. Radner, and second by Committee Member Lopez, the Finance Committee recommends the Board of Directors approves the Cepheid GeneXpert Placement Agreement in the amount of \$768,700.80 (annual expenditure of \$256,234).

#### **ROLL CALL VOTE:**

Ayes: Chair Hernandez Laguna, Lopez, and Dr. Radner;

Nays: None;

Abstentions: None;

Absent: Vice-Chair Cabrera, Dr. Bajaj.

#### **Motion Carried**

#### **5. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE PHILIPS MATC SOFTWARE EVOLUTION SERVICES (SES) FIVE (5) YEAR AGREEMENT**

Clement Miller, COO, reported that this MATC (Monitoring Analysis Therapeutic Care) Software Evolution Services (SES) Agreement with Philips Healthcare will upgrade the hospital's current patient monitoring technology by the following:

- Upgrade and improve interoperability of PIC iX, Bedside Monitors and IBE
- Refresh performance via minor enhancements, access to major software releases and include clinical implementation services
- Migrate maintenance and repair from time and materials to scheduled preventative maintenance and telephone support services



- Discounted pricing greater than GPO on hardware and software products covered under the Agreement

This agreement supports and improves cost efficiency of Philips patient monitoring products currently in use throughout the hospital but does not obligate SVMHS to purchase an expanded scope of new products. The adoption of Philips Software Evolution Services is a strategic investment that not only optimizes operational efficiencies and reduces costs but also significantly enhances the quality of patient care and safety. Approval of this program is recommended to ensure the organization remains at the forefront of healthcare technology and service delivery.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None.

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee Member Lopez, and second by Vice-Chair Cabrera, the Finance Committee recommends the Board of Directors approves of the Philips MATC Software Evolution Services (SES) Agreement in the amount of \$782,945.

**ROLL CALL VOTE:**

Ayes: Chair Hernandez Laguna, Vice-Chair Cabrera, Dr. Bajaj, Lopez, and Dr. Radner;

Nays: None;

Abstentions: None;

Absent: None.

**Motion Carried**

**6. CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF A ‘NURSE CALL – PHASE 3 UPGRADE’ PROJECT, AND FOR PURCHASE OF A MEDICAL EQUIPMENT PACKAGE OF REPLACEMENT NURSE CALL COMPONENTS IN SUPPORT OF A CODE COMPLIANT NURSE CALL SYSTEM IN THE SVH MEDICAL CENTER.**

Clement Miller, COO, reported that the Nurse Call system is required by California Building Code and provides a critical communication service for patient care, and it allows the care team to activate the Code Blue response team with the push of a button. Without a fully functioning Nurse Call system, patients may not occupy an inpatient room. The Nurse Call system slated for upgrade is no longer supported by Baxter/Hillrom. There are two ICU rooms for which the Nurse Call system has failed, Engineering has patched-in two temporary wireless nurse call units from a different manufacturer so that patients may occupy the rooms where the Hillrom system has failed.

To date SVH has completed two of three planned phases to upgrade the Nurse Call system throughout the medical center building. The approved FY 2025 budget includes \$2,772,043 for this project, to be disbursed over 3 years. Phase 3 areas to upgrade include Labor & Delivery, Obstetrical ED, Mother/Baby, 2nd Floor ORs, Surgery, Intensive Care, Endoscopy, Cath Lab, Cardiology, and Diagnostic Imaging. Design work for ‘Phase 3’ activity is underway with the authority of a CEO ‘project starter’ authorization.

Facilities/Engineering is requesting purchase of the 3rd phase equipment package in calendar year 2024 to secure a package price reduction that will no longer be available if the package was

purchased after January 1, 2025. Note: As indicated below, PO issuance in December 2024 captures beneficial pricing, actual disbursement of funds for the purchase is anticipated in FY2026.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** This recommendation will include ICU and Labor/Delivery which are in urgent need for upgrading. Nurse call systems are in use at all times and continuously monitored. Newer systems are supported by IT, as this system will be. Replacement will be from summer 2025 through 2026, staggered to keep beds available.

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Vice-Chair Cabrera and second by Committee Member Lopez, the Finance Committee recommends the Board of Directors approve a ‘Nurse Call Phase 3’ Project in the amount of \$2,772,043, and the purchase of a component package per Hillrom proposal dated 12/13/2024 in the amount of \$1,580,832.91.

**ROLL CALL VOTE:**

Ayes: Chair Hernandez Laguna, Vice-Chair Cabrera, Dr. Bajaj, Lopez, and Dr. Radner;

Nays: None;

Abstentions: None;

Absent: None.

**Motion Carried**

**7. JOINT VENTURES REPORT**

Augustine Lopez, CFO, reported on the SVH joint ventures. The report included the partner legal structures for each joint venture, performance, effects of payor mix and strategies for the following: Monterey Peninsula Surgery Center, Monterey Bay Endoscopy Center, Central Coast MSO, Doctors on Duty, Lucille Packard Children’s Hospital NICU, and SVH-MRKS Radiation Oncology Center.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** Dr. Radner reported SVH is invested in outpatient partners to benefit the community by reducing costs of services for patients; this proactively drives down cost for the community.

**8. FINANCIAL PERFORMANCE REVIEW**

An update was received from Augustine Lopez, CFO, on the Financial Performance Review for the month of November 2024. Highlights included Income from Operations \$1.4M, Net Income \$4.4M, and Days Cash on Hand of 366.

A full report including the November Summary Financials, Financial Statements, Budget Comparison, and Statistics was included in the packet for review.

**COMMITTEE MEMBER DISCUSSION:** None.

## 9. CLOSED SESSION

Chair Hernandez Laguna announced that items to be discussed in Closed Session as listed on the posted Agenda are *Hearings/Reports: Report of FEMA Project* and a *Report Involving Trade Secrets, Strategic Planning/Proposed New Programs and Services*.

The meeting recessed into Closed Session under the Closed Session Protocol at 4:49 p.m.

## 10. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Board reconvened Open Session at 4:49 p.m. Chair Hernandez Laguna announced that in Closed Session, the Board received *Hearings/Reports: Report of FEMA Project* and a *Report Involving Trade Secrets, Strategic Planning/Proposed New Programs and Services*. No action was taken.

## 11. ADJOURNMENT

There being no other business, the meeting was adjourned at 5:00 p.m. The next Finance Committee Meeting is scheduled for **Monday, January 20, 2025**.

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Joel Hernandez Laguna, Chair

## Board Paper: Finance Committee

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Agenda Item: Consider Recommendation for Board Approval of Initial Project Cost Estimate and Award Contract to John A. Martin & Associates, Inc. for the Seismic Retrofit Project

Executive Sponsor: Clement Miller, Chief Operating Officer

Date: January 20, 2025

### Executive Summary

Senate Bill 1953 (SB1953) requires all acute care hospitals that wish to remain in operation beyond January 1, 2030, to meet specific structural (SPC) and non-structural (NPC) rating. Retrofit will be required to certain elements of the hospital to meet rating requirements to remain in operation. The goal of SB1953 is to help ensure that hospital buildings are not only capable of remaining intact after a seismic event, but also capable of continued operations and can provide acute care medical services after a seismic event. John A. Martin & Associates, Inc. (JAMA) is the selected structural engineer of record (SEOR) that will be tasked to evaluate, design, and once permitted, oversee the construction/retrofit work which will be completed by a future Design-Builder. The SEOR will be assigned to the Design-Builder in a subsequent phase to be part of that team to further complete the design and retrofit work associated with Seismic Retrofit Project. The total estimated cost of Seismic Retrofit Project is \$62,500,000, inclusive of both hard and soft costs. Agreement for SEOR is included in the estimated project cost and is broken into two phases with a contract value of \$3,100,000. Bogard Construction will be SVH's representative and Kitchell CEM will be the construction manager and oversee all activities.

### Background/Situation/Rationale

The Seismic Retrofit Project is set to address various structural and non-structural deficiencies in the existing main hospital, which will remain operational during all renovation work. The Project is subject to HCAI 1 jurisdiction and includes the following:

1. Seismic Retrofit of Buildings 1 and 2. Seismic retrofit of existing buildings for compliance with SPD-4D includes external strengthening around the main tower, external buttress structure and connections to roof structure around building 2, selective wall reinforcements around main tower (shear walls), pediatric addition reinforcement (3rd floor exterior shear walls and roof connection), rehab addition reinforcement (4th floor exterior shear wall and roof connection), elevator tower addition mitigation, miscellaneous localized interventions including increasing building seismic separation.
2. Non-structural Performance Category (NPC) resolution. Work includes the completion of all non-structural and structural compliance documents required for acute care facilities. Current planning desires NPC-4 or NPC-4D Level 1 compliance for areas permitted to be deferred in the Article 11 of the CBC 2019. The nonstructural performance evaluation shall require the SEOR in collaboration with others to examine the respective critical nonstructural systems and elements for the planned NPC as specified in Table 11.1, "Nonstructural Performance Categories". Elements found to be deficient will be retrofitted accordingly to meet current seismic requirements.

In addition, project will incorporate needed elements to meet NPC-5 compliance which will require planning, design and installation of multiple emergency water supply underground tanks, liquid waste and sewage storage underground tanks and upsizing of the existing fuel tank for the emergency generator to maintain electrical power capacity to supply 72 hours of power. Multiple locations for underground tanks will be required due to various points of connection to utility purveyors on campus.

3. Replacement of Rotary UPS Building (Building 17). Building 17 is approximately 475 square-foot building located on the rear of the hospital campus adjacent to the hospital's maintenance yard. Building is scheduled to be demolished and rebuilt as building would require extensive repairs to meet current seismic requirements. As such, services currently provided within building will be relocated during construction and a new structure will be built meeting current building requirements for a space that provides support to critical care areas within the hospital.

The Project in its entirety will be delivered via design-build delivery method. The Administration selected the Design-Build procurement method for delivery of the Seismic Retrofit Project for its many benefits among which is generally a more streamline design and fast-track construction process. Unlike a traditional Design, Bid, Build (DBB), the Design-Build model allows for a single contract where the contractor and design team work together as a single entity leveraging the experience of each to deliver the best possible project given a certain set of parameters. SEOR will be assigned to the Design Builder and continue as the Structural Engineer of Record throughout the design, construction, commissioning, and close-out of the project.

SEOR scope of work will be proceeding under two phases:

**Phase 1:** SEOR is tasked to complete the following prior to Design Builder engagement:

- a. Evaluation of existing building components as it relates to the non-structural performance category (NPC) effort to comply with Senate Bill (SB1953). The effort includes evaluation of all seismic anchorage or bracing of non-structural items within critical care areas and preparing/assembling NPC-4 and NPC-4D self-declaration packages, and NPC-4D evaluation reports for each acute care building on campus for HCAI SCU submission by the January 1, 2024, deadline. In addition, for all deficient items SEOR will complete Schematic Design which will be subsequently completed under Phase 2 with Design Builder.
- b. Construction documents and Construction Administration services for the anchorage of equipment in the Histology department in preparation of NPC-4 self-declaration.
- c. Construction documents and Construction Administration services to support the enlargement of the seismic joint between the Dietary Building and the Original Building per details on SPC-4D retrofit set.
- d. Complete Schematic Design for Buildings 1 & 2 with HCAI SCU approval of proposed retrofit to achieve SPC-4D upgrade.
- e. Structural analysis to determine alternate means of compliance for Rotary UPS building (Building 17). The alternative approach will take into consideration the Hospital's request to minimize the impact to the currently operating equipment within the building.

**Phase 2:** Following Design Builder engagement and selection, SEOR will become part of the Design-Builder team and with coordination with other architects/engineers will complete all design documents, prepare the structural portion of the TIO, and prepare structural construction documents for permit, provide services during construction administration, commissioning, and close-out for the following:

- a. Seismically brace below ceiling components (in five seismically separated buildings) as well as source equipment (located in various other buildings) that have deficient anchorage and require retrofit including criteria for above ceiling bracing as needed to meet Title 24 requirements.
- b. Continue structural engineering services to accomplish SPC-4D upgrades for Building 1 & 2.

#### Timeline/Review Process to Date:

SEOR scope of work began under the umbrella of HOK who was contracted for professional engineering design services and awarded a contract on May 18, 2016, (Master Plan Project) which included three major components with one of them being on-going seismic retrofitting of existing buildings to a new category (Seismic Performance Category 4D). Under this contract, SEOR completed studies for SPC-4D compliance of Buildings 1 & 2 which is the basis (criteria documents) for SPC related scope of work and this agreement being the continuation of those initial efforts.

Over the last several months, the Administration has further generated criteria documents outlining the parameters and goals for the project in achieving SPC & NPC compliance. Criteria documents will help inform overall project scope that will be addressed within the Seismic Retrofit project. On project completion, the hospital will meet Title 24 requirements and be able to remain in operation and continue providing services beyond January 1, 2030.

In accordance with Public Contract Code, the Administration will be proceeding with a two-step process for Design Builder selection. The first step began on October 18, 2024, with the issuance of a Request for Qualifications ("RFQ Part 1"). On November 22, 2024, the administration received submissions in response to the RFQ Part 1. The RFQ's were review by committee and using best value scoring criteria and scoring matrix to determine the three highest scoring Design Build teams. The three highest scoring Design Build teams were given the opportunity to proceed onto the next step and provide a formal proposal for the project. The Request for Qualifications – Part 2 ("RFQ Part 2") was released on December 20, 2024, and proposals are expected on February 26, 2025. The RFQ Part 2 selection committee will conduct interviews with each of the three Design Build teams and complete a best value scoring matrix

to determine the highest-ranking team. The Administration will then proceed to negotiate with the top ranked firm to provide design and construction services for the project.

Upon Board approval and execution of the Design Build agreement, selected Design Build team will proceed with completing the design documents necessary to acquire the regulatory approvals and permits from the local jurisdictions and agencies. The design process is expected to be completed by December 31, 2025 for NPC (non-structural) scope which will be followed by SPC (structural) scope in 2026.

Permitting and subsequent construction of the project is anticipated to commence in 2026 and be complete by end of calendar year 2027. Make ready work, which includes relocation of IT infrastructure in Building 17, Fire Sprinkler Retrofit, and NPC-5 related tanks may begin in late 2025 and proceed through 2027. This work is a precursor to the start of construction for the larger Seismic Retrofit work anticipated to begin in mid-2026.

All work will be part of CIP #01.1250.3273

Meeting our Mission, Vision, Goals

It is the mission of Salinas Valley Health (SVH) to provide quality healthcare to our patients and to improve the health and well-being of our community.

Pillar/Goal Alignment:

- Service     People     Quality     Finance     Growth     Community

Financial Implications

The essential terms of the proposed Professional Services Agreement (structural engineering) are as follows:

- Phase 1 (Pre Design-Builder Engagement) Services: \$630,000.00
- Phase 2 (Post Design-Builder Engagement) Services: \$2,470,000.00
- TOTAL NOT-TO-EXCEED AMOUNT: \$3,100,000.00**

Cost for Architectural and Engineering services is included within Seismic Retrofit Project Budget with breakdown as follows:

Soft Costs: \$13,978,086

- Costs from preliminary seismic efforts
- Program and Construction Management Services
- Permit, Utility Fees (relevant Authorities Having Jurisdiction)
- Inspection and Material Testing
- Architectural and Engineering Support Services (Criteria/Bridging Documents)

Hard Costs: \$48,521,914

- Design Fees & Contingency
- Construction costs & Contingency

**Total Project Budget: \$62,500,000.00**

Schedule/Milestones:

- October – November 2024: - Design-Builder Request for Qualification (RFQ Part 1) process.
- December 2024 – February 2025: Design-Builder Request for Qualification (RFQ Part 2) process.
- January 1, 2026: Complete drawing package and submittal to HCAI (NPC deadline).
- January 1, 2028: Obtain building permit for NPC scope of work (NPC deadline).
- January 1, 2030: Complete all construction for both SPC & NPC scope of work.

Budget: Current Seismic Retrofit project cost estimate is \$62,500,000, which aligns with prior project cost estimates presented. Following Design Builder engagement and preliminary design is complete, a new cost estimate will be generated, and a reconciliation of the budget will be completed to ensure alignment cost projections. A summary of the project cost estimate is included with this Board Paper as Attachment 2. Current actual expenditure to date on the planning and design of the project is \$3,239,045 as of end of December 2024 (part of CIP #01.1250.3273 & 01.1250.3270).

Recommendation

Consider recommendation for Board Approval (i) the total estimated project cost for the Seismic Retrofit Project in the budgeted amount of \$62,500,000 and (ii) the contract for \$3,100,000.00 to John A. Martin & Associates, Inc. for structural design services for the Seismic Retrofit Project at the main hospital campus.

Attachments

- Attachment 1: Professional Services Agreement between Salinas Valley Health and John A. Martin & Associates, Inc.
- Attachment 2: Estimated Project Cost/Budget, December 2024

## Professional Service Agreement

(Structural Engineering)

**THIS AGREEMENT** ("Agreement") is made as of March 31, 2021 ("Effective Date") between Salinas Valley Health and John A. Martin & Associates. ("Designer") for structural engineering services ("Services") in connection with the SB 1953 non-structural compliance at the Salinas Valley Medical Center ("Project") in accordance with the Contract Documents. This Agreement supersedes Designer's former agreement with HOK Architects dated May 18, 2016, which was subsequently amended March 31, 2021 for structural retrofit (inclusive of amendments thereto).

The following Exhibits are incorporated into this Agreement by reference.

Exhibit 1	Definitions
Exhibit 2	Scope of Services
Exhibit 3	Fee Schedule and Billable Rates
Exhibit 4	Insurance Requirements

By executing this Agreement, each of the Signatories represents that he or she has authority to bind the Party on whose behalf his or her execution is made.

<p><b>Salinas Valley Health:</b></p>  <p>By: _____  Allen Radner, MD,  President/CEO</p>  <p>Email: aradner@salinasvalleyhealth.com</p>	<p><b>Designer:</b>  <b>John A. Martin &amp; Associates, Inc.</b></p>  <p>By: _____  Shane Fitzgerald, Principal</p> <p>Email: fitzgerald@johnmartin.com</p> <p>CA License No.: 4757 (Structural)</p>
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**THE PARTIES AGREE TO THE FOLLOWING TERMS AND CONDITIONS.**





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## BUSINESS TERMS SHEET

<b>Salinas Valley Health Representative</b>	Allen Radner, MD – President/CEO <a href="mailto:aradner@salinasvalleyhealth.com">aradner@salinasvalleyhealth.com</a>
<b>Salinas Valley Health's Project Manager</b>	Dave Sullivan, Bogard Construction <a href="mailto:dsullivan@bogardconstruction.com">dsullivan@bogardconstruction.com</a> (831) 246-2073
<b>Salinas Valley Health's Construction Manager</b>	Omar Galvan, Kitchell CEM Incorporated <a href="mailto:ogalvan@kitchell.com">ogalvan@kitchell.com</a> (415) 672-7302
<b>Designer's Principal</b>	Shane Fitzgerald, John A. Martin & Associates <a href="mailto:fitzgerald@johnmartin.com">fitzgerald@johnmartin.com</a> (213) 220-5916
<b>ME Engineer of Record ("MEEOR")</b>	Jon Inman, Mazzetti <a href="mailto:Jinman@mazzetti.com">Jinman@mazzetti.com</a> (415) 652-4581
<b>Type of Service</b>	Structural Engineering Services
<b>Fee</b>	<b>\$3,100,000.00</b>
<b>Deliverable Schedule</b>	See Exhibit 2
<b>Minimum Insurance Limits for Designer</b>	See Exhibit 4
Workers Compensation/Employers' Liability	California Statutory Limits Employers' Liability \$1,000,000 each accident
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 in aggregate \$1,000,000 personal/advertising injury
Professional Liability (E&O)	\$2,000,000 per occurrence \$5,000,000 in aggregate
Automobile	\$1,000,000 each accident



## 1. DEFINITIONS

**1.1 Defined Terms.** Defined terms and titles of Exhibits will be capitalized throughout the Agreement and any Exhibits to the Agreement. The definitions for this Agreement are set forth in alphabetical order in Exhibit 1.

## 2. PROJECT AND RELATIONSHIP OF THE PARTIES

**2.1 Project Description.** The Project is a renovation to an existing hospital, which will remain operational during all renovation work. Project will be proceeding under two phases; Phase 1 includes all of the evaluation and reporting work (pre Design-Builder engagement) and Phase 2 captures the design/construction document creation, construction, and subsequent close-out (post Design-Builder engagement). Phase 2 of the project will be assigned to future Design-Builder. The Project is subject to HCAI 1 jurisdiction and includes the following.

2.1.1 Seismic Retrofit of Buildings 1 and 2. Seismic retrofit of existing buildings for compliance with SPD-4D includes external strengthening around the main tower, external buttress structure and connections to roof structure around building 2, selective wall reinforcements around main tower (shear walls), pediatric addition reinforcement (3rd floor exterior shear walls and roof connection), rehab addition reinforcement (4th floor exterior shear wall and roof connection), elevator tower addition mitigation, miscellaneous localized interventions including increasing building seismic separation.

2.1.2 Non-structural Performance Category (NPC) resolution. Work includes the completion of all non-structural and structural compliance documents required for acute care facilities. Current planning desires NPC-4 or NPC-4D Level 1 compliance for areas permitted to be deferred in the Article 11 of the CBC 2019. The nonstructural performance evaluation shall require the Designer in collaboration with others to examine the respective critical nonstructural systems and elements for the planned NPC as specified in Table 11.1, "Nonstructural Performance Categories". Elements found to be deficient will be retrofitted accordingly to meet current seismic requirements. In addition, project will incorporate needed elements to meet NPC-5 compliance which will require planning, design and installation of multiple emergency water supply underground tanks, liquid waste and sewage storage underground tanks and evaluation of the existing emergency electrical power capacity to supply 72 hours of back up emergency power. Multiple locations for underground tanks will be required due to various points of connection to utility purveyors on campus.

2.1.3 Replacement of Rotary UPS Building (Building 17). Building 17 is approximately 475 square-foot building located on the rear of the hospital campus adjacent to the hospitals maintenance yard. Building is scheduled to be demolished and rebuilt as building would require extensive repairs to meet current seismic requirements. As such, services currently provided within building will be temporarily relocated during construction and a new structure will be built meeting current building requirements for a space that provides support to critical care areas within the hospital.

2.1.4 The Project in its entirety will be delivered via design-build delivery method. Designer will be assigned to the Design Builder and continue as the structural engineer of record throughout the design, construction, commissioning, and close-out.



**2.2 Relationship of the Parties.** Until Designer is assigned to the Design Builder, Designer's relationship with Salinas Valley Health is that of an independent contractor whose involvement in the Project is to provide design services, and not as an agent, fiduciary, partner, member of, subsidiary of, or otherwise affiliated with the Salinas Valley Health. Designer accepts the relationship of trust and confidence and agrees to fully cooperate with the Salinas Valley Health's Representative and Salinas Valley Health's Project Manager and Construction Manager, and to act in good faith and to exercise its skill and judgment in furthering the interests of the Salinas Valley Health. Designer will furnish efficient business administration and supervision related to coordination of its Services and will use Designer's best efforts in performing all Services in the most expeditious and economical manner consistent with the Contract Documents.

### **3. PROJECT TEAM AND RESPONSIBILITIES**

**3.1 Salinas Valley Health.** Salinas Valley Health is the owner of the Project and is responsible for the following:

3.1.1 Salinas Valley Health will pay for all design review approval, entitlements, easements, assessments and fees required by governmental approval for development of the Project.

3.1.2 Salinas Valley Health's or its Construction Manager will provide the Designer with available information regarding the Project.

3.1.3 All requests for approval must be in writing to the Salinas Valley Health with a copy to the Salinas Valley Health's Project Manager and Construction Manager. Approval by Salinas Valley Health's Representative or Salinas Valley Health's Construction Manager of any Services will not relieve Designer from any of its respective obligations or liabilities for the technical or professional adequacy of its Services.

3.1.4 Salinas Valley Health reserves the right to perform administration and operations related to the Project with its own forces, and to award contracts in connection with the Project. Designer will notify the Construction Manager if any such independent action will interfere with Designer's ability to perform its Services.

3.1.5 Upon contract award of the Design Builder, Salinas Valley Health will assign this Agreement to the Design Builder, and novate any obligations for future direct payment to Designer for Services subsequent to the effective date of assignment.

### **3.2 Project Team Members.**

3.2.1 Salinas Valley Health Representative. The Salinas Valley Health Representative is identified in the Business Terms Sheet. The Salinas Valley Health Representative is authorized to act on Salinas Valley Health's behalf and has authority to sign Amendments to this Agreement up to an amount of \$25,000 per occurrence. Any request exceeding \$25,000 will require Salinas Valley Health's Board of Directors approval and must be timely submitted to Salinas Valley Health by Designer in order to allow proper consideration during the board's regularly scheduled meetings.



3.2.2 Salinas Valley Health's Project Manager. Salinas Valley Health's Project Manager is identified in the Business Terms Sheet. The Project Manager will provide support to this Project. The Project Manager will interface with the Construction Manager and Salinas Valley Health and is responsible for coordinating campus activities that impact hospital operations. The Project Manager does not have the authority to execute Amendments to the Agreement or bind the Salinas Valley Health

3.2.3 Salinas Valley Health's Construction Manager. Salinas Valley Health's Construction Manager is identified in the Business Terms Sheet. The Construction Manager is authorized to coordinate and direct Services and act on the Salinas Valley Health's behalf with respect to the daily operations of the Project but does not have the authority to execute Amendments to the Agreement or bind the Salinas Valley Health.

3.2.4 Salinas Valley Health's MEEOR. Salinas Valley Health's mechanical/electrical engineer of record is identified in the Business Terms Sheet. The MEEOR will remain the design professional of record through preparation of the basis of design for the NPC compliance requirements as part of the criteria documents or bridging documents issued for proposal to design builder. It is anticipated that mechanical, electrical, and plumbing will be delivered through use of design build subcontractors. Designer will coordinate and collaborate with the MEEOR as necessary with respect to its Services as further defined in Exhibit 2.

**3.3 Communications.** Designer may communicate directly with the MEEOR but otherwise will communicate directly with, and coordinate its Services through the Construction Manager. The Construction Manager must be copied on all written communications between the MEEOR and Designer. The Project Manager must be copied on written communications. The Project Manager and Construction Manager will update Salinas Valley Health as appropriate.

## 4. DESIGNER'S SERVICES

**4.1 Scope of Services.** Designer will perform all Services described in Exhibit 2. Services generally include preliminary structural evaluation of existing facilities, field investigation to confirm existing conditions, schedule and participate in meetings with HCAI to discuss overall approach for SPC compliance, and preparation of structural narrative and basis of structural design for incorporation into the criteria documents that will be used for solicitation of Design Builder. Upon award of Design Builder, Designer will complete all design documents, prepare the structural portion of the TIO, and prepare structural Construction Documents for permit, provide Services during construction administration, commissioning, and close-out. Designer may be directed to perform additional services by Amendment, pursuant to the terms of Section 5.2.

4.1.1 Coordination. Designer will coordinate its Services with those services or work provided by the other Project Team Members.

4.1.2 Project Staffing and Key Personnel. Designer's personnel and their respective positions and billing rates are set forth in Exhibit 3. Unless otherwise requested by Salinas Valley Health, key personnel may not be removed from, or added to, the Project without the prior written consent of Salinas Valley Health except for death, disability, or departure of person from employment. If a replacement is necessary, the proposed key personnel will have



substantially equivalent or better qualifications than the form principal or employee, and all candidates are subject to final approval by Salinas Valley Health.

**4.2 Principal.** Designer will name a principal whose duties include, without limitation, directing and coordinating the Services of Designer. The principal will represent Designer, and all communications given to the principal will be deemed to have been delivered to Designer. The principal is identified in the Business Terms Sheet.

**4.3 Licensure.** Designer represents that Designer is a California state licensed professional engineer, qualified to practice structural engineering services, and is in good standing and qualified to do business in the State of California.

**4.4 Standard of Care.** Designer will timely perform all Services in a professional manner consistent with the degree of care of other licensed professional engineers performing structural engineering services in the State of California for projects of similar size, scope, and complexity.

**4.5 Compliance with the Law.** Designer will provide all notices, and perform all Services, in accordance with all Applicable Law.

4.5.1 Hospital Safety Act of 1983. This Project is subject to the Hospital Safety Act of 1983. Designer will comply with all provisions and the applicable duties under the Hospital Safety Act of 1983 to the extent applicable to its Services.

4.5.2 Conflicts. Designer will use due care to identify conflicts between the meaning and effect of all Applicable Law, including building code requirements, codes, and regulations related to the Services contemplated under this Agreement. If Designer identifies such conflicts, Designer will provide written notice to the Project Manager and Construction Manager, and recommend a resolution.

**4.6 Project Standards.** Designer will identify and determine the meaning and effect of applicable building code provisions and other applicable building requirements and restrictions related to its Services.

**4.7 Coordination with Governmental Authorities.** Designer will manage and timely coordinate required design submissions, questions, and responses to applicable Governmental Authorities.

**4.8 Schedule for Performance.** Time is of the essence. Designer will diligently perform its Services for in accordance with the Deliverables Schedule set forth in Article 2 of Exhibit 2. Through the design and construction process, Designer will collaborate and coordinate its Services with services or work being performed by other Project Team Members. Designer may seek an adjustment in Fee due to an extension of time per Section 5.2, if Designer is delayed in completing its Services in accordance with the Deliverable Schedule (as may be amended through executed Amendment), for reasons beyond its reasonable control and provided that such delay requires an equitable adjustment in Fee and was not due to any negligent acts, errors, or omissions of Designer. Completion of design and Construction Documents, construction administration, and close-out portion of the Services will be in accordance with Design Builder's Project schedule.





**4.9 Tier Consultants.** There are no tier consultants for this Project.

## **5. COMPENSATION**

**5.1 Fee.** Salinas Valley Health will pay Designer the lump sum amount set forth in the Business Terms Sheet for completing the Services described in the Contract Documents, subject to adjustment for additional services per Section 5.2. Designer's Billable Rates set forth in Exhibit 3, will be used for Fee adjustments due to additional services per Section 5.2 if the additional services are performed on a time and material basis. The Billable Rates will be calculated per Section 5.3. Designer will include a reasonable allowance within the lump sum amount for the reimbursable expenses as defined in Section 5.4. To the extent there is an overage in the allowance amount, an Amendment will be issued adjusting the Fee by the amount of the overage. All unused allowance amounts will accrue 100% to Salinas Valley Health before close-out through a deduction in Fee via Amendment.

**5.2 Additional Services.** Changes in the Services described in the Contract Documents that are not due to any negligent act, error, or omission of the Designer or for delays in the Schedule that impact Designer's Fee per Section 4.8, will either be performed on an hourly basis per the billable rates set forth in Exhibit 3, or on an agreed lump sum basis. Designer will provide Construction Manager with written notice and a rough order of magnitude of the additional services within 5 business days of discovering facts or circumstances giving rise to the additional services. If Services are to be performed on a lump sum basis, a complete cost proposal will be submitted within an additional 8 business days. Services performed on an hourly basis are subject to the billable rates set forth in Exhibit 3 and Sections 5.3 and 5.4. Additional services will only be authorized through executed Amendment.

**5.3 Billable Rates.** The Billable Rates will be effective for the duration of the Project. No salaried employee is allowed to bill more than 40 hours per week unless express written consent is provided by the Salinas Valley Health. The Billable Rates include the amount paid to employees as wages, including customary benefits (health insurance, long term disability, sick leave, pension, and vacation accruals) and taxes plus the Designer's overhead and profit. Designer's overhead and profit include, among other things: (i) profit for the Services rendered on the Project; (ii) salaries and other compensation of all home office personnel who are not directly assigned to this Project and specifically included in Exhibit 2; and (iii) home office general expenses including mortgage, rent, utilities, costs for computers (including hardware, servers, plotters, printers and software), cell phone charges, internet access, digital cameras, postage, office supplies, equipment, all required insurance, etc. Designer may charge for Services performed by employees who are not listed in Exhibit 3 upon approval by Salinas Valley Health, provided that employee's billable rates are consistent with the Billable Rates for other employees from the same discipline with the same title and level of experience.

**5.4 Reimbursable Expenses.** Reimbursable expenses necessary to perform the Services are limited to the following. Expenses are paid at actual cost incurred by Designer, without markup, and require backup submitted with invoices.

5.4.1 Miscellaneous costs incurred in the performance of the Services if, and to the extent, approved in advance in writing by Salinas Valley Health.



5.4.2 Mileage and transit time, if beyond a 50 mile radius from employee residence or office (whichever is closer) to the job site will be reimbursed based upon the Federal vehicle mileage rate in force at the time of travel. Travel time exceeding 4 hours round trip must be approved in advance in writing by Salinas Valley Health.

5.4.3 Per diem for Designer's personnel incurred while traveling related to the Project will be based upon the GSA rate for Monterey County for the applicable year.

5.4.4 Plotting and Reproduction. The expense of reproductions, postage, and handling of drawings, specifications and other Project documents.

5.4.5 Professional and/or presentation quality renderings, if requested by the Salinas Valley Health.

**5.5 Non-Reimbursable Expenses.** The following costs are not reimbursable.

5.5.1 All benefits and burdens not expressly included in the Billable Rates set forth in Exhibit 3.

5.5.2 Costs due to the negligence or failure of the Designer or anyone directly or indirectly employed by Designer for whose acts Designer may be liable, to fulfill a specific responsibility under the Contract Documents.

5.5.3 All other costs not specifically included in Sections 5.3 or 5.4.

**5.6 Payments.** Designer will invoice the Salinas Valley Health monthly for Services performed based on the schedule of values set forth below. Salinas Valley Health will remit payment within 30 days of receipt of invoice. Invoices must be submitted to the Construction Manager with a copy to the Salinas Valley Health's Representative and the Project Manager. Salinas Valley Health is not obligated to pay, or to see that payment is made to Designer's tier-consultants except as may otherwise be required by law.

5.6.1 Schedule of Values. The schedule of values is set forth in Exhibit 3.

**5.7 Right to Withhold.** Salinas Valley Health's Representative or its Construction Manager may refuse to approve a payment application, in whole or in part, or, because of subsequently discovered evidence that may nullify the whole or any part of a prior payment application to the extent Salinas Valley Health or its Construction Manager determines is necessary to protect Salinas Valley Health from loss due to, among other things, failure to perform Services in accordance with the Contract Documents; disputed amounts; or reasonable doubt that the Services can be completed within the NTE Amount set forth in the Business Terms Sheet, as adjusted through approved Amendment.

**5.8 No Waiver.** Payment by Salinas Valley Health will not constitute approval or acceptance of any Services included in the payment application or final acceptance or approval of that portion of the Services.



## 5.9 Audit Rights.

5.9.1 Salinas Valley Health may audit Designer's Project records at any time throughout the duration of the Services and for a period up to 3 years after final completion of the Services upon 10 business days' written notice. The audit will take place during normal business hours and will be coordinated with Designer. Designer will produce all financial records related to the Project such as payment applications and Amendments with back-up documentation and records deemed necessary by the Salinas Valley Health or its Construction Manager to substantiate charges related to the Services. Should the audit indicate that Designer's records were fraudulently or negligently prepared or maintained, Salinas Valley Health reserves the right to seek damages and legal remedies from Designer.

5.9.2 Medicare. To the extent required, and upon written request of Salinas Valley Health, Designer and any entity providing services to the Project will make available to the Secretary of Health and Human Services or the Comptroller General, or any of their duly authorized representatives, this Agreement and all Exhibits, books, documents and records that are necessary to verify the nature and extent of the cost of the Services for a period of 4 years after completion of Services when required by Section 952 of the Omnibus Budget Reconciliation Act of 1980. Designer will require each tier-consultant to comply with this provision regardless of how the party is being compensated.

## 6. INSURANCE AND LIABILITY

**6.1 Insurance Requirements.** Designer will obtain and maintain the insurance coverage in the amounts set forth in the Business Terms Sheet and based on the terms and conditions set forth in Exhibit 4.

**6.2 Defense and Indemnification.** Designer will defend, indemnify, and hold the Salinas Valley Health, and its members, Board of Directors, officers and employees, and the Salinas Valley Health's Project Manager and Construction Manager harmless from and against claims, damages, losses and expenses in law or in equity (including reimbursement of reasonable legal and expert witness fees and costs), arising out of, or resulting from, Designer's negligent acts, errors, or omissions in the performance of its Services including claims, damage, loss or expense attributable to bodily injury, sickness, disease or death, or injury to or destruction of tangible property, negligent exacerbation of Hazardous Materials, infringement of intellectual property rights, or violation of the law, but only to the extent that the claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Designer or anyone employed directly or indirectly by Designer or tier-consultants in connection with the Services provided under the Agreement (as amended) and for whose acts the Designer or tier-consultants may be liable.

6.2.1 Defense. Salinas Valley Health and Designer will defend their own respective claims under Sections 6.2 at their own cost and expense until liability is determined or settlement is reached under the dispute resolution process set forth in Article 7. After determination of liability or an agreed settlement under Article 7, the Designer and its tier-consultants will reimburse Salinas Valley Health for defense costs in proportion to the extent of their proportionate share of liability or settlement amount arising from claims, demands, causes of action, damages, costs, expenses.



6.2.2 Enforcement. Nothing contained in this Article 6 will be construed to impose any obligation in conflict with current California state law. In the event of a conflict with California State law, as may be amended, the Agreement will be modified to allow indemnification by Designer to the greatest extent permitted by law.

**6.3 Hazardous Materials.** Designer's Services do not include addressing Hazardous Materials. Designer will comply with, and use all reasonable efforts and practices to comply with Applicable Law and good business practices regarding Hazardous Materials. To the extent that Designer discovers Hazardous Materials while performing its Services, the Designer will immediately stop the work in the affected area and notify the Salinas Valley Health and its Construction Manager and Project Manager. Services in the area will not be resumed until after written authorization from the Salinas Valley Health or its Construction Manager stating that the condition has been rendered harmless.

## 7. CLAIMS AND DISPUTES

**7.1 Notice.** Either Party may initiate the dispute resolution procedures by providing a notice of claim. All claims must include a detailed factual narrative of events fully describing the nature and circumstances giving rise to the claim, including, a detailed breakdown of the amount of damages or costs associated with the claim. Claims will be submitted within 10 days following the discovery of the occurrence of the event or condition or circumstance giving rise to the dispute, whichever is later. Under no circumstances will a claim be made if it is barred by applicable statutes of limitation or repose.

**7.2 Business Negotiation.** The Parties will endeavor to first resolve their disputes through business negotiation. The business negotiation will be a face-to-face business meeting between senior management for all entities involved in the claim. Legal representation is not permitted. If the dispute is not resolved through business negotiations, either Party may request mediation of the dispute in writing. All decisions will be recorded in writing and signed by the Salinas Valley Health, Designer, and other necessary parties.

**7.3 Mediation.** Unless the Parties mutually agree to waive mediation and proceed straight to litigation, the Parties mutually agree that if the dispute is not resolved by the conclusion of business negotiations, either Party may demand mediation of the dispute in writing. The Parties will mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing. Each Party participating in the mediation will share in the fees and costs in connection with the mediation. Representatives from each Party who have authority to resolve the dispute, together with any other Party who has an interest in the dispute, will attend the mediation. All parties involved in the dispute will bear the cost of mediation equally. Before the mediation, each Party will execute a disclosure confirming that each Party understands the confidential nature of the mediation proceedings and materials pursuant to California Evidence Code section 1129. The mediation process must be completed within 100 days of the Parties' agreement to mediate, unless Salinas Valley Health and Designer mutually agree to extend the mediation period. If, as a result of the mediation, a negotiated settlement is reached, the Parties will enter into a written settlement agreement that will be enforceable in a court of competent jurisdiction.

**7.4 Government Code Claim.** If mediation is unsuccessful Designer must file a government claim pursuant to Government Code section 910 et seq. in order to initiate a civil



action. Designer understands that the dispute resolution process may be amended upon procurement of the Design Builder for alignment of dispute resolution procedures. Designer will cooperate with Salinas Valley Health and Design Builder with respect to reasonable request for modifications required in the dispute resolution process.

**7.5 Joinder.** Designer agrees to be joined in any litigation or arbitration between Salinas Valley Health and any person or entity involving a dispute that relates to the Project if claims for or against the Designer or Salinas Valley Health arise from the same, substantially the same, or interrelated facts, issues, or incidents relating to the Project, or where separate dispute resolution processes create a risk of inconsistent awards or results. To the extent a party is subject to Public Contract Code section 9204 and 20104-20104.6, Designer agrees to be joined and comply with all such procedures.

## **8. TERMINATION AND SUSPENSION**

**8.1 Suspension.** Salinas Valley Health may suspend the Project at any time upon written notice to the Designer. The notice of suspension will set forth the reason for suspension and the effective date of suspension.

**8.2 Termination of the Designer for Convenience.** Salinas Valley Health may terminate this Agreement for convenience upon 10 calendar days' written notice at any time before completion of the Services. The notice will state the extent and effective date of termination. Designer will be entitled to receive payment for all Services properly performed through the effective date of termination based on the compensation provisions in Article 5. Designer will not be entitled to consequential damages, unabsorbed overhead, or lost profits on unperformed Services. All disputes over termination will be resolved under Article 7.

**8.3 Termination of the Designer for Cause.** Salinas Valley Health may terminate this Agreement for material breach of any term or conditions of the Contract Documents upon 10 business days' written notice unless Designer has commenced curing its breach to the Salinas Valley Health's satisfaction. The notice will set forth the reason for termination and the effective date of termination. If Salinas Valley Health terminates this Agreement for cause, Designer will not be entitled to further payment until the Project is completed and Salinas Valley Health is able to determine the additional costs and expenses incurred by Salinas Valley Health to satisfy any claims arising out of, or services required for, curing the breach. Further payments, if due, will be made 35 calendar days after final completion of the Project, and only to the extent that the cost of completing the Services does not exceed the remaining NTE Amount. Nothing stated in this paragraph will prevent Salinas Valley Health from pursuing and recovering any damages allowed by law from Designer arising out of the breach of the Contract Documents. If a court of competent jurisdiction deems that termination of this Agreement was wrongful or otherwise improper, the termination will be deemed a termination for convenience under Section 8.2. All disputes over termination will be resolved under Article 7.

**8.4 Termination for Cause By Designer.** Designer may terminate this Agreement upon 30 calendar days' written notice to the Salinas Valley Health and Salinas Valley Health's Construction Manager and Project Manager if the Salinas Valley Health fails to make payment to Designer in accordance with this Agreement and cannot provide evidence substantiating that financial arrangements have been made to make payment. Designer will be compensated by





Salinas Valley Health as if the Services were terminated by Salinas Valley Health for convenience under Section 8.2.

## 9. OWNERSHIP OF DOCUMENTS

**9.1 Ownership of Work Product.** The Construction Documents and other design documents, including drawings, design narratives, sketches, calculations, and other design documentation prepared by Designer as part of the Services ("Work Product") are being developed and furnished for use solely with respect to this Project. As such, provided that Salinas Valley Health has complied with the payment provisions in this Agreement, Salinas Valley Health will own all rights, title, and interests under Applicable Law in all Work Product. Designer will not own or claim a copyright in the Work Product prepared for the Project.

**9.2 License.** Designer is granted a limited, non-exclusive, royalty-free license to use and reproduce applicable portions of the Work Product prepared for use in the performance of the Services. All copies made under the license will bear the statutory copyright notice. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with development of the Project will not be construed as publication in derogation of Salinas Valley Health's copyright or other intellectual property rights and interests.

**9.3 Exception.** Nothing contained in Sections 9.1 and 9.2 limits the rights, title, and interest of Designer's right to continue to use its respective general layout, details, design narratives, calculations, or specifications that it uses or has used on multiple projects, or new layouts, details, design narratives, or specifications that were developed during performance of the Services.

**9.4 Delivery of Work Product.** If Designer is terminated for convenience or cause under Article 8, Designer will provide all Work Product to Salinas Valley Health. Salinas Valley Health may continue to use the work product prepared by Designer for further development through a different licensed California state structural engineer that is under direct contract with Salinas Valley Health or Design Builder, and who will become the engineer of record with respect to completion of the Construction Documents. Salinas Valley Health will defend, indemnify and hold the Designer harmless from third party claims and causes of action arising out of future use of the design documents but only to the extent that the claims or causes of action arise from the further development of the design documents after the effective date of termination and provided that the error or omission was not present in the design documents prepared by the Designer at the time of termination; or to the extent that the claims or causes of action did not arise from negligent performance of the Services performed by Designer before termination. Salinas Valley Health agrees that Designer will be paid for all Services properly performed up to the date of termination per the payment provisions set forth in Article 5.

## 10. MISCELLANEOUS PROVISIONS

**10.1 Confidentiality.** Designer will keep information provided by the Salinas Valley Health or made available to Designer during performance of the Services confidential, and will not disclose confidential information to persons or entities other than as necessary to perform the Services.

**10.2 Patient Privacy.** Designer acknowledge that Salinas Valley Health will continue to be under full operation when Services are performed. Any and all patient information is



subject to protection under Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as may be amended. Designer coming into contact with patient health information are strictly prohibited from disclosure in violation of the HIPAA privacy rule.

**10.3 Exclusion List.** Designer certifies that neither it, nor any of its employees are currently named as an excluded entity or individual on the “List of Excluded Individuals/Entities” of the Department of Health and Human Services Office of the Inspector General (“OIG List”), the “Excluded Parties List System” of the System for Award Management (“EPLS”), the “Specially Designated Nationals List” (“SDN List”) or the “Foreign Sanctions Evaders List” (“FSE List”) of the Office of Foreign Assets Control, any State debarment or exclusion list, or any other sanctions list that would make Designer, or any of its employees ineligible to participate in any federal or state funded programs (collectively, “Lists”). Designer will immediately notify Salinas Valley Health if, at any point during this procurement, it or any of its employees is named as an excluded entity or individual on any of the Lists.

**10.4 Governing Law and Venue.** This Agreement will be governed and construed under the laws of the State of California without giving effect to any choice of law or rule of conflict that would cause the application of the laws of any other jurisdiction. Each of the Parties agrees that the exclusive venue for any action will be in the applicable court in Monterey County, California.

**10.5 Assignment.** Salinas Valley Health and Designer respectively bind themselves, their partners, successors, assignees, to the other Party to this Agreement. Designer may not assign this Agreement. Designer acknowledges and agrees that upon contract award of the Design Builder, Salinas Valley Health will assign this Agreement to Design Builder and Designer will complete all Services including construction administrative services under Design Builder. Designer will cooperate with Salinas Valley Health and execute required assignment agreements. Additionally, Salinas Valley Health may assign this Agreement to any lender in obtaining Project financing. Designer will cooperate with Salinas Valley Health and execute all required assignment and subordination agreements.

**10.6 Notices.** Any notice required to be given by this Agreement will be in writing and deemed effective upon: (i) the date of personal delivery, or email, if received by the addressee before 5:00 p.m. local time on a business day; (ii) 3 business days after being sent via registered or certified mail with a return receipt requested; or (iii) 1 business day after being sent by overnight commercial courier providing next-business-day delivery. Email must be evidenced by an email confirmation receipt.

Notices will be addressed to the following respective Parties:

**Salinas Valley Health:**  
Clement Miller  
Chief Operating Officer  
Salinas Valley Health  
450 E. Romie Lane, Salinas, CA 93901  
cmiller2@salinasvalleyhealth.com

**Designer:**  
Shane Fitzgerald, Principal  
John A. Martin & Associates  
1901 Harrison Street, Suite 1570  
Oakland, CA 94612  
fitzgerald@johnmartin.com



**10.7 Interpretation and Severability.** This Agreement's terms and conditions will be interpreted according to their plain meaning, and not strictly for or against Salinas Valley Health or Designer. Any contrary rule of construction or interpretation will be of no force or effect with respect to this Agreement. If a court of competent jurisdiction finds any term or provision of this Agreement to be void or unenforceable for any reason, the term or provision will be amended to comply with the law. If a term or condition is severed, the remainder of the Agreement will remain in full force and effect to the maximum extent permitted by law and consistent with Salinas Valley Health's and Designer's overall intent.

**10.8 No Third Party Beneficiaries.** The Parties acknowledge and agree that the obligations of the Designer are solely for the benefit of the Salinas Valley Health and are not intended in any respect to benefit any third parties. There are no other third party beneficiaries to this Agreement.

**10.9 Rights and Remedies.** All rights and remedies under the Contract Documents will be cumulative and in addition to, and not in limitation of, all other rights and remedies of the Parties under the Contract Documents or otherwise available at law or in equity.

**10.10 Survival.** The following provisions will survive termination of this Agreement or completion of the Services: Sections 4.3, 4.4, and 5.9, and Articles 6 through 9.

**10.11 Waiver.** Unless otherwise indicated in this Agreement, Salinas Valley Health's and Designer's action or failure to act will not waive any right or duty they have under the Agreement, and such action or failure to act will not be an approval of or acquiescence in, a breach of the Agreement unless specifically agreed to in writing by the appropriate Signatories.

**10.12 Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original. When proving this Agreement, it will only be necessary to produce or account for the counterpart signed by the Party against whom enforcement is sought. Electronic copies or photocopies of this Agreement showing the true signatures may be used for all purposes as originals.

**10.13 Interest.** Payments due and unpaid under this Agreement will bear interest from the date payment is due at an annual rate equal of 3.5% per annum.

**10.14 Attorneys' Fees.** If the Salinas Valley Health or Designer commences an action or dispute resolution process in accordance with the terms and provisions of this Agreement against the other Party for claims arising out of or in connection with the Contract Documents, the prevailing Party will be entitled to recover all reasonable attorneys' fees and costs (including charges and expenses related to the suit, expert witness, and consultants' fees) as may be determined by a court with competent jurisdiction.

**10.15 Equal Employment.** Pursuant to Labor Code section 1735, the Fair Employment and Housing Act (Gov. Code section 12900 et seq.), California Administrative Code, Title 2, sections 7285 et seq., Government Code sections 11135-11139.5, and other applicable law, Designer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, political affiliation, marital status, or disability on this Project. Designer will take affirmative action to ensure that employees are treated during employment or training without regard to their race, color, religion, sex, national origin, age, political affiliation, marital status, or disability. Designer will maintain policies in





compliance with California state and federal law regarding equal employment opportunities through-out the duration of this Project.

**10.16 Gratuities.** Designer warrants that it has not offered or given any gratuities (in the form of entertainment, gifts, or otherwise) to any official, employee, or agent of the Salinas Valley Health in an attempt to secure this contract or favorable treatment in awarding, amending, or making any determinations related to the performance of the Services under this Agreement.

**10.17 Conflict of Interest.** Designer will comply with all applicable conflict of interest laws, including organizational conflicts of interest under Government Code section 1090.

**10.18 Drug Free Workplace.** Designer certifies that it has complied with Government Code section 8355 relating to a drug free workplace and will comply with the requirements included in the safety program.

**10.19 Anti-Kickback.** Designer will comply with the Copeland Anti-Kickback Act (18 USC 874) as supplemented in Department of Labor regulations (29 CFR Part 3). This Act provides that Designer will be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public facilities, to give up any part of the compensation to which they are otherwise entitled.

**10.20 Electronic Signature.** The Parties agree that a "Digital Signature" as defined under Government Code section 16.5 and California Code of Regulations section 22000 is an acceptable form of signature for written communications with MMC and will have the same force and effect as the use of a manual signature provided that the Digital Signature is: (i) unique to the person using it; (ii) capable of verification; (iii) under the sole control of the person using it; and (iv) linked to the data in such a manner that if the data are changed, the Digital Signature will be invalidated. In order to be valid, the Digital Signature must be created by an acceptable technology as defined in California Code of Regulations section 22001 et. seq.

**10.21 Legal Citations.** Legal citations to statutory requirements are included in the Agreement for convenience and an omission of any statutory requirement will not relieve Designer from compliance with Applicable Law.

**10.22 Entire Agreement.** The Contract Documents as defined in Exhibit 1 form the entire contract between the Salinas Valley Health and Designer and supersede all prior oral and other written negotiations, representations, or agreements between the Salinas Valley Health and Designer with respect to the Services performed for this Project.



## Exhibit 1 – Definitions

1. **"Agreement"** means the written contract between Salinas Valley Health and Designer inclusive of all Exhibits.
2. **"Amendment"** is a document executed by the signatories that amends the terms and/or conditions of this agreement, including an extension of service milestones, or authorizing additional services, by increasing or decreasing the lump sum amount set forth in the business terms sheet. In order to be valid, an Amendment must be signed by the Salinas Valley Health's signatory and Designer's signatory.
3. **"Applicable Law"** includes all local, state, and federal laws, rules, regulations, ordinances, building code or other codes, statutes, or regulations, or lawful orders of Governmental Authorities that are relevant to proper and safe performance of the Services.
4. **"Building Information Model" ("BIM" or "Model")** is a parametric, computable representation of the Project design developed by the Design Build Team, and it includes construction details. As used in this Agreement, references to Building Information Model, BIM, or the Model, include the primary design model or models and all linked, related, affiliated, or subsidiary models developed for design, estimating, detailing, fabrication, or construction of the Project, or any portion or element of the Project. The portions of the BIM prepared by the Designers, their consultants, and the design build subcontractors are Construction Documents. The portions of the BIM prepared by contractors to illustrate means and methods for constructing, fabricating, or installing portions of the construction work are submittals, which are not Contract Documents or Construction Documents.
5. **"Billable Rates"** are the approved hourly rates set forth in Exhibit 3.
6. **"Construction Documents"** means the 2-D structural drawings and specifications developed by Designer, and assembled by the architect of record that are approved and permitted for construction by Governmental Authorities, together with those parts of the Building Information Model described as Construction Documents in the definition of Building Information Model above, any clarifications through responses to requests for information, design sketches, or other such clarifications issued post-permit, and any modifications through executed Amendment.
7. **"Contract Documents"** include Salinas Valley Health's documentation provided for the Project, the Agreement (inclusive of all exhibits), and any subsequent modifications through executed Amendment.
8. **"Deliverable Schedule"** is the milestone schedule and durations for Designer's deliverables as described in Article 2 of Exhibit 2.
9. **"Designer"** means John A. Martin & Associates, Inc.
10. **"Design Builder"** is the general contractor who Salinas Valley Health awards a design build contract to for completion of all design and construction of the Project.



11. **"Design Build Team"** includes the Design Builder, design professionals of record, consultants, subcontractors, suppliers and equipment vendors.
12. **"Effective Date"** is the date that the parties agree the Agreement was executed.
13. **"Fee"** is the lump sum amount set forth in the Business Terms Sheet that Designer will be compensated for performance of the Services, subject to adjustment only through executed Amendment for additional services.
14. **"Governmental Authority"** or **"Governmental Authorities"** means any and all federal, state, county, or municipal boards, departments, courts, offices, or agencies that have jurisdiction over the Project.
15. **"Hazardous Materials"** means any substance, product, waste, or other material of any nature that is or becomes listed, regulated or addressed under one or more of the following environmental laws: (1) CERCLA, (2) Hazardous Materials Transportation Act, (3) RCRA, (4) the Clean Water Act, (5) the Toxic Substance Control Act, (6) HSAA, (7) the California Porter-Cologne Water Quality Control Act, (8) the California Hazardous Waste Management Act, (9) the California Safe Drinking Water Act, (10) the California Waste Management Act, and (11) any other federal or state law or local ordinance concerning hazardous, toxic, or dangerous substances, wastes, or materials.
16. **"HCAI"** is the California Department of Healthcare Access and Information.
17. **"Party"** means Salinas Valley Health or Designer. **"Parties"** means both the Salinas Valley Health and Designer.
18. **"Project"** means the Salinas Valley Health Retrofit Project.
19. **"Salinas Valley Health"** is the owner of the Project.
20. **"Salinas Valley Health's Construction Manager"** or **"Construction Manager"** is identified in the Business Terms Sheet.
21. **"Salinas Valley Health's Project Manager"** or **"Project Manager"** is identified in the Business Terms Sheet.
22. **"Salinas Valley Health's Representative"** is identified in the Business Terms Sheet.
23. **"Salinas Valley Health's MEEOR"** or **"MEEOR"** is the mechanical / electrical engineer of record identified in the Business Terms Sheet.
24. **"Services"** include all structural engineering design services in connection with the SB 1953 non-structural compliance and structural compliance as more particularly described in Exhibit 2, including any additional services amended into the agreement through Amendment.
25. **"Signatory"** or **"Signatories"** are those persons authorized by Salinas Valley Health and the Designer to execute the Agreement and any Amendments.



26. **"Work Product"** means design narratives, feasibility studies, as-builts drawings, and other design materials including but not limited to calculations, general notes, drawings, specifications, Models, studies, reports, and information to or from HCAI regarding Project.



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## Exhibit 2 – Scope of Services

### 1. SUMMARY OF SERVICES

#### PHASE 1 (Pre Design-Builder Engagement)

Task #1A & 1B - NPC-4 & NPC-4D Non-CCA Self Declarations & NPC-4D/NPC-4 Evaluations  
 Task #2 - NPC-4 Histology Equipment Anchorage  
 Task #3.1 - SPC Seismic Joint Expansion  
 Task #3.2 – SPC Building 1 & 2 (SCU approval)  
 Task #4 - Rotary UPS Seismic Compliance Alternative Approach

#### PHASE 2 (Post Design-Builder Engagement)

Task #5 - NPC-4D & NPC-4 Equipment Anchorage (DD's, CD's & BSS Approval, CA including close-out)  
 Task #6 - SPC Buildings 1 & 2 (DD's, CD's & BSS Approval, CA including close-out)  
 Task #7 – Building 17 (Make Ready; SD's, DD's, CD's & BSS Approval, CA including close-out)

### 2. DELIVERABLE SCHEDULE

<b>Task #1A:</b> NPC-4 Self Declarations	- January 1, 2024 HCAI Submittal - July 1, 2024, HCAI review comments - July 1, 2026, Fire Sprinkler Retrofit Complete
<b>Task #1B:</b> NPC-4D Level 1 & NPC-4 – Evaluation & Response to SCU Comments.	- January 1, 2024, HCAI Submittal - July 1, 2025, HCAI review comments
<b>Task #2:</b> NPC-4 Histology Equipment Anchorage	June 14, 2024 HCAI BSS permit Jan 31, 2025 Construction Close-out
<b>Task #3.1:</b> SPC Seismic Joint Expansion	July 1, 2024 CD's complete; CA on hold with tentative start in mid-2025
<b>Task #3.2:</b> SPC-4D Upgrades of Building 1 & 2 Schematic Design	SCU approval by February 28, 2025
<b>Task #4:</b> Rotary UPS Seismic Compliance Alternative Approach Study	3-month duration (start TBD)
Design-Builder Engagement	April 30, 2025
<b>Task #5:</b> NPC-4D & NPC-4 (DD's, CD's, & BSS Review)	July 2026 (CD's submitted to HCAI BSS by Jan 1, 2026)
<b>Task #5:</b> NPC-4D & NPC-4 Construction Administration	20-months (tentative start in 2027)
<b>Task #5:</b> NPC-4D & NPC-4 Reconciliation Report	3-months (tentative start in 2028)
<b>Task #6:</b> SPC (DD's, CD's, & BSS Review)	28-months (tentative start in Aug 2025)



<b>Task #6:</b> SPC Construction Duration & Close-Out	24-months
<b>Task #7:</b> Make Ready Building 17	8 months
<b>Task #7:</b> Building 17 (SD's, DD's, CD's, & BSS Review)	13-months
<b>Task #7:</b> Building 17 Construction Administration & Close-out	12-months

### 3. LEGISLATIVE DEADLINES

**SB1953 Compliance.** 2019 CAC, Chapter 6, section 1.5.13 compliance deadlines, states after January 1, 2030, any general acute care hospital building which continues acute care operations must, at a minimum, meet the nonstructural requirements of NPC-4 or NPC-4D and NPC-5, as defined in article 11, table 11.1 or shall no longer provide acute care services.

NPC-4 or NPC-4D and NPC-5 evaluation for each acute care building on campus must be submitted to HCAI	January 1, 2024 (Nonstructural Compliance Deadline)
Retrofit Construction Documents for NPC-4 or NPC-4D and NPC-5 compliance must be submitted to HCAI	January 1, 2026
NPC Retrofit Building Permit to begin construction for NPC-4 or NPC-4D and NPC-5 compliance.	January 1, 2028

### 4. DETAILED SCOPE OF SERVICES

#### 4.1 Task #1A -NPC-4 & NPC-4D Non-CCA Self Declarations

4.1.1 **Work Description.** Evaluation of existing building components as it relates to the non-structural performance category (NPC) effort to comply with Senate Bill (SB1953). The effort will include preparing and assembling NPC-4 and NPC-4D self-declaration packages, and NPC-4D evaluation reports for each acute care building on campus for HCAI SCU submission by the January 1, 2024, deadline.

4.1.2 **Scope Breakdown.** Acute care buildings designed circa 1994 or later and constructed under HCAI permit are considered non-structurally compliant and exempted from a non-structural evaluation and thus can gain NPC-4 compliance by Self Declaration pending NFPA 13 1994 Edition certification or retrofit of fire sprinklers.

#### 4.1.3 NPC-4 Self Declarations

- (a) BLD-01641 Cardiac Center North
- (b) BLD-01642 Cardiac Center South



- (c) BLD-01643 CCU Expansion
- (d) BLD-01644 Outpatient Center (Wyman)
- (e) BLD-01645 Cath Lab Expansion

4.1.4 NPC-4D Non-CCA Self Declarations

- (a) BLD-01639 Electrical & Mechanical Building
- (b) BLD-01648 Link
- (c) BLD-03076 Administration Building
- (d) BLD-05201 Rotary UPS

4.1.5 Verify Fire Sprinkler Compliance with NFPA 13 1994 Edition

(a) Work with Salinas Valley Health and architect to discover HCAI approved drawings showing construction of sprinkler systems comply with NFPA 13 1994 edition.

(b) If no approved sprinkler drawings are found to comply with NFPA 13 1994 edition, Salinas Valley Health to engage sprinkler contractor to survey and identify non-compliant conditions that do not meet NFPA 13 1994 edition (Survey fees for sprinkler contractor not included in this proposal).

(c) Designer to assist sprinkler contractor with developing retrofit drawings that address non-compliant conditions for submittal to HCAI for review and approval.

(d) Salinas Valley Health to engage sprinkler contractor to retrofit sprinkler systems (construction fees for sprinkler contractor not included in this proposal).

(e) Designer to provide Construction Administration services during the construction of approved retrofit scope by sprinkler contractor.

4.1.6 Scope Exclusions

(a) Architect and Salinas Valley Health to identify all Critical Care Areas (CCA).

(b) Architect and Salinas Valley Health to identify all on-going or planned remodel projects.

(c) Architectural scope and fees are not included.

(d) The only NPC effort for NPC-4D No CCA Self Declarations pertains to sprinkler compliance and the Operational Plan. Scope will only address the sprinkler compliance and the Self-Declaration Letter.



(e) Survey and construction fees for Sprinkler Contractor not included.

#### 4.1.7 Deliverables

(a) Prepare and assemble the NPC-4 or NPC-4D self-declaration package consisting of an HCAI application and letter of self-declaration of the NPC-4 or NPC-4D compliance of the (9) buildings listed in 2.1 and 2.2 and forward to the Salinas Valley Health for review and signature.

(b) Submit NPC-4 or NPC-4D self-declaration packages to HCAI for review and approval. The letter will be accompanied by site plan identifying the building and construction matrix.

(c) Designer will respond to any HCAI comments pertaining to regulation and granting of NPC-4 or NPC-4D reclassification.

### 4.2 Task #1B - NPC-4 & NPC-4D Evaluation

4.2.1 **Work Description.** NPC-4D and NPC-4 evaluation through retrofit is a lengthy process and requires extensive data collection and field work as well as extensive review by the HCAI Seismic Compliance Unit (SCU) during the reconciliation efforts. A field survey and evaluation of all seismic anchorage or bracing of non-structural items is required for the critical care areas which were previously defined as NPC-3 compliance areas. The critical care areas have now become identified as NPC-4D. Once an acute care building is upgraded to NPC-4D compliance, the Salinas Valley Health is allowed to defer NPC-4 scope.

(a) NPC-4D Evaluation

- (i) BLD-01635 Original Building
- (ii) BLD-01636 36 Bed Addition
- (iii) BLD-01638 Dietary Addition
- (iv) BLD-01640 Central Sterile Supply

(b) NPC-4 Evaluation

(i) BLD-01639 Electrical & Mechanical Building & Associated Equipment in Energy Yard.

(1) Building must be upgraded to NPC-4 per HCAI SCU comments.

#### 4.2.2 Scope Breakdown

(a) Campus Projects Discovery and Closure





- equipment and components.
  - (i) Establish a list of HCAI permitted projects that added
  - (ii) Determine status of relevant projects and future projects.
  - (iii) Establish a list of projects that are required to be closed with compliance.
  - (iv) Work with Salinas Valley Health to resolve and close relevant projects.
- (b) Document Discovery
  - (i) Coordinate with Salinas Valley Health to discover drawings for projects identified in 4.2.1 (a) (i).
  - (ii) Scan discovered documents and return hard copies to Salinas Valley Health.
  - (iii) Create a drawing log.
  - (iv) Coordinate with SCU to discover drawings for projects identified in 4.2.1 (a) (i) that were not obtained through the Salinas Valley Health.
  - (v) One site visit to HCAI Los Angeles office to search any physical documents.
  - (vi) Coordinate with 3<sup>rd</sup> party licensed/bonded printer to pick up, scan and return hard copies of discovered documents to HCAI.
  - (vii) Update drawing log.
  - (viii) Coordinate with Salinas Valley Health and Architect to assist with the creation of a CCA overlay for the identified buildings in 4.2.1 (a) and (b).

4.2.3 Field Survey, Evaluation & Establish Scope of Retrofit.

- (a) Designer to assist the Architect and MEP with the following:
  - (b) Architect and MEP to identify nonstructural elements for their respective discipline within each critical care area to establish an inventory to review existing drawings for anchorage and bracing details.
  - (c) MEP to identify source equipment and develop chart identifying what source equipment services each critical care area.
  - (d) Architect and MEP to review existing drawings for anchorage and bracing details for all nonstructural elements for each respective discipline.



(e) Architect and MEP to provide cutsheets for all nonstructural elements and all source equipment, which constitute the complete NPC-4D or NPC-4 inventory, that documents element and/or equipment type, weight, dimensions, center of mass and location of architectural, mechanical, plumbing, and electrical systems to develop structural calculations.

4.2.4 The field survey shall consist of:

(a) Observe OSA permitted as-built nonstructural elements anchored details to confirm compliance with the permitted detail.

(b) Survey anchorage of nonstructural elements not found on drawings and document as-built anchorage details.

4.2.5 Designer to evaluate the adequacy of the anchorage and/or seismic bracing of each nonstructural element identified in the inventory to determine compliance by one of the following:

(a) OSHPD permit

(b) OSA permit with observation.

(c) Calculation

4.2.6 Scope Exclusions

(a) Involvement of an Architect and MEP consultants may be required to assist with the documentation and data collection of the nonstructural items, and their scope and fees are not included.

(i) Plans of each Critical Care Area documenting location of nonstructural items with ID # associated with inventory prepared per paragraph 4.2.2 (viii) shall be provided by others for Designer's use during field surveys, in 8-1/2"x11" or (11"x17") format for including in the NPC-4D or NPC-4 Evaluation Report, and to be used by Design Builder.

(ii) Survey of suspended ceiling bracing and bracing of above ceiling MEP utility runs is not included in this scope. All such items shall be noted as deficient in the NPC-4D or NPC-4 Evaluation Reports and addressed as a deferred approval in the NPC-4D or NPC-4 Retrofit Construction Documents, as applicable.

(iii) Operational Plan is not included in this scope of services and shall be provided by others for inclusion in the NPC-4D Evaluation Reports.

(iv) Response(s) to HCAI SCU comment(s) on Operation Plan shall be provided by others for inclusion in Designer's Backcheck submittal.

(v) NPC-5 compliance including reports, drawings, and other related documentation is not included in this scope of services and shall be provided by others for inclusion in Designer's reconciliation report if required by HCAI.



#### 4.2.7 Deliverables

(a) NPC-4D or NPC-4 (as applicable) Evaluation Report for each building in 8-1/2 x 11 format documenting anchorage status (compliant or deficient) determined by Section 4.2.3 above.

(b) HCAI SCU approval of NPC-4D or NPC-4 Evaluation Reports.

(c) NPC-4D or NPC-4 Retrofit Schematic Drawings (one set for each building) based on item 4.2, ready for issue to Design-Build Contractor and to include the following:

(i) SD level General Notes.

(ii) Above ceiling seismic bracing criteria and details for connecting bracing to various types of floor/roof structural systems.

(iii) Key plans defining where NPC-4D or NPC-4 deficient items occur within the subject buildings, the Central Plant, and/or other locations on campus (i.e. source equipment located in other buildings).

(iv) Two Inventory Charts, one listing all items only requiring anchor testing, the other listing all other deficient items to be retrofitted. Charts will indicate Building/room location and component properties.

### 4.3 Task #2 -NPC-4 Histology Equipment Anchorage

4.3.1 **Work Description.** Anchorage of nine (9) items in the Histology department of Building 8 in preparation of NPC-4 self-declaration.

4.3.2 **Scope Breakdown.** Designer will coordinate with SVH Owner Representative to identify and establish the necessary project requirements. Services will consist of providing the necessary structural engineering assistance and support, consultation, design, and detail for the project consistent with applicable codes, regulations and laws, project goals, and desired standards of quality. Deliver detailed structural plans fit for competitive bidding and construction, alongside comprehensive engineering support, consultations, design, and details. Provide sufficient structural design and Construction Documents for submission and approval from HCAI for the anchorage of nine (9) items in the Histology department.

#### 4.3.3 Scope Assumptions

(a) As-built surveying is not included.

(b) A single design iteration of each element, coordination with design team and client, preparation of structural drawings and calculations as required for securing permit (permit by others).

(c) A single permit and set of drawings. Any revisions after permit submittal are additional services.



(d) Testing of existing materials, although not anticipated, may be required. Material testing will be performed by others.

(e) Non-structural Component Anchorage will not trigger seismic upgrade or renovation of the building lateral load resisting system.

(f) Work and structural effort are limited to structural aspects as noted above. All other engineering efforts outside of this scope are not included but can be added if deemed necessary and compensable.

#### 4.3.4 Deliverables

(a) Structural design and Construction Documents for submission to HCAI for anchorage of nine (9) items in the Histology department.

(b) Back check meetings as required and review process with HCAI as necessary to obtain permit.

(c) Standard CA phase services including review of RFI's and shop drawings for the seismic joint.

(d) One site observation is included.

### 4.4 Task #3.1 - SPC Seismic Joint Expansion

4.4.1 **Work Description.** Enlargement of the seismic joint between the Dietary Building and the Original Building per details on SPC-4D retrofit set.

4.4.2 **Scope Breakdown.** Designer will coordinate with SVH Owner Representative to identify and establish the necessary project requirements. Services will consist of providing the necessary structural engineering assistance and support, consultation, design, and detail for the project consistent with applicable codes, regulations and laws, project goals, and desired standards of quality. Provide sufficient structural design and Construction Documents for submission and approval from HCAI for the enlargement of joint between Dietary Building and Original Building per details on SPC-4D retrofit set.

#### 4.4.3 Scope Assumptions

(a) As-built surveying is not included.

(b) A single design iteration of each element, coordination with design team and client, preparation of structural drawings and calculations as required for securing permit, (permit by others).

(c) A single permit and set of drawings. Any revisions after permit submittal are additional services.

(d) Testing of existing materials, although not anticipated, may be required. Material testing will be performed by others.



(e) Non-structural Component Anchorage will not trigger seismic upgrade or renovation of the building lateral load resisting system.

(f) Work and structural effort are limited to structural aspects as noted above. All other engineering efforts outside of this scope are not included but can be added if deemed necessary and compensable.

#### 4.4.4 Deliverables

(a) Structural drawings and calculations suitable for submittal to HCAI (submittal by others) only for the seismic joint modifications between the Dietary and Original Building of the seismic identified in the SPC-4D retrofit set.

(b) Back check meetings as required and review process with HCAI as necessary to obtain permit.

(c) Standard CA phase services including review of RFI's and shop drawings for the seismic joint.

(d) One site observation is included.

### 4.5 Task 3.2 - SPC-4D Upgrades of Building 1 & 2: Schematic Design

4.5.1 Work Description: Completion of SPC-4D Schematic Design for Buildings 1 and 2 with HCAI SCU approval of proposed retrofit.

#### 4.5.2 Scope Breakdown

(a) Completion of Schematic Design review process with HCAI/SCU for both Buildings 1 and 2. Process includes:

(i) Re-analysis and supplemental calculations in response to SCU's reviews of the proposed retrofit by numerous plan reviewers (each with different opinions on analysis approach).

(ii) Complete detailing of strengthening in the Schematic Design drawings required by SCU in lieu of retrofit performance criteria (previously included).

(iii) Peer Review (by HCAI) of the proposed dampers on Building 2 (initially waived via an AMC) and resolution of review comments.

(iv) Development of Building 2 Damper Testing Program at SD stage as required by Peer Reviewer.

#### 4.5.3 Scope Exclusions

(a) Construction Cost Estimate not part of this Scope.



(b) Work and structural effort are limited to structural aspects as noted above. All other engineering efforts outside of this scope are not included but can be added if deemed necessary and compensable.

#### 4.5.4 Deliverables

(a) One set of Schematic Design drawings for each, Buildings 1 and 2 based on the following items approved by HCAI SCU:

- (i) Modeling and structural analysis performed by Designer
- (ii) MTCA Results submitted by Designer (performed by others)
- (iii) Geotechnical Report by others

(b) Acceptance Letter of SPC-4D Retrofit Scope from HCAI SCU for each of Buildings 1 and 2.

### 4.6 Task #4 - Rotary UPS Seismic Compliance Alternative Approach Study

4.6.1 **Work Description.** Due to the small size of the Rotary UPS building (Building 17) and the critical function of the Equipment within it, neither the proposed ASCE-41 interior seismic retrofit, nor the recently proposed demolition and rebuild approach have been deemed acceptable by the Salinas Valley Health. The alternative approach will take into consideration the Salinas Valley Health's request to minimize the impact to the currently operating equipment within the building.

#### 4.6.2 Scope Breakdown

(a) Review the California Existing Building Code for an alternative approach to bringing the UPS building into SPC compliance without performing (or at least minimizing) the scope of Material Testing and Condition Assessment and/or the scope of demolition and rebuild.

(b) Work includes determination of HCAI requirements for preparation of As-Built drawings for the original portion of the Rotary UPS Building for which there is no documentation.

4.6.3 **Scope Exclusions.** This proposal represents the appropriate level of effort and scope of services for the investigation described above. Please note, this proposal does not address the following:

- (a) Consideration of vertical load-carrying systems in the structure.
- (b) Nonstructural performance of NPC-2, 3, 4, 4D, or 5 compliance levels
- (c) Development of seismic retrofit beyond conceptual level



- (d) MEP upgrades that might be required
- (e) Opinion of probable construction cost or rough estimates of such

#### 4.6.4 Deliverables

(a) Anticipated deliverables will be an 8-1/2 x 11 written Report that compares the required HCAI process and resulting conceptual retrofit of the three approaches (ASCE-41 interior retrofit, demolition/rebuild, and alternative approach) for use by the Salinas Valley Health and selected Design-Build Contractor in deciding which approach will create the least disruption to Salinas Valley Health Services and/or will be the most economical solution. Sketches if needed to illustrate the options at a conceptual level will be included. Upon selection of the option, in coordination with Design Builder, Designer will provide Design Builder with pricing for the additional service through Amendment.

### 4.7 Task #5 - NPC-4D & NPC-4 Equipment Anchorage

4.7.1 **Work Description.** Based on the NPC-4D and NPC-4 Evaluation Reports, noted in Task #1B, there are a total of (129) below ceiling components (in four seismically separated buildings), as well as (47) pieces of source equipment (located in various other buildings) that have deficient anchorage and require retrofit (excluding Electrical and Mechanical Building). See NPC-4D Component Inventory Reports (submitted to HCAI on December 22, 2023) for component inventory and anchorage evaluation charts taken from NPC-4D Evaluation Report for each building. Designer will provide criteria for above ceiling bracing and spacing between hangers. Additionally, nonstructural elements identified as having deficient anchorage are to be retrofitted to achieve NPC-4 upgrade of Electrical and Mechanical Building.

- (a) Original Building (BLD-01635)
- (b) 36 Bed Addition (BLD-01636)
- (c) Dietary Addition (BLD-01638)
- (d) Central Sterile Supply (BLD-01640)
- (e) Electrical and Mechanical Building (BLD-01639)

This scope of work is part of Phase 2 (post Design-Builder engagement), which will be assigned to the future Design-Builder.

#### 4.7.2 Scope Breakdown

(a) **DD, CD, HCAI BSS Plan Check & Approval.** Work includes design and detailing of components and/or equipment anchorage where none exists, retrofit of existing non-compliant anchorage, criteria for above ceiling bracing and spacing of hangers, and test criteria for existing concrete anchors required to be tension tested. Designer will coordinate and assist MEP consultant with establishing approach for components/equipment for which due



to equipment age, information needed for seismic bracing analysis is not readily available and assumptions will be needed to be made to complete analysis and bracing details.

(b) **Construction Administration Services & Close-out.** Designer will provide construction administration services and facilitate closure of the construction project with HCAI BSS.

(c) Reconciliation Report, Final Request & Approval. Designer will prepare and submit to HCAI SCU the required Reconciliation Report for all components and source equipment documented in:

(d) NPC-4D or NPC-4 Component Inventory Reports for the following Buildings:

(i) Original Building (BLD-01635)

(ii) 36 Bed Addition (BLD-01636)

(iii) Dietary Addition (BLD-01638)

(iv) Central Sterile Supply (BLD-01640)

(v) Electrical and Mechanical Building (BLD-01639)

(e) Preparation of final upgrade letter to HCAI SCU will be dependent on all NPC-4D or NPC-4 retrofit projects being closed in compliance.

#### 4.7.3 Scope Exclusions

(a) MEP and utility lines above the ceilings were not evaluated but deemed deficient due to lack of access; seismic bracing will be completed by others.

(b) Seismic bracing of any existing sprinkler lines within the buildings listed above as needed to comply with NFPA-13 1994 Edition.

(c) Design/drafting effort required for the division of NPC-4D or NPC-4 Retrofit Scope into more than one permit package or multiple Increments that requires special sheet layout is not included in this Scope and shall be considered an Add Service.

#### 4.7.4 Deliverables

(a) Provide structural anchorage calculations, plans and detail drawings, and specifications, as well as facilitate plan review and approval with HCAI.

(b) Back check meetings as required and review process with HCAI as necessary to obtain permit.





(c) Prepare and submit Reconciliation Report for all components and source equipment to HCAI SCU.

(d) Prepare and submit Final Upgrade Letter to HCAI SCU.

#### 4.8 Task #6 - SPC – DD's, CD's & CA

4.8.1 **Work Description.** This project is a continuation of the structural engineering services previously provided by Designer to accomplish SPC-4D upgrades for the following acute care buildings at Salinas Valley Memorial Hospital (HCAI Facility No. 10348).:

(a) Building 1 - Original Building (BLD-01635)

(b) Building 2 - 36 Bed Addition (BLD-01636)

This scope of work is part of Phase 2 (post Design-Builder engagement), which will be assigned to the future design-builder.

4.8.2 **Scope Breakdown.** For each of the buildings listed above, a separate set of documents will be developed as described below based on the HCAI SCU approved SPC-4D Retrofit schematic design drawings for each building.

(a) Design Development

(i) Coordinate with the design team to assist each discipline in determining the triggered nonstructural scope caused by structural retrofit scope.

(ii) Refine structural retrofit scope to help minimize costs associated with nonstructural scope.

(iii) Develop the design of the SCU approved structural seismic retrofit (tasks completed under separate agreement).

(iv) Work product will include typical details and general notes; plans showing general type and arrangement of lateral system elements, modified existing elements and/or new elements; as well as elevations, sections and/or details of retrofitted and/or new lateral elements showing relationships to existing structural elements.

(v) Provide draft specifications, consult with the design team on secondary structural elements.

(vi) Respond to any questions by the estimator developing the structural costs.

(b) Construction Documents and BSS Plan Review



(i) Prepare the final structural calculations and the final structural Construction Documents sufficiently detailed for submittal to HCAI BSS plan review and construction of the structural retrofit.

(ii) Include final coordination with the design team which may require assisting the design team with development of an approach to phasing of construction, consideration of value-engineering by the estimator, and completion of specifications.

(iii) Review the effects of elements not designed by our office on the primary structural system and finalize any modifications required by this review.

(iv) Back check meetings as required and review process with HCAI as necessary to obtain permit.

(v) Respond to HCAI BSS review comments and if required, modify calculations and/or drawings as necessary to obtain approval.

(c) Construction Administration and Request for Upgrade

(i) Provide Construction Administration services and facilitate closure of the construction project with HCAI BSS.

(ii) Request for Upgrade to SPC-4D will be submitted by our office once the project is closed in compliance.

(iii) Site visits during CA phase are limited to 16 visits.

#### 4.8.3 Scope Exclusions

(a) Any involvement with any of the other expansion or upgrade services for the hospital other than as outlined above.

(b) Field measuring services and any documents relative to such services.

(c) The preparation of demolition drawings for existing structures.

(d) Services relative to vertical load carrying systems.

(e) In person jobsite Project meetings outside of the site visits already included. Attendance to virtual Project meetings is included.

(f) Cost estimates.

(g) Any designing and detailing of site work exterior to and non-contiguous with the building.

(h) Inspection of existing structure for seismic damage.



- (i) Tenant improvement services.

#### 4.8.4 Deliverables for each Building

- (a) One set of 100% design development structural drawings for review and coordination by Design Builder and Salinas Valley Health.
- (b) One set of 80% structural Construction Documents and specifications for review and coordination by Design Builder and Salinas Valley Health.
- (c) One set of 100% structural Construction Documents, specifications, and calculations for submittal to HCAI BSS for review and approval.
- (d) Back check meeting(s) as required and review process with HCAI as necessary to obtain permit
- (e) Provide Construction Administration services and facilitate closure of the construction project with HCAI BSS.
- (f) Request for Upgrade to SPC-4D will be submitted by our office once the project is closed in compliance.

### 4.9 Task #7 - Building 17 - Make Ready

4.9.1 Work Description. Anchorage of Electrical and Technology Equipment associated with the relocation of the Rotary UPS services from Existing Building #17 to the basement of Building #1 as described in SVH Building 17 UPS Relocation – Electrical & Technology Concept Design Narrative dated 08/23/2024.

4.9.2 Scope Breakdown. Services will consist of providing the necessary structural engineering assistance and support, consultation, design, and detail for the project consistent with applicable codes, regulations and laws, project goals, and desired standards of quality. Deliver detailed structural plans fit for competitive bidding and construction, alongside comprehensive engineering support, consultations, design, and details. Provide sufficient structural design and Construction Documents for submission and approval from HCAI.

#### 4.9.3 Scope Qualifications

- (a) A single design iteration of each element, coordination with design team and client, preparation of structural drawings and calculations as required for securing permit (permit by others).
- (b) A single permit and set of drawings. Any revisions after permit submittal are additional services.
- (c) Anchorage of this equipment is not part of the NPC-4D upgrade for Building #1 and therefore shall be designed per current 2022 CBC.



(d) Work and structural effort are limited to structural aspects as noted above. All other engineering efforts outside of this scope are not included but can be added if deemed necessary and compensable.

#### 4.9.4 Deliverables

(a) Structural design and Construction Documents for submission to HCAI for anchorage of new and relocated Rotary UPS equipment in basement of Building #1

(b) Back check meeting(s) as required and review process with HCAI as necessary to obtain permit.

(c) Standard CA phase services including review of RFI's and shop drawings.

(d) One site observation is included.

#### 4.10 Task #7.1 - Building 17 – SD's, DD's, CD's & CA

4.10.1 Work Description. This Project is a continuation of the structural engineering services previously provided by Designer for the following acute care buildings at Salinas Valley Memorial Hospital (HCAI Facility No. 10348):

(a) Building 17 – Rotary UPS (BLD-05201)

This scope of work is part of Phase 2 (post Design Builder engagement), which will be assigned to the future Design Builder.

#### 4.10.2 Scope Breakdown

(a) Schematic Design

(i) SPC-4D Seismic Upgrade will be based on the approach selected by the hospital

(ii) from the three alternatives provided in the Report at the conclusion of the

(iii) investigation described as Task #4.

(1) Seismic Retrofit Option. Develop plans and elevations/sections as needed to present proposed seismic up-grade and obtain approval from HCAI SCU.

(2) Demolish and Re-Build Option. Develop schematic plans and elevations/sections for new structure at same location and of same size, height, and of same materials as the existing structure; but structurally designed to current code.



(b) Design Development

(i) Coordinate with the design team to assist each discipline in determining the triggered nonstructural scope caused by structural retrofit scope.

(ii) Refine structural retrofit scope to help minimize costs associated with nonstructural scope.

(iii) Develop the design of the SCU approved structural seismic retrofit.

(iv) Design deliverables will include typical details and general notes; plans showing general type and arrangement of lateral system elements, modified existing elements and/or new elements; as well as elevations, sections and/or details of retrofitted and/or new lateral elements showing relationships to existing structural elements.

(v) Provide draft specifications, consult with the design team on secondary structural elements.

(vi) Respond to any questions by the estimator developing the structural costs.

(c) Construction Documents and BSS Plan Review

(i) Prepare the final structural calculations and the final structural Construction Documents sufficiently detailed for submittal to HCAI BSS plan review and construction of the structural retrofit.

(ii) Include final coordination with the design team which may require assisting the design team with development of an approach to phasing of construction, consideration of value-engineering by the estimator, and completion of specifications.

(iii) Review the effects of elements not designed by our office on the primary structural system and finalize any modifications required by this review.

(iv) Respond to HCAI BSS review comments and if required, modify calculations and/or drawings as necessary to obtain approval.

(v) Back check meeting(s) as required and review process with HCAI as necessary to obtain permit.

(d) Construction Administration and Request for Upgrade

(i) Provide Construction Administration services and facilitate closure of the construction project with HCAI BSS.

(ii) Request for Upgrade to SPC-4D will be submitted by our office once the project is closed in compliance.



- (iii) Site visits during CA phase are limited to 5 visits .

#### 4.10.3 Scope Exclusions

- (a) Any involvement with any of the other expansion or upgrade services for Salinas Valley Health other than as outlined above.
- (b) Field measuring services and any documents relative to such services.
- (c) The preparation of demolition drawings for existing structures.
- (d) Services relative to vertical load caring systems .
- (e) In person jobsite Project meetings outside of site visits already included. Attendance to virtual Project meetings is included .
- (f) Cost estimates.
- (g) Any designing and detailing of site work exterior to and non-contiguous with the building.
- (h) Inspection of existing structure for seismic damage.
- (i) Tenant improvement services.

#### 4.10.4 Deliverables

- (a) Designer will use Autodesk Revit to construct and document the 2D drawings used for permit and construction, LOD 300.
- (b) The 3D Bim model will be made available as a courtesy and tool/aid to the team but not part of the Construction Documents.
- (c) One set of 100% design development structural drawings for review and coordination by Design Builder and Salinas Valley Health.
- (d) One set of 80% structural Construction Documents and specifications for review and coordination by Design Builder and Salinas Valley Health.
- (e) One set of 100% structural Construction Documents, specifications, and calculations for submittal to HCAI BSS for review and approval.
- (f) Back check meeting(s) as required and review process with HCAI as necessary to obtain permit.
- (g) Provide Construction Administration services and facilitate closure of the Project with HCAI BSS.



(h) Request for upgrade to SPC-4D will be submitted by Designer once the Project is closed in compliance.



### Exhibit 3 – Fee Schedule and Billable Rates

**Fee Schedule:**

Services	Fee
<b>Phase 1 (Pre Design-Builder Engagement)</b>	
Task #1A & 1B - Master Plan Retrofit / NPC Compliance & SD's for NPC-4D & NPC-4 Equipment Anchorage	\$420,000.00
Task #2 - NPC-4 Histology Equip. Anchorage	\$ 25,000.00
Task #3 - SPC 4 Compliance	
#3.1 – SPC Seismic Joint Expansion	\$10,000.00
#3.2 – SPC Bldg 1 & 2 approval by SCU (continuation of scope started with HOK)	\$130,000.00
Task #4 - Rotary UPS Seismic Compliance Alternative Approach	\$ 40,000.00
Reimbursable Expense Allowance (Phase 1)	\$5,000.00
<b>Subtotal Phase 1</b>	<b>\$630,000.00</b>
<b>Phase 2 (Post Design-Builder Engagement)</b>	
Task #5 - NPC-4D & NPC-4 Equipment Anchorage	
#5.1 - Design & Detailing (DD's, CD's, & BSS Review)	\$535,000.00
#5.2 - Construction Administration	\$265,000.00
#5.3 - Reconciliation Report	\$50,000.00
Task #6 - SPC Construction Documents & Construction Administration	
#6.1 - Design Development	\$340,000.00
#6.2 - Construction Documents & BSS Review	\$680,000.00
#6.3 - Construction Administration	\$340,000.00
Task #7 – Building 17	
#7.1 – Make Ready	\$45,000.00
#7.2 – SD's, DD's, CD's through permit	120,000.00
#7.3 - Construction Administration & Close-out	40,000.00
Reimbursable Expense Allowance (Phase 2)	\$55,000.00
<b>Subtotal Phase 2</b>	<b>\$2,470,000.00</b>
<b>Total Amount</b>	<b>\$3,100,000.00</b>

**Designer's Billable Rates:** For Services performed on a time and materials basis, time will be billed in 15 minute increments.

Position	Billable Rate/Hour
Principal / Partner	\$300
Project Principal / Director	\$265
Associate Principal	\$230
Senior Project Manager	\$215





Project Manager	\$200
Senior Project Engineer	\$175
Project Engineer	\$165
Project Designer	\$155
BIM Manager	\$215
BIM Supervisor	\$175
BIM Coordinator / BIM Technician	\$135
Technical Support Staff	\$110

**Task Matrix** (By Amendment)



## Exhibit 4 – Insurance Requirements

### 1. COVERAGES REQUIRED BY DESIGN AND ITS TIER-CONSULTANTS.

**1.1 Workers' Compensation.** Coverage will include insurance as required by California state law and employer's liability coverage.

**1.2 Commercial General Liability (CGL).** Commercial general liability coverage must include combined single limits and aggregates in the amounts set forth in the Business Terms Sheet. Coverage must include, but is not limited to liability for bodily injury, sickness, disease or death, personal injury, or injury to or destruction of property including loss of use resulting therefrom, including the following: (a) Contractual Liability for liability assumed under an insured contract including the tort liability of another assumed in a business contract (this Agreement must be an insured contract); (b) Broad Form Property Damage; (c) Independent contractors; (d) Severability of interests; and (e) Cross Liability.

**1.3 Automobile Liability.** Commercial automobile liability insurance must be issued with each accident limits as stated in the Business Terms Sheet. This insurance must apply to bodily injury and property damage for all owned, non-owned, or hired vehicles to be used by the insured in performance of its obligations under this Agreement.

**1.4 Occurrence Basis.** All commercial general liability and automobile liability policies must be written on an occurrence basis.

**1.5 Professional Liability.** Designer must have coverage for damages caused by their respective negligent acts, errors, or omissions arising out of the performance of the Services. Designer's coverage must be in the amounts set forth in the Business Terms Sheet.

### 2. GENERAL PROVISIONS.

**2.1. Term.** All liability insurance must be in force before any Services are performed under this Agreement and must be maintained in force for 4 years following completion of the Services. Workers' compensation insurance must be in force from the inception of this Agreement through completion of the Services and final payment. In the event of cancellation or non-renewal, the reporting period during which a claim may first be made will be extended until at least 4 years after cancellation or non-renewal. Upon renewal of any required insurance that expires before completion of the Services, the applicable party must provide Salinas Valley Health with renewal certificates not less than 15 days prior to the expiration. Designer will promptly furnish copies of all required policies of insurance, including any renewal or replacement policies, within 10 days of Salinas Valley Health's written request.





**2.2. Qualifications and Rating.** All insurance must be placed with insurers that are admitted or licensed to issue insurance in the state of California. All insurers must maintain an A.M. Best rating of at least A- or better, and a financial classification of VIII or better.

**2.3. Additional Insureds.** Salinas Valley Health and its Board of Directors, affiliates, members, officers, successors and assigns, Salinas Valley Health's Construction Manager, and Salinas Valley Health's Project Manager will be named as additional insureds on all required commercial general liability and automobile policies for Services performed under or incident to this Agreement. If the additional insured has other insurance applicable to the loss, it will be on an excess or contingent basis. The amounts and types of insurance will conform to the minimum terms, conditions, and coverages of the Insurance Service Office (ISO) policies, forms, and endorsements in effect when this Agreement is executed.

**2.4. Primary Insurance.** All liability policies required by Designer under this Agreement are primary and non-contributory to any similar insurance maintained by Salinas Valley Health for its own respective benefit.

**2.6. Waivers of Subrogation.** Designer and its tier-consultants will waive all rights against Salinas Valley Health, as well as any other entities set forth in Article 2.3 for loss or damage to the extent reimbursed by any property insurance. A waiver of subrogation is effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged. This waiver does not apply to professional liability insurance. If any applicable policies of insurance require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owner of those policies will cause them to either provide a "blanket waiver" endorsement or a subrogation endorsement that includes the name of the Project and the location of the Project site.

**2.7. Deductibles and Self-Insured Retentions.** All deductibles and/or self-insured retentions are the sole responsibility of the first named insured and are not a reimbursable expense.

**2.8. Evidence Prior to Final Payment.** Prior to receipt of final payment under the Agreement, Designer must provide evidence that its insurance coverages are effective as required by this Exhibit 4.

**2.9. Modifications Only in Writing.** The coverage and limits of insurance required by this Exhibit may not be altered, modified, or changed except as expressly agreed to in writing. No course of dealing or acceptance of certificates or policies will constitute a waiver of any of these insurance requirements.



SEISMIC RETROFIT PROJECT #01.1250.3273	BUDGET	Prior Years (costs)*	FY 2025 SUBTOTAL*	FY 2026 SUBTOTAL	FY 2027 SUBTOTAL	FY 2028 SUBTOTAL	FY 2029 SUBTOTAL
PROGRAM & CONSTRUCTION MANAGEMENT	\$ 5,112,181	\$ 1,251,451	\$ 945,170	\$ 989,248	\$ 1,621,412	\$ 304,899	\$ -
PRELIMINARY DESIGN & INITIAL STUDIES	\$ 3,338,557	\$ 1,315,889	\$ 958,681	\$ 824,890	\$ 127,045	\$ 104,043	\$ 8,009
MAKE READY DESIGN & CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AGENCY FEES & INSPECTION	\$ 3,948,106	\$ 72,490	\$ 67,409	\$ 1,055,000	\$ 1,928,018	\$ 745,366	\$ 79,824
PROCUREMENT & FF&E	\$ 1,250,233	\$ -	\$ 33,000	\$ 83,000	\$ 761,504	\$ 278,000	\$ 94,729
PROGRAM, DESIGN & CONSTRUCTION CONTINGENCY	\$ 15,950,043	\$ -	\$ 210,000	\$ 2,770,000	\$ 7,150,000	\$ 5,349,867	\$ 470,176
DESIGN BUILDER - PRECONSTRUCTION	\$ 3,464,419	\$ -	\$ 600,000	\$ 2,550,000	\$ 314,419	\$ -	\$ -
DESIGN BUILDER - CONSTRUCTION	\$ 29,436,461	\$ -	\$ 375,000	\$ 2,075,000	\$ 12,700,000	\$ 13,650,000	\$ 636,461
<b>Total Project Budget</b>	<b>\$ 62,500,000</b>	<b>\$ 2,639,830</b>	<b>\$ 3,189,260</b>	<b>\$ 10,347,139</b>	<b>\$ 24,602,398</b>	<b>\$ 20,432,175</b>	<b>\$ 1,289,199</b>

\*Reflects actuals through 12/18/2024

## Board Paper: Finance Committee

Agenda Item: Board Ratification and Approval of Competitive Solicitation and Contract Award for Epic Acute Project Training Consultant Engagement with Evergreen Healthcare Partners, Inc.

Executive Sponsor: Josh Rivera, Director Enterprise Informatics  
Alysha Hyland, Chief Administration Officer

Date: January 20, 2025

### Executive Summary

#### Background/Situation

The Salinas Valley Health Board approved the Epic Acute Project in May, 2024. Included in the approval was the Total Cost of Ownership (TCO), which covered all budgeted items associated to the implementation of Epic. The budget for Epic Project consultant fees in FY25 was set at \$8,118,518. Evergreen Healthcare Partners, Inc. will provide consultant training services for the Epic Acute Project Implementation.

#### Timeline/Review Process to Date

- May 2024:** Salinas Valley Health Board approves the Epic Acute Project
- Aug 2024:** Salinas Valley Health’s Selection Committee selects Huron Consulting Services for pre-implementation planning engagement.
- Oct 2024:** Salinas Valley Health opens Request for Proposal (RFP) for consultant services during the Epic Acute Project.
- Nov 2024:** Salinas Valley Health’s Selection Committee chooses Huron Consulting Services, LLC for the Epic Acute Project consultant engagement.
- Jan 2025:** Salinas Valley Health chooses Evergreen Healthcare Partners, Inc. for Epic Acute Project training engagement.

#### Strategic Plan Alignment

Implementation of Epic Acute provides a unified platform for care delivery across our health system. The implementation will improve the service we are able to provide to our patients, enhance patient engagement, raise our quality of care through more robust access to data and allow for financial improvements related to better integration and population health management capabilities.

#### Pillar/Goal Alignment

**X Service**     People    **X Quality**     Finance    **X Growth**     Community

#### Financial/Quality/Safety/Regulatory Implications

Key Contract Terms	Vendor:
1. Proposed effective date	1/1/2025
2. Term of agreement	One year engagement
3. Renewal terms	N/A
4. Termination provision(s)	30 day written notice
5. Payment Terms	Payment due 30 day once invoice is issued
6. Annual cost	\$1,325,000
7. Cost over life of agreement	\$1,325,000
8. Budgeted (indicate y/n)	Yes

## Recommendation

**Consider Recommendation for Board Ratification and Approval of Competitive Solicitation and Contract Award for Epic Acute Project Training Consultant Engagement with Evergreen Healthcare Partners, Inc. not to exceed \$1,325,000.**

## Attachments

**Salinas Valley Health – Evergreen Agreement Final**

**INDEPENDENT CONTRACTOR AGREEMENT  
FOR PROFESSIONAL SERVICES**

This Independent Contractor Agreement (“Agreement”) is entered into and effective on **January 1, 2024** (“Effective Date”), by and between **Salinas Valley Memorial Healthcare System**, a local health care district organized and operated pursuant to Division 23 of the California Health & Safety Code, operating as **Salinas Valley Health (“SVMHS”)**, and **Evergreen Healthcare Partners, Inc. (“Contractor”)**.

**RECITALS**

- A. SVMHS is the owner and operator of Salinas Valley Health Medical Center, an acute care facility located at 450 East Romie Lane, Salinas, California (“Hospital”).
- B. Contractor provides experienced consultants for electronic medical record implementation training services.

SVMHS and Contractor hereby agree to the following terms and conditions:

**ARTICLE 1. SERVICES TO BE PERFORMED BY CONTRACTOR**

- 1.1 **Services.** Contractor shall perform the services set forth in Exhibit A of this Agreement and such other services as mutually agreed upon with SVMHS from time to time (“Services”). Contractor agrees to consult with SVMHS regarding the methods and means for carrying out the Services to the extent that such Services might impact the Hospital’s obligations or operations.
- 1.2 **Performance of Services.** SVMHS shall not have or exercise any control or direction over the methods by which Contractor shall perform its Services under this Agreement. The sole interest of SVMHS is to assure that Contractor’s Services are performed and administered in a competent, efficient and satisfactory manner. The Services provided by Contractor under this Agreement are intended to be non-exclusive in nature, and both parties expressly reserve the right to contract with other entities for the same or similar services.
- 1.3 **Independent Contractor.** In the performance of Services under this Agreement, it is mutually understood and agreed that the parties to this Agreement are at all times acting and performing as independent contractors, and nothing in this Agreement shall be construed to create between SVMHS and Contractor an employer/employee relationship or a joint venture relationship. No offer or obligation of permanent employment with SVMHS is intended or implied in any manner by this Agreement. Contractor understands and agrees that Contractor is not entitled to and shall not receive any healthcare, retirement, workers’ compensation or other benefits available to SVMHS employees.

**ARTICLE 2. COMPENSATION**

- 2.1 **Fees for Services.** Contractor’s fee for Services provided pursuant to this Agreement shall be as specified in Exhibit A, paid on a monthly basis. Contractor’s fee for Services will be fixed for the term of this Agreement or until modified by written agreement of the parties to this Agreement.
- 2.2 **Payment of Contractor Invoices.** Contractor will invoice SVMHS for Services provided under this Agreement on a monthly basis and shall include total hours worked and detail of Services provided. Contractor’s invoices are payable by SVMHS within thirty (30) days of receipt by SVMHS of a complete invoice.
- 2.3 **Reimbursements.** SVMHS shall have no obligation to reimburse Contractor for reasonable business expenses incurred by Contractor during the course of performing Services under this Agreement

(including, but not limited to, training, travel expenses, mileage, transcription services) unless such expenses are approved in writing by SVMHS before the expenses are incurred by Contractor.

### ARTICLE 3. TERM AND TERMINATION

- 3.1 Term. This Agreement is effective and shall commence on the Effective Date first set forth above, and will continue for a period of twelve (12) months, unless earlier terminated pursuant to the terms of this Agreement.
- 3.2 Automatic Termination. This Agreement shall terminate automatically on the occurrence of any of the following events: (i) upon the bankruptcy or insolvency of either party; or (ii) upon thirty (30) days' prior written notice by either party, with or without stating a cause or reason.

### ARTICLE 4. COMPLIANCE

- 4.1 Compliance with Laws, Rules and Regulations, Compliance Program. Contractor shall provide Services in strict accordance with all applicable state and federal laws and regulations, accreditation requirements, SVMHS rules, regulations, policies and procedures, without limitation. Contractor shall comply with the SVMHS Compliance Program ("Program") and any Program policies and procedures, as applicable to the Services provided under this Agreement.
- 4.2 HIPAA Compliance. Contractor may have access to medical records and other information regarding patients of Hospital ("Protected Health Information") for the purposes of providing Services under this Agreement. Contractor may use and disclose Protected Health Information only in accordance with such purposes and subject to the restrictions in the Business Associate Agreement attached here as Exhibit B. Contractor shall maintain the confidentiality of all Protected Health Information in accordance with all applicable federal, state and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996, and regulations from time to time promulgated there under ("HIPAA").

### ARTICLE 5. OBLIGATIONS OF CONTRACTOR

- 5.1 Insurance Coverage. Contractor shall maintain in effect throughout the term of this Agreement:
- 5.1.1 General Liability Insurance in the amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate; and
- 5.1.2 Comprehensive Automobile Liability Insurance in the amount of \$100,000 per occurrence and \$300,000 annual aggregate covering all motor vehicles, including owned, leased, non-owned, and hired vehicles that are or will be used in providing Services under this Agreement, with coverage that complies with California statutory insurance requirements.

Evidence of insurance coverage shall be submitted to SVMHS as of the Effective Date of this Agreement.

- 5.2 Indemnification. Each party shall indemnify, defend, and hold harmless the other party, including its officers, directors, agents, and employees, from and against any and all claims, liabilities, losses, damages, costs, or expenses (including reasonable attorneys' fees) arising out of, alleged to arise out of, or connected with the wrongful, willful, or negligent acts or omissions of the indemnifying party or its officers, employees, agents, or subcontractors in the performance of this Agreement.
- 5.3 Contractor Not Excluded. Contractor warrants that, to its knowledge, neither Contractor nor its employees or agents performing services under this Agreement have been excluded from participation in federal or state healthcare programs. If an employee/agent performing services under this Agreement is excluded, Contractor will replace that employee/agent within a reasonable



time. If Contractor is excluded, SVMHS may terminate this Agreement, without penalty and with applicable refund, upon written notice to Contractor.

## ARTICLE 6. RECORDS AND CONFIDENTIALITY

- 6.1 Confidentiality. Contractor shall comply with any and all federal, state, and local laws that provide for the confidentiality of records and other information. Contractor shall not disclose any confidential records or other confidential information received from the Hospital or prepared in connection with the performance of this Agreement unless Contractor is specifically authorized in writing to disclose such records or information. Contractor shall promptly transmit to SVMHS any and all requests for disclosure of any such confidential records or information. Contractor shall not use any confidential information gained by Contractor in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.
- 6.2 Access to Records. SVMHS shall have the right to examine and audit all records and documents of Contractor and its subcontractors related to services provided under this Agreement. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980, Contractor agrees that the books and records of Contractor will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the Services to be performed under this Agreement are performed by any subcontractor of Contractor at a value or cost of \$10,000 or more over a twelve (12) month period, Contractor shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. This Section shall be of no force and effect if it is not required by law.
- 6.3 Exclusive Property of SVMHS. All data, files, records, documents, specifications, promotional materials and similar items relating to the business of SVMHS, whether prepared by or with the assistance of Contractor or otherwise coming into Contractor's possession shall remain the exclusive property of SVMHS and shall not be removed from SVMHS' facilities under any circumstances without the prior written consent of SVMHS.
- 6.4 Return of Records. When this Agreement expires or terminates, Contractors shall return to SVMHS any SVMHS or Hospital records which Contractor utilized or received from or through SVMHS to perform Services under this Agreement.

## ARTICLE 7. GENERAL PROVISIONS

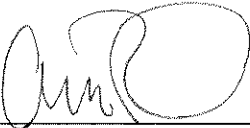
- 7.1 Entire Agreement/Amendment. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter. This Agreement supersedes all prior agreements, representations and understandings of the parties pertaining to subject matter of this Agreement. No amendment or modification of this Agreement shall be binding unless in writing and signed by the parties.
- 7.2 Waiver. Any waiver of any term or condition of this Agreement must be in writing and signed by the parties. The waiver of any of the term or condition shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 7.3 Assignment and Subcontracting. Contractor shall not assign, subcontract or transfer its interest or obligations in this Agreement without the prior written consent of SVMHS.
- 7.4 Successors and Assigns. This Agreement and the rights, privileges, duties and obligations of the parties hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.
- 7.5 Governing Law/Venue. This Agreement shall be governed by and interpreted under the laws of the State of California. Venue shall rest in Monterey County, California.

- 7.6 Severability. If any provision of this Agreement is declared illegal, unenforceable or in conflict with any governing law, it shall not affect the validity of the remaining portion of this Agreement.
- 7.7 Notices. Any notices under this Agreement may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing at the end of this Agreement, but each party may change the address by written notice in accordance with this paragraph.

The parties have executed this Agreement to be effective as of the Effective Date first set forth above.

**SVMHS**

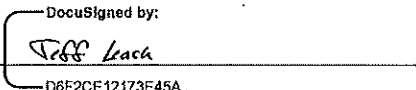
Salinas Valley Memorial Healthcare System  
450 East Romie Lane, Salinas, CA 93901

By:   
Allen Radner, MD, President/CEO

Date: 12-19-2024

**Contractor**

Evergreen Healthcare Partners, Inc.  
6720 Frank Lloyd Wright Ave #200  
Middleton, WI 53562

By:   
Name: Jeff Leach

Title: SVP

Date: 12/18/2024

**Exhibit A**

**Contractor Services**

**Consultant Personnel, Project Terms, and Pricing Terms:**

<b>Resource Name</b>	<b>Role</b>	<b>Expected Start Date</b>	<b>Expected End Date</b>	<b>Hourly Rate</b>	<b>Total Estimated Cost</b>
Stacy Wade	Clin Doc Principal Trainer	01/13/2025	12/19/2025	\$125.00	\$265,000
Lisa Herrington	Willow Principal Trainer	01/13/2025	12/19/2025	\$125.00	\$265,000
Cheryl Dennison	Beacon Principal Trainer	01/13/2025	12/19/2025	\$125.00	\$265,000
Alexis MacManus	Beaker Principal Trainer	01/13/2025	12/19/2025	\$125.00	\$265,000
John Butler	HIM Principal Trainer	01/13/2025	12/19/2025	\$125.00	\$265,000

**Summary of Services:**

- Serve as an Epic Principal Trainer on the Epic implementation
- Support Training Manager in daily activities related to the Epic Training
- Complete MST build
- Document issues, decisions, next steps, and provide appropriate escalation
- Maintain proper project documentation as requested by SVMHS
- Manage daily activities and priorities of the Epic Training team
- Train, mentor, and educate on the Epic system
- Create Training materials and deliver instruction as required
- Collaborate with SVMHS and Epic team to ensure successful outcomes and knowledge transfer
- Work onsite or remotely as agreed upon by SVMHS and Contractor
- Other activities as requested and defined by SVMHS

**Additional Terms**

- Rates listed above are effective from the Expected Start Date to the Expected End Date (“Project Term”) and are for contracted services only; any expenses will be reimbursed per the terms of the Agreement and this Exhibit. Travel expenses will be billed separately. The project budget for the resources above is not to exceed \$1,325,000, unless written approval is provided by SVMHS. This dollar amount includes the following estimated costs:
  - Two 60-hour weeks and two 50-hour weeks, that account for increased hours during go-live and testing weeks.
  - Travel estimated at \$62,500 (assuming five weeks of travel for all five roles).
- This Agreement is dependent on SVMHS’ board ratification approval of this Agreement, anticipated in the January 23, 2025 board meeting. If the SVMHS Board of Directors does not approve this Agreement, this Agreement shall automatically terminate without cost or penalty; provided, however, that SVMHS will make payment in full for any services rendered prior to the date of termination in accordance with the rates in this Exhibit A.

**EXHIBIT B**

**BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (“BAA”) is made and entered into effective January 1, 2024 (“Effective Date”) by and between **Salinas Valley Memorial Healthcare System**, a California local health care district operating as Salinas Valley Health (“SVMHS”), and **Evergreen Healthcare Partners, Inc.** (“Business Associate”).

**RECITALS**

- A. SVMHS is the owner and operator of Salinas Valley Health Medical Center , an acute care hospital located at 450 East Romie Lane, Salinas, California 93901, and is a Covered Entity (“CE”) as that term is defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). SVMHS also operates a community clinic under the name “Salinas Valley Health Clinics” pursuant to section 1206(b) of the California Health and Safety Code.
- B. CE wishes to disclose certain information to BA pursuant to the terms of an agreement between the parties (“Agreement”) some of which may constitute Protected Health Information (“PHI”).
- C. CE and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to their Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, (“HITECH”), regulations promulgated thereunder by the U.S. Department of Health and Human Services (“HIPAA Regulations”) and other applicable state or federal laws affecting or regulating the privacy or security of health information.
- D. CE and BA intend to fully comply with the HIPAA Regulation codified at 45 C.F.R. Parts 160 and 164, Subparts A and E (“Privacy Rule”) and the HIPAA Regulation codified at 45 C.F.R. Parts 160 and 164, Subparts A and C (“Security Rule”).
- E. The Privacy Rule and the Security Rule require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI.

In consideration of the promises, obligations, and responsibilities under this BAA, the parties agree as follows:

- 1. Definitions: All capitalized terms used but not otherwise defined in this BAA shall have the same meaning as those terms in HIPAA.
  - a. **Breach** shall have the meaning given to such term under the HITECH Act and HIPAA Regulations [42 U.S.C. Section 17921 and 45 C.F.R. Section 164.402].
  - b. **Breach Notification Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and D.
  - c. **Business Associate** shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including, but not limited to, 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103.
  - d. **Covered Entity** shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to 45 C.F.R. Section 160.103.
  - e. **Data Aggregation** shall have the meaning given to such term under the Privacy Rule, including, but not limited to 45 C.F.R. Section 164.501.
  - f. **Designated Record Set** shall have the meaning given to such term under the Privacy Rule, including, but not limited to 45 C.F.R. Section 164.501.
  - g. **Electronic Protected Health Information** means Protected Health Information that is maintained in or transmitted by electronic media.

- h. **Electronic Health Record** shall have the meaning given to such term under the HITECH Act, including, but not limited to 42 U.S.C. Section 17921.
- i. **Health Care Operations** shall have the meaning given to such term under the Privacy Rule, including, but not limited to 45 C.F.R. Section 164.501.
- j. **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.
- k. **Protected Health Information or PHI** means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. In the event BA creates, receives, maintains, or transmits electronic PHI on behalf of CE, Protected Health Information includes Electronic Protected Health Information [45 C.F.R. Sections 160.103, 164.501].
- l. **Protected Information** shall mean PHI provided by CE to BA or created, maintained, received, or transmitted by BA on CE's behalf.
- m. **Security Incident** shall have the meaning given to such term under the Security Rule, including, but not limited to 45 C.F.R. Section 164.304.
- n. **Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.
- o. **Unsecured PHI** shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, 42 U.S.C. Section 17932(h) and 45 C.F.R. Section 164.402.

## 2. **Obligations of Business Associate**

- a. **Permitted Uses and Disclosures.** BA shall use and disclose Protected Information only for the purpose of performing BA's obligations under the Agreement and as permitted or required under the BA Agreement, or as required by law. BA shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or HITECH. However, BA may use Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA or (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operation of CE. If BA discloses Protected Information to a third party, BA must obtain prior to making any such disclosure, reasonable written assurances from such third party that such Protected Information will be held confidential as provided pursuant to this BAA and used or disclosed only as required by law or for the purposes for which it was disclosed to such third party. Third party will agree to immediately notify BA of any breaches, suspected breaches, security incidents, or unauthorized uses or disclosures of the Protected Information in accordance with paragraph 2.k. of this BAA, to the extent it has obtained knowledge of such occurrences.
- b. **Prohibited Uses and Disclosures.** BA shall not use or disclose PHI other than as permitted or required by the Agreement and this BAA, or as required by law. BA shall not use or disclose Protected Information for fundraising or marketing purposes. BA shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates [42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(vi)]. BA shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of CE and as permitted by HITECH, and the HIPAA Regulations; however, this prohibition shall not affect payment by CE to BA for services provided pursuant to the Agreement.
- c. **Appropriate Safeguards.** BA shall implement appropriate safeguards to prevent the use or disclosure of Protected Information other than as permitted by the Agreement or this BAA, including, but not limited to, administrative, physical and technical safeguards in accordance with the Security Rule, including 45 C.F.R. Sections 164.308, 164.310, and 164.312. BA shall comply

with policies, procedures, and Security Rule documentation requirements including 45 C.F.R. Section 164.316.

- d. **Business Associate's Subcontractors and Agents.** BA shall ensure that any agent and subcontractors that create, receive, maintain or transmit Protected Information on behalf of BA, shall agree in writing to the same restrictions and conditions that apply to BA with respect to such Protected Information and implement the safeguards required by paragraph 2.c. above with respect to Electronic PHI [45 C.F.R. Section 164.504(e)(2)(ii)(D); 45 C.F.R. Section 164.308(b)]. BA shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation (see 45 C.F.R. Sections 164.530(f) and 164.530(e)(1)).
- e. **Access to Protected Information.** BA shall make Protected Information maintained by BA or its agents or subcontractors in Designated Record Set available to CE for inspection and copying within five (5) days of a request by CE to enable CE to fulfill its obligations under state law and the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524. If BA maintains Protected Information in electronic format, BA shall provide such information in electronic format as necessary to enable CE to fulfill its obligations under HITECH Act and HIPAA Regulations.
- f. **Amendment of PHI.** Within (10) days of a request by CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA and its agents and subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment or other documentation to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.526. If an individual requests an amendment of Protected Information directly from BA or its agents or subcontractors, BA must notify CE in writing within five (5) days of the request and of any approval or denial or amendment of Protected Information maintained by BA or its agents or subcontractors [45 C.F.R. Section 164.504(e)(2)(ii)(F)].
- g. **Accounting of Disclosures.** Within ten (10) days of a request by CE for an accounting of disclosures of Protected Information, BA and its agents and subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, and HITECH, as determined by CE. BA agrees to implement a process that allows an accounting to be collected and maintained by BA and its agents and subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an Electronic Health Records for treatment, payment or health care operations are required to be collected and maintained for only three (3) years prior to the request and only to the extent that BA maintains an Electronic Health Record. At minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. If a patient submits a request for an accounting directly to BA or its agents or subcontractors, BA shall within five (5) days of the request forward it to CE in writing.
- h. **Governmental Access to Records.** BA shall make its internal practices, books, and records relating to the use and disclosure of Protected Information available to CE and to the Secretary of the U.S. Department of Health and Human Services for purpose of determining BA's compliance with HIPAA.
- i. **Minimum Necessary.** BA, its agents and subcontractors shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [42 U.S.C. Section 17935(b); 45 C.F.R. Section 164.514(d)] BA understands and agrees that the definition of "Minimum Necessary" is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary".
- j. **Data Ownership.** BA acknowledges that BA has no ownership rights with respect to the Protected Information.

- k. **Notification of Possible Breach.** BA shall notify CE within three (3) business days of any actual breach of CE's Protected Information; any use or disclosure of Protected Information not permitted by the Agreement or this BAA; any security incident (i.e., any successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system) related to CE's Protected Information, and any use or disclosure of data in violation of any applicable federal or state laws by BA or its agents or subcontractors.

The notification shall include, to the extent possible, the identification of each individual whose unsecured Protected Information has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used, or disclosed, as well as any other available information that CE is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws, including but not limited to 45 C.F.R. Section 164.404 through 45 C.F.R. Section 164.408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BA shall take (i) prompt corrective action to cure any deficiencies and (ii) any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws.

- l. **Notification Costs.** If BA experiences a breach, BA shall reimburse CE for all reasonable and actual notification costs CE incurs which arise out of any access, use, or disclosure of Protected Information by BA in violation of this BAA. Actual costs may include, costs of drafting and mailing notifications, legal costs, costs of responding to follow up questions from Individuals, the California Department of Public Health, the Secretary, and if applicable, any fines or penalties imposed on CE.
- m. **Breach Pattern or Practice by Business Associate's Subcontractor and Agents.** Pursuant to 42 U.S.C. Section 17934(b) and 45 C.F.R. Section 164.504 (e)(1)(ii); if the BA knows of a pattern of activity or practice of a subcontractor or agent that constitutes a material breach or violation of the subcontractor or agent's obligations under the Agreement or this BAA or other arrangement, the BA must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, the BA must terminate the contract with the subcontractor or agent or other arrangement if feasible.
- n. **Audits, Inspection and Enforcement.** BA shall notify CE within five (5) days of learning of a request by CE, BA has become the subject of an audit, compliance review, or complaint investigation by the Office for Civil Rights or other state or federal government entity.
3. **De-Identification.** In addition to other permissible purposes, BA may be authorized to de-identify PHI, provided that de-identification is conducted in accordance with 45 CFR 164.514(a)-(c), if such de-identification is necessary for completion of the scope of services as described in the Agreement. De-identified information shall only be utilized as necessary for the completion of the scope of services as described in the Agreement.
4. **Obligations of Covered Entity.**
- a. **Notifications.** CE shall notify BA of limitation(s) in its Notice of Privacy Practices, to the extent such limitation will affect BA's permitted uses and disclosures under the Agreement and notify BA of changes in, or revocation of permission by an Individual to use or disclose PHI if such restriction affects BA's permitted uses and disclosures under the Agreement.
- b. **Minimum Necessary.** CE shall not request of nor provide BA with more PHI than what is minimally necessary for BA to perform its obligations under the Agreement. CE will not request BA to use or disclose PHI in any manner that would not be permissible under HIPAA if done by CE.
5. **Termination.**
- a. **Material Breach.** A breach by BA of any provision of this BAA, as determined by CE, shall constitute a material breach of the Agreement and shall provide grounds for termination of the Agreement, any provision in the Agreement to the contrary notwithstanding.
- b. **Judicial or Administrative Proceedings.** CE may terminate the Agreement, effective immediately if, (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, HITECH, or other security or privacy laws or (ii) a finding or stipulation that the BA has violated any standard or requirement of HIPAA, HITECH, or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

c. **Effect of Termination.** Upon termination of the Agreement for any reason, BA shall, at the option of CE, return or destroy all Protected Information that BA and its agents and subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections and satisfy the obligations of paragraph 2 of this BAA to such information, and limit further use and disclosure of such PHI to those purposes that make the return or destruction of the information infeasible. If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed in accordance with the Secretary's guidance regarding proper destruction of PHI.

6. **Indemnification.** Each party ("Indemnifying Party") shall, to the full extent permitted by law, indemnify and hold harmless the other party and its directors, officers and employees from and against any and all losses, out-of-pocket costs, claims, penalties, fines, or liabilities in association with third-party claims from or related to the acts or omissions of the Indemnifying Party or its employees, directors, or agents, related to the performance or nonperformance of this BAA or a breach of HIPAA requirements. In the event the other Party does not accept a legitimate offer of settlement, the Indemnifying Party shall be responsible for such liability; damages, out-of-pocket costs and expenses in the amount contained in the offer, in a subsequent settlement, to the amount ultimately awarded by a court or tribunal whichever is less.

This indemnification provision shall survive termination of this BAA and/or the Agreement for any reason.

7. **Limitation of Liability.** To the extent that the associated Agreement between the parties contains a provision that limits BA's liability under the Agreement, BA's obligations under this BAA, including but not limited to BA's indemnification obligations under the associated Agreement and this BAA, will be excluded from such limitation of liability.

8. **Amendment to Comply with Law.** The parties agree and acknowledge that state and federal laws relating to data security and privacy are evolving and that amendment of the BAA may be required to ensure compliance with such developments. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable laws relating to the security or confidentiality of PHI.

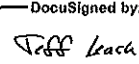
9. **No Third-Party Beneficiaries.** Nothing express or implied in this BAA is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

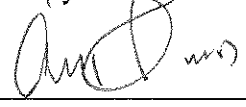
10. **Interpretation.** The provisions of this BAA shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provisions in this BAA. The parties agree that any ambiguity in this BAA shall be resolved in favor of a meaning that complies and is consistent with HIPAA, HITECH, the HIPAA regulations, and other state and federal laws related to security and privacy.

The parties have duly executed this Business Associate Agreement as of the Effective Date first set forth above.

**Business Associate**  
Evergreen Healthcare Partners, Inc.

**SVMHS**  
Salinas Valley Memorial Healthcare System

By:   
DocuSigned by:  
D6F2CE12173E45A..

By: 

Print Name: Jeff Leach

Print Name: Allen Karpis

Title: SVP

Title: CEO

Date: 12/18/2024

Date: 12-19-2024



**CONTACTS**

PLEASE PROVIDE CONTACT INFORMATION AS REQUIRED FOR OCR AUDIT REPORTING

<b>COMPANY NAME</b>	Evergreen Healthcare Partners, inc.
<b>PRIMARY CONTACT</b>	Rob Carr
<b>PHONE</b>	608-820-6910
<b>CELL</b>	608-820-6927
<b>FAX</b>	608-492-0401
<b>ADDRESS</b>	6720 Frank Lloyd Wright Ave #200 Middleton, WI 53562
<b>EMAIL</b>	rob.carr@evergreen.partners
<b>SECONDARY CONTACT</b>	Katie Foulks
<b>PHONE</b>	608-820-6910
<b>CELL</b>	504-234-0125
<b>FAX</b>	608-492-0401
<b>ADDRESS</b>	6720 Frank Lloyd Wright Ave #200 Middleton, WI 53562
<b>EMAIL</b>	katie.foulks@evergreen.partners

*CLOSED SESSION*

*(Report on Items to be  
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/  
CLOSED SESSION REPORT*

*(Meeting Chair)*

## Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board Approval of Purchase of MRI Equipment and Service Agreement from Canon for SVH Clinics Imaging Services**

Executive Sponsor: Tim Albert, MD, MHCM, Chief Clinical Officer

Date: January 22, 2025

### Executive Summary

In order to support the imaging infrastructure for Salinas Valley Health, capital updates are necessary to accommodate the growth in patient services. Salinas Valley Health Clinics operates imaging services from two locations which currently support two MRI scanners. The MRI machines are reaching end of life and the current demand for the service line is growing. The clinic equipment supports low complexity, high volume studies such as routine body, brain, musculoskeletal, and cardiovascular imaging.

After evaluating MRI vendors, it was determined that the following two vendors aligned most appropriately with our current needs. The two competitors were Siemens and Canon because of the integration with our established imaging systems. The two systems were evaluated and it was determined by the SVH team that a Canon MRI should be installed in the SVH clinic. A standard market rate service agreement will be combined with the purchase of the equipment.

### Timeline/Review Process to Date:

May 2024: Engaged vendors to review equipment and software  
 June/July 2024: Received quotes from vendors for consideration  
 December 2024: Final quotes selected, vendors presented contracts for legal review  
 Early 2026: Anticipated Implementation

### Strategic Plan Alignment:

In order to expand imaging services in our community, the new equipment will allow state of the art imaging at the outpatient clinic setting while supporting additional growth and patient access to high quality imaging services in a cost effective manner.

### Pillar/Goal Alignment:

Service     People     Quality     Finance     Growth     Community

### Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	Vendor: Canon Medical Systems USA, Inc.
1. Proposed effective date	February 1, 2025
2. Service Agreement Term	Seventy-two (72) month service agreement, not to exceed \$450,000
3. Renewal terms	One-time purchase of Equipment; Renewable Service Agreement
4. Payment Terms	Cash – 0% down payment, 80% upon shipment net 45 days, 20% net 30 days upon completion of installation and / or availability for first use, whichever is earlier.
5. One time cost	Orian-SP – Vantage Orian SP 1.5 T MRI System <b>\$1,385,027.00</b>
7. Budgeted	Not budgeted, but essential for upgrade of equipment.

### Recommendation

Salinas Valley Health Administration requests the SVH Board of Directors to approve the terms presented for purchasing MRI equipment for Salinas Valley Health Imaging from **Canon** in the amount of **\$1,385,027.00** and for a seventy-two month service agreement in an amount not to exceed **\$450,000**.

**Capital Spending Update**  
**Active Projects Approved By The Board**  
**Status As Of: December 2025 YTD**

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**Rolf Norman & Dave Sullivan**

# Board Approvals Capital Projects From BOD Minutes Through December 2025

Board Approvals Capital Projects From BOD Minutes Through December 2025						
	(1) Project Name	(2) Board Approved Month	(3) Board Approved Amount	(4) FY2025 Spend	(5) Total Project Spend Since Inception	(6) Under / (Over) Spend Since Inception
1	Medical Center Campus Painting	September 2023	\$3,500,000	\$43,591	119,021	\$3,380,979
2	Surgery Addition + Seismic Retrofit, Master Plan	Aug 2019 & Sep 2019 & April 2022	\$12,821,264	\$476,074	8,538,794	\$4,282,470
2a	Surgery Addition/Patient Tower (included in #2)			\$0	1,036,491	
2b	Seismic Retrofit (included in #2)			\$473,444	2,145,815	
3	Elevator Modernization	December 2021	\$2,600,000	\$227,519	2,240,284	\$359,716
4	Bulk Oxygen tank replacement project	Aug 2022, Oct 2022	\$2,800,000	\$1,070,578	2,031,105	\$768,895
5	SVH Rebranding (Capital Portion - Signage)		\$1,878,690	\$353,100	983,822	\$894,868
6	Cath Lab 3 Replacement	October 2023, May 2024	\$4,300,526	\$208,515	298,105	\$4,002,421
7	Angio Suite Replacement	October 2023, May 2024	\$4,140,627	\$57,299	138,796	\$4,001,831
8	212 San Jose Street Renovation Cardio/Vascular	October 2023	\$500,000	\$137,836	445,358	\$54,642
9	Epic IP Electronic Health Record (5 YR Capital Portion)	May 2024	\$57,359,817	\$3,935,504	3,935,504	\$53,424,313
10	559 Abbot Street Imaging Center X Ray System	June 2024	\$450,000	\$0	\$0	\$450,000
11	Workday Financial and Supply Chain Software (Capital)	July 2024	\$3,074,618	\$1,655,483	1,655,483	\$1,419,135
12	X-Ray Rooms 1 & 2	August 2024	\$3,000,001	\$31,987	\$42,032	\$2,957,969

# Board Approvals Capital Projects From BOD Minutes Through December 2025 (Cont'd)

Board Approvals Capital Projects From BOD Minutes Through December 2025						
	(1) Project Name	(2) Board Approved Month	(3) Board Approved Amount	(4) FY2025 Spend	(5) Total Project Spend Since Inception	(6) Under / (Over) Spend Since Inception
13	Nuclear Medicine Camera (D-Spect)	August 2024	\$656,913	\$153,069	153,069	\$503,844
14	212 San Jose Street Renovation for Endoscopy Offices	September 2024	\$754,916	\$80,072	\$91,658	\$663,258
15	MRI Inpatient Building	October 2024	\$8,000,000	\$20,029	23,155	\$7,976,845
16	Stryker Power Upgrade (OR Equipment, Capital Portion)	October 2024	\$550,562	\$0	\$0	\$550,562
17	Mobile unit emergency department facility (Capital portion	October 2024	\$1,183,683	\$50,204	101,667	\$1,082,016
18	Chiller and Lab Air Handling Unit Replacement	November 2024	\$7,609,838	\$6,447	\$6,447	\$7,603,391
19	'Nurse Call Phase 3	December 2024	\$2,772,043	\$34,555	55,612	\$2,716,431
<b>Total</b>			<b>\$97,837,372</b>	<b>\$8,430,627</b>	<b>\$20,673,032</b>	<b>\$77,164,340</b>
<b>Other projects:</b>						
20	IT Switches, Servers, Network, Computers, AV Upgrades.	N/A		\$1,528,834		
21	All Other SVMH/SVMC Capital Spending	N/A		\$5,656,171		
<b>Grand Total</b>				<b>\$15,615,632</b>		

*QUESTIONS /  
COMMENTS?*



# Financial Performance Review

## December 2024

### Finance Committee

**Augustine Lopez**

**Chief Financial Officer**

# Consolidated Financial Summary For the Month of December 2024

\$ in Millions	For the Month of December 2024			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 68.9	\$ 62.2	\$ 6.7	10.8%
Operating Expense	\$ 64.7	\$ 62.7	\$ (2.0)	-3.2%
<b>Income from Operations</b>	<b>\$ 4.2</b>	<b>\$ (0.4)</b>	<b>\$ 4.6</b>	<b>1150.0%</b>
<i>Operating Margin %</i>	6.1%	-0.7%	6.8%	971.43%
Non Operating Income	\$ 1.6	\$ 2.4	\$ (0.8)	-33.3%
<b>Net Income</b>	<b>\$ 5.8</b>	<b>\$ 2.0</b>	<b>\$ 3.8</b>	<b>190.0%</b>
<i>Net Income Margin %</i>	8.5%	3.3%	5.2%	157.6%

## Non Operating Income includes Normalizing Items of:

- FEMA Grant funds (net) received in December \$217K

# Consolidated Financial Summary

## For the Month of December 2024 - Normalized

\$ in Millions	For the Month of December 2024				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 68.9	\$ 62.2	\$ 6.7	10.8%	
Operating Expense	\$ 64.7	\$ 62.7	\$ (2.0)	-3.2%	
<b>Income from Operations</b>	<b>\$ 4.2</b>	<b>\$ (0.4)</b>	<b>\$ 4.6</b>	<b>1150.0%</b>	
<i>Operating Margin %</i>	6.1%	-0.7%	6.8%	971.43%	
Non Operating Income	\$ 1.4	\$ 2.4	\$ (1.0)	-41.7%	
<b>Net Income</b>	<b>\$ 5.6</b>	<b>\$ 2.0</b>	<b>\$ 3.6</b>	<b>180.0%</b>	
<i>Net Income Margin %</i>	8.1%	3.3%	4.8%	145.5%	

### Non Operating Income excludes Normalizing Items of:

- FEMA Grant funds (net) received in December \$217K

# Executive Summary: Financial Performance

*Salinas Valley Health Income from Operations was \$4.2 million for the month which was favorable to budget by \$4.6M.* The favorable financial performance for the month was driven by the following:

## **Key Favorable Performance Highlights:**

- **Outpatient revenue** was favorable compared to budget by \$18M (8%), due to higher than budgeted patient volumes in the following areas:
  - **OP Surgeries** were over budget by 12% (31 cases)
  - **OP Infusion cases** were over budget by 13% (128 cases)
- **Total Inpatient Admissions** were 11% (99 admits) above budget
- **Average Daily Census** was 124 patients and favorable compared to a budget of 117
- **Average Length of Stay** was 5% favorable to budget at 3.8
- **Worked FTEs per PAADC** were 12% favorable at 5.7 on a target of 6.5
- **Cash Collections** for the month totaled \$55M which was 9% above budget

# Executive Summary: Financial Performance – Cont'd

## ■ Key Unfavorable Performance Highlights:

- ✓ **Mammography** cases were below budget 17% (427 cases) Predominantly due to staffing issues with technologists and radiologists as a result of vacancies. Recruiting efforts have been underway as well as efforts for contracting travelers for technologists and locums for coverage of radiologists. Progress is expected to be seen on or before March/April.
- ✓ **Deliveries** were below budget 12% (14 cases)
- ✓ **Total Case Mix** was under budget by 3% at 1.56
- ✓ **OP Observation** cases were over budget by 34% (47 cases)
- ✓ **Non-Operating Income** was under budget \$0.8 million for the month on lower than budget investment income impacted by mark-to-market value adjustments. Federal interest rates declined by 25 basis points in December .

# Consolidated Financial Summary

## YTD December 2024

\$ in Millions	FY 2024 December YTD			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 402.3	\$ 372.3	\$ 30.0	8.1%
Operating Expense	\$ 387.0	\$ 377.9	\$ (9.1)	-2.4%
<b>Income from Operations</b>	<b>\$ 15.3</b>	<b>\$ (5.6)</b>	<b>\$ 20.9</b>	<b>373.2%</b>
<i>Operating Margin %</i>	3.8%	-1.5%	5.3%	353.3%
Non Operating Income	\$ 19.5	\$ 17.5	\$ 2.0	11.4%
<b>Net Income</b>	<b>\$ 34.9</b>	<b>\$ 11.9</b>	<b>\$ 23.0</b>	<b>193.3%</b>
<i>Net Income Margin %</i>	8.7%	3.2%	5.5%	171.9%

### Non Operating Income includes Normalizing Items of:

- FEMA Grant funds (net) received YTD are \$2.8 million including \$217K in December
- FEMA Grant funds received inception to date total \$9 million

# Consolidated Financial Summary

## YTD December 2024 - Normalized

\$ in Millions	FY 2024 December YTD				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 402.3	\$ 372.3	\$ 30.0	8.1%	
Operating Expense	\$ 387.0	\$ 377.9	\$ (9.1)	-2.4%	
<b>Income from Operations</b>	<b>\$ 15.3</b>	<b>\$ (5.6)</b>	<b>\$ 20.9</b>	<b>373.2%</b>	
<i>Operating Margin %</i>	3.8%	-1.5%	5.3%	353.3%	
Non Operating Income	\$ 16.7	\$ 17.5	\$ (0.8)	-4.6%	
<b>Net Income</b>	<b>\$ 32.0</b>	<b>\$ 11.9</b>	<b>\$ 20.1</b>	<b>168.9%</b>	
<i>Net Income Margin %</i>	8.0%	3.2%	4.8%	150.0%	

### Non Operating Income excludes Normalizing Items of:

- FEMA Grant funds (net) received YTD are \$2.8 million including \$217K in December
- FEMA Grant funds received inception to date total \$9 million

# SVHMC Revenue Highlights December 2024

Gross Revenues were 8.5% favorable to budget

- IP Gross Revenues were 2.4% favorable to budget
- ED Gross Revenues were 0.1% unfavorable to budget
- OP Gross Revenues were 19.8% favorable to budget in the following areas:
  - OP Infusion
  - OP Surgery
  - CT

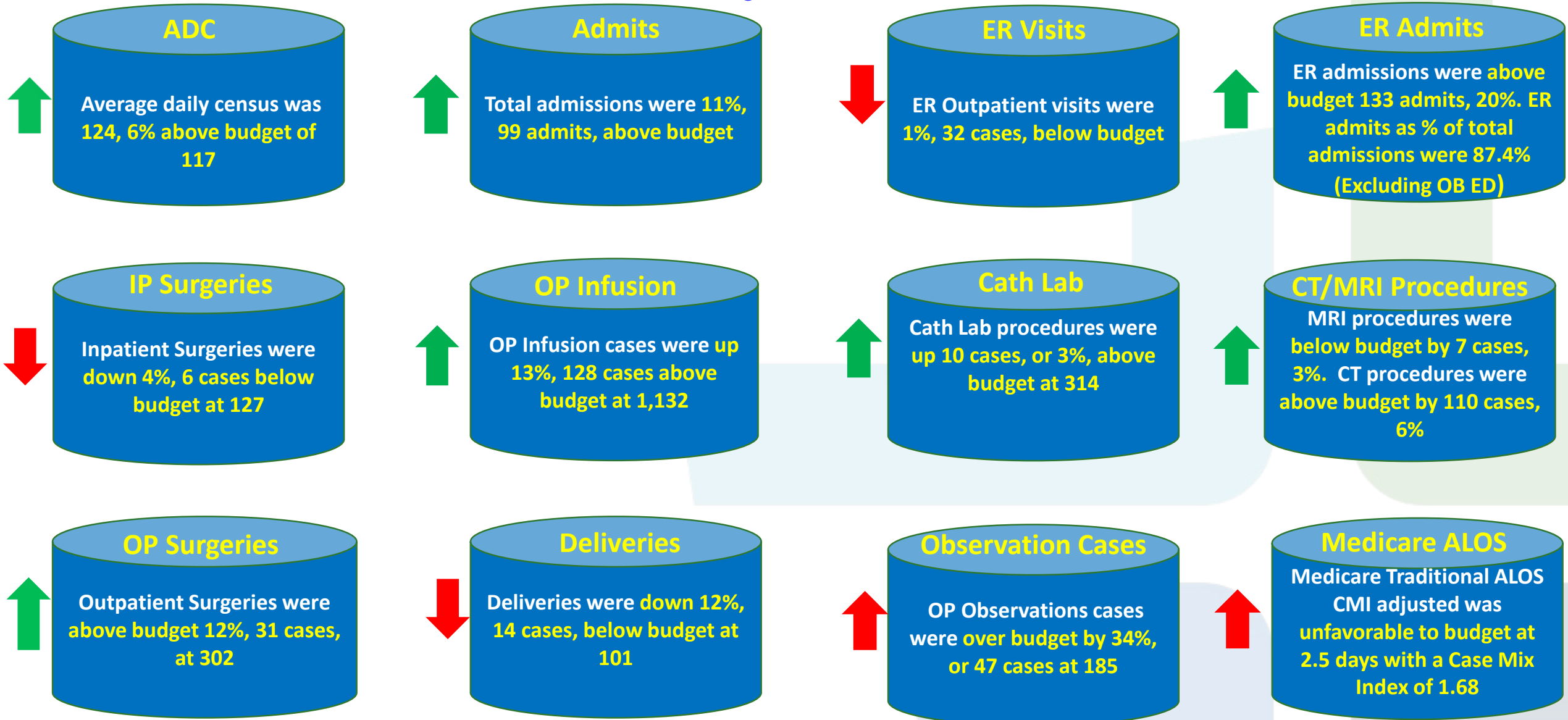
- Commercial: 8% above budget
- Medicaid: 9% above budget
- Medicare: 9% above budget

**Payor Mix –Mixed**

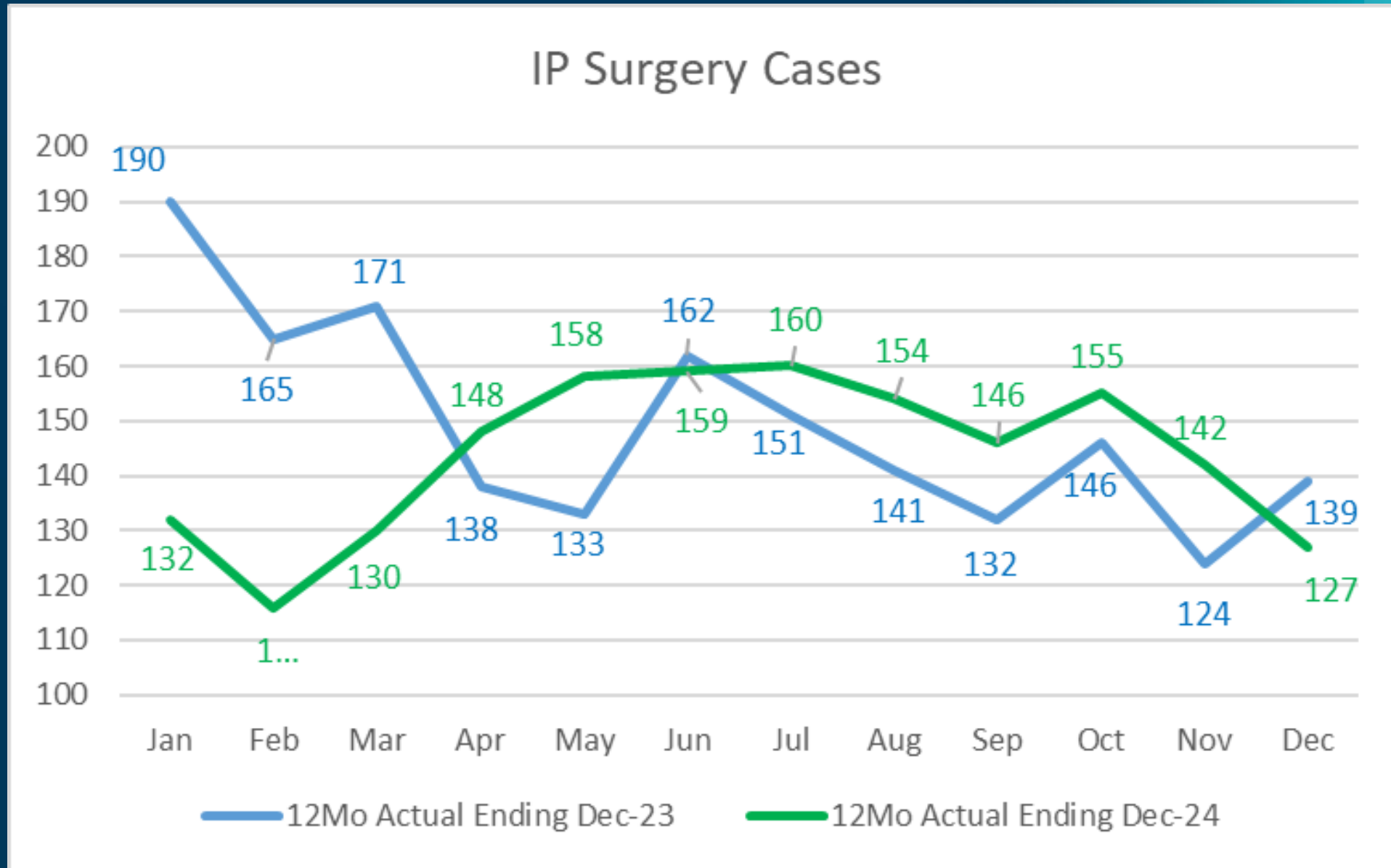
Total Net Patient Revenues were \$57.7M, which was favorable to budget by \$6.1M or 11.8%



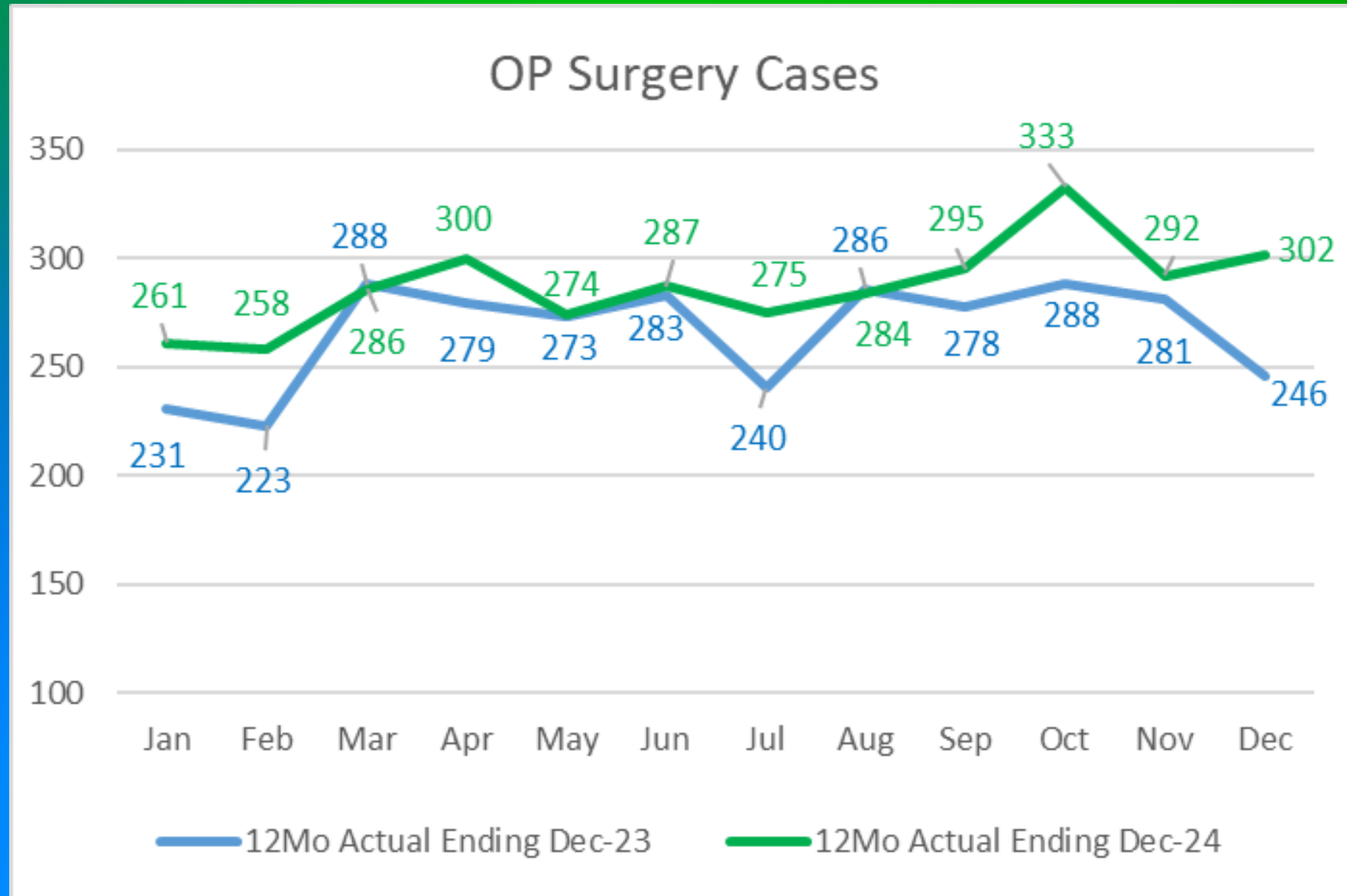
# Financial Summary – December 2024



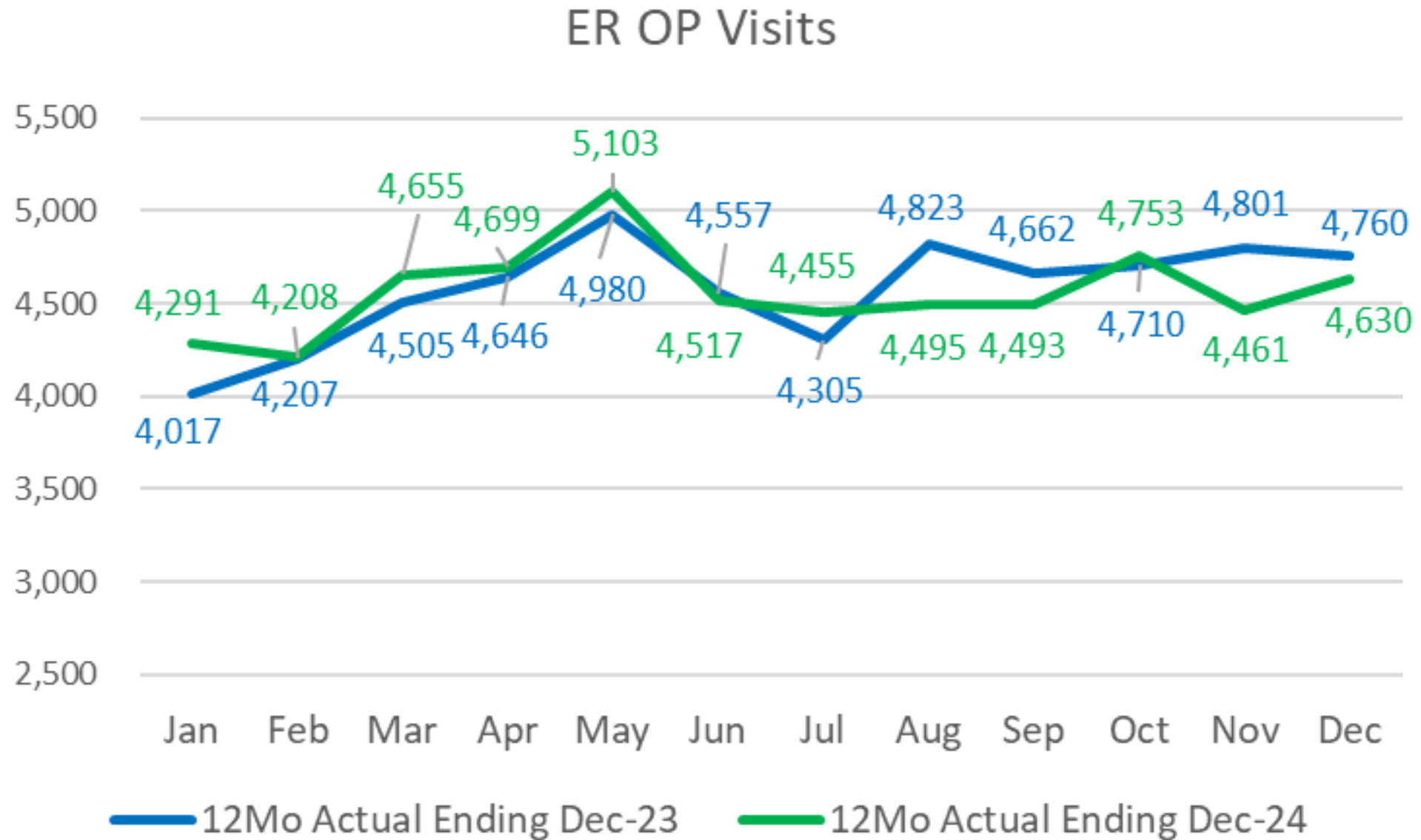
# IP Surgery Cases – December 2024



# OP Surgery Cases – December 2024

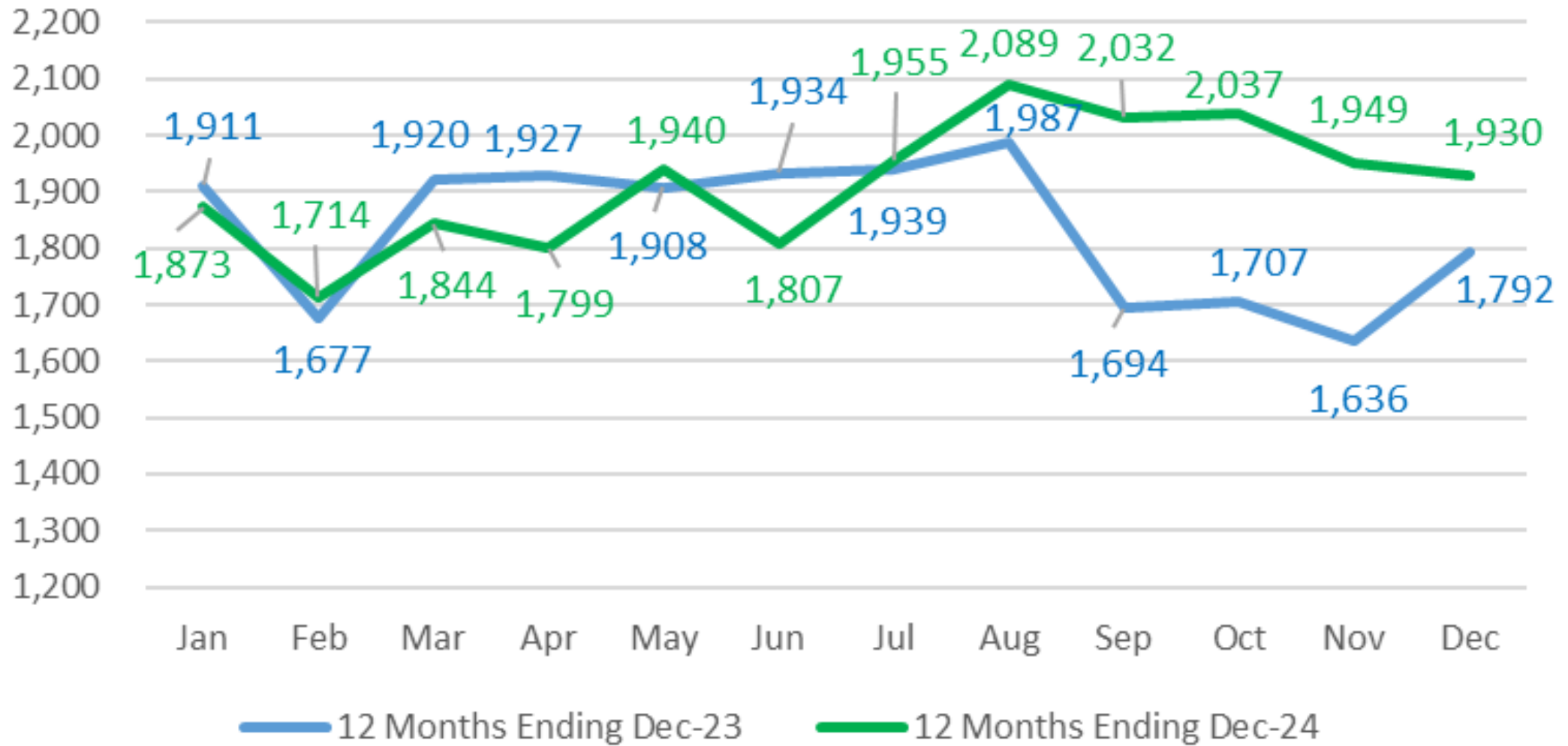


# ER OP Visits – December 2024



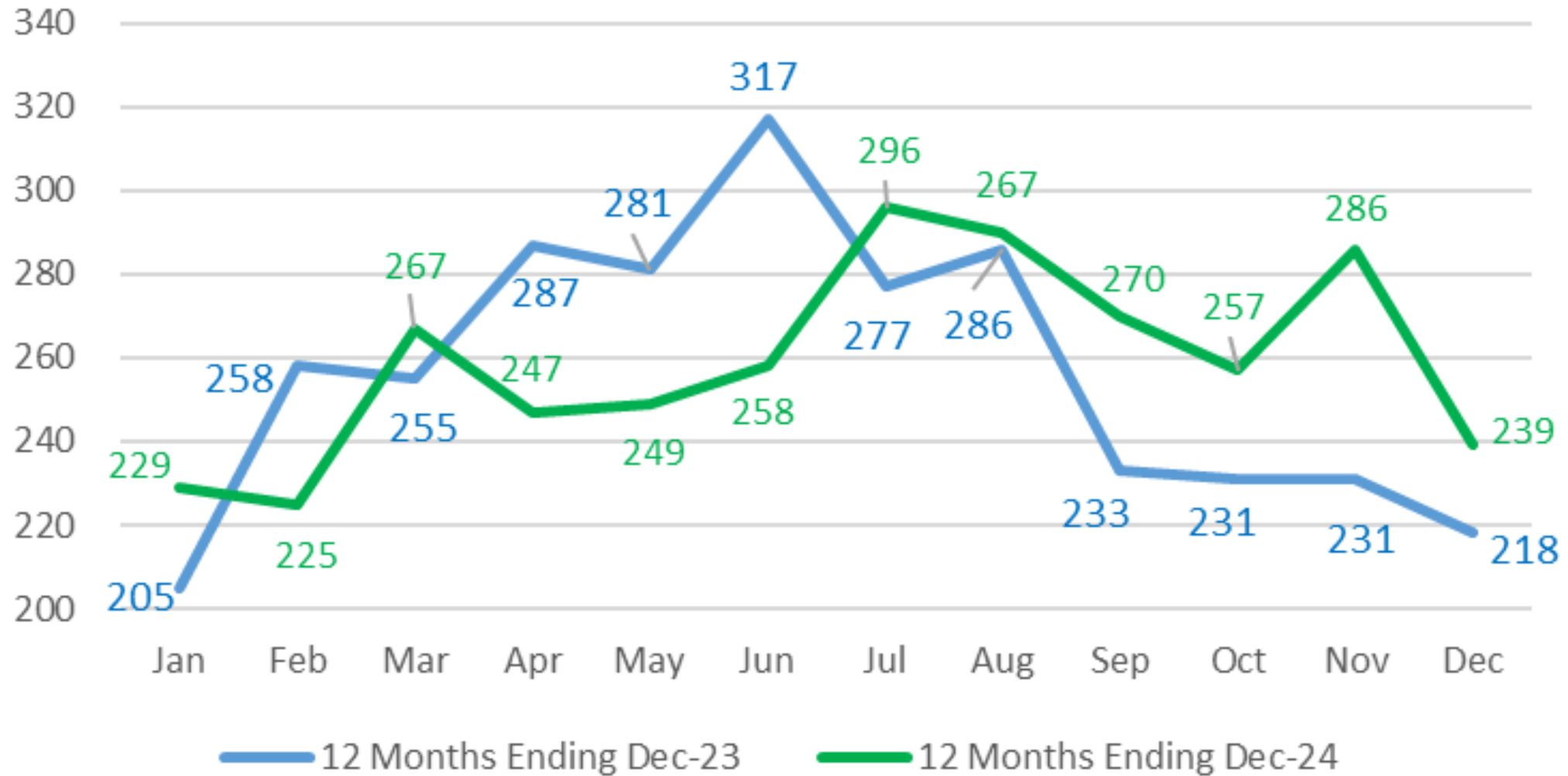
# CT Scans – December 2024

## CT Scan - Procedures

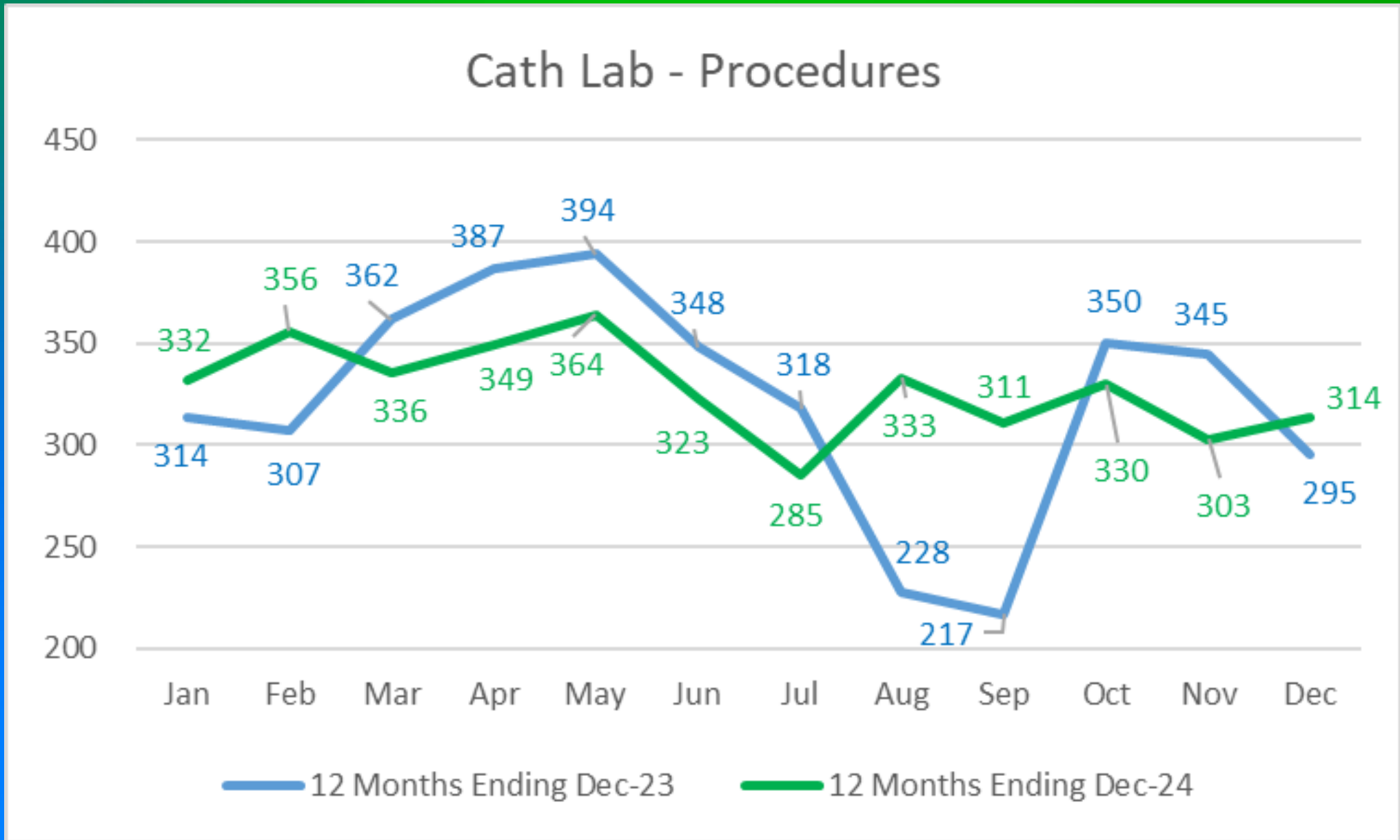


# MRI – December 2024

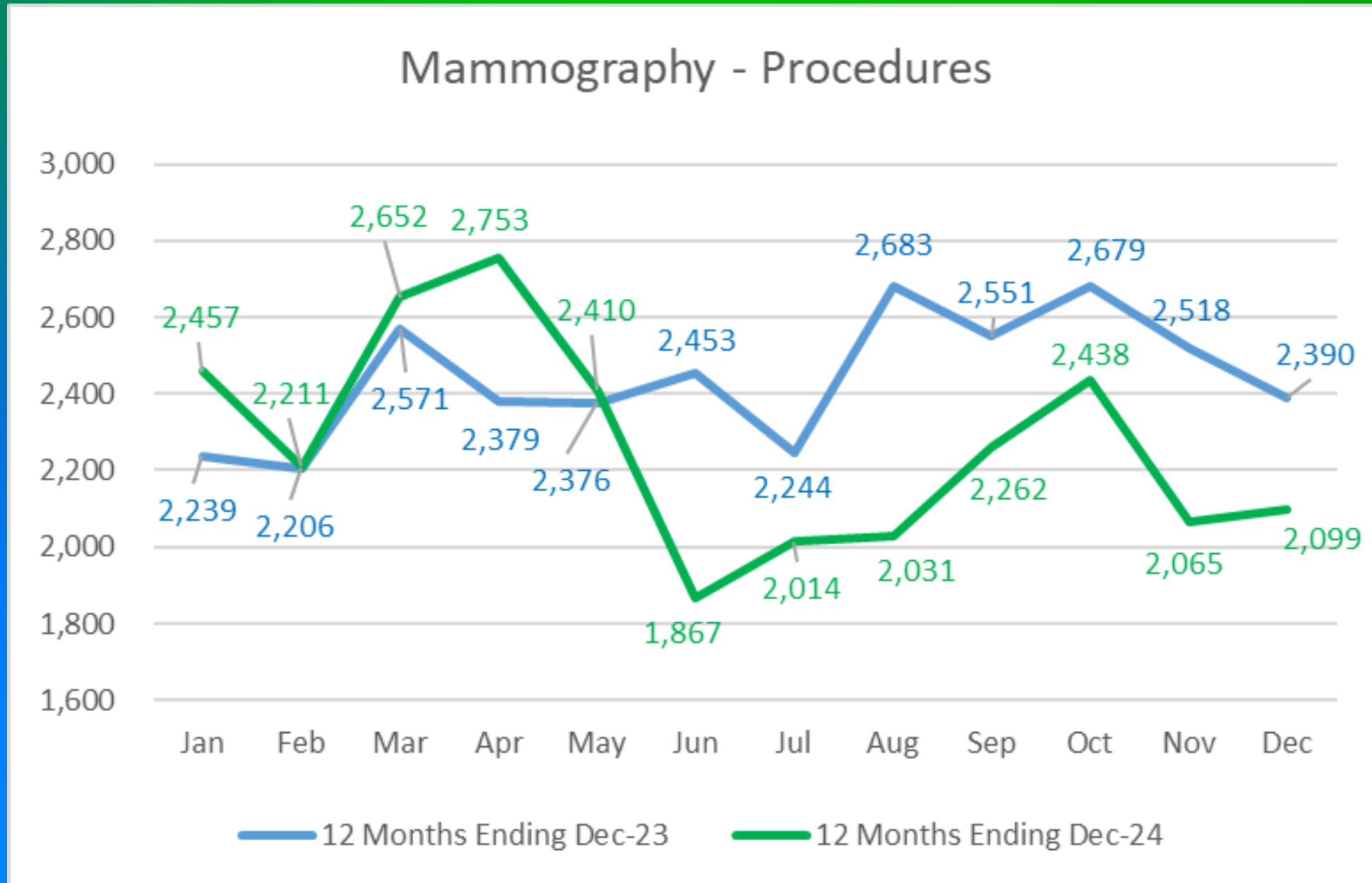
## MRI - Procedures



# Cath Lab – December 2024

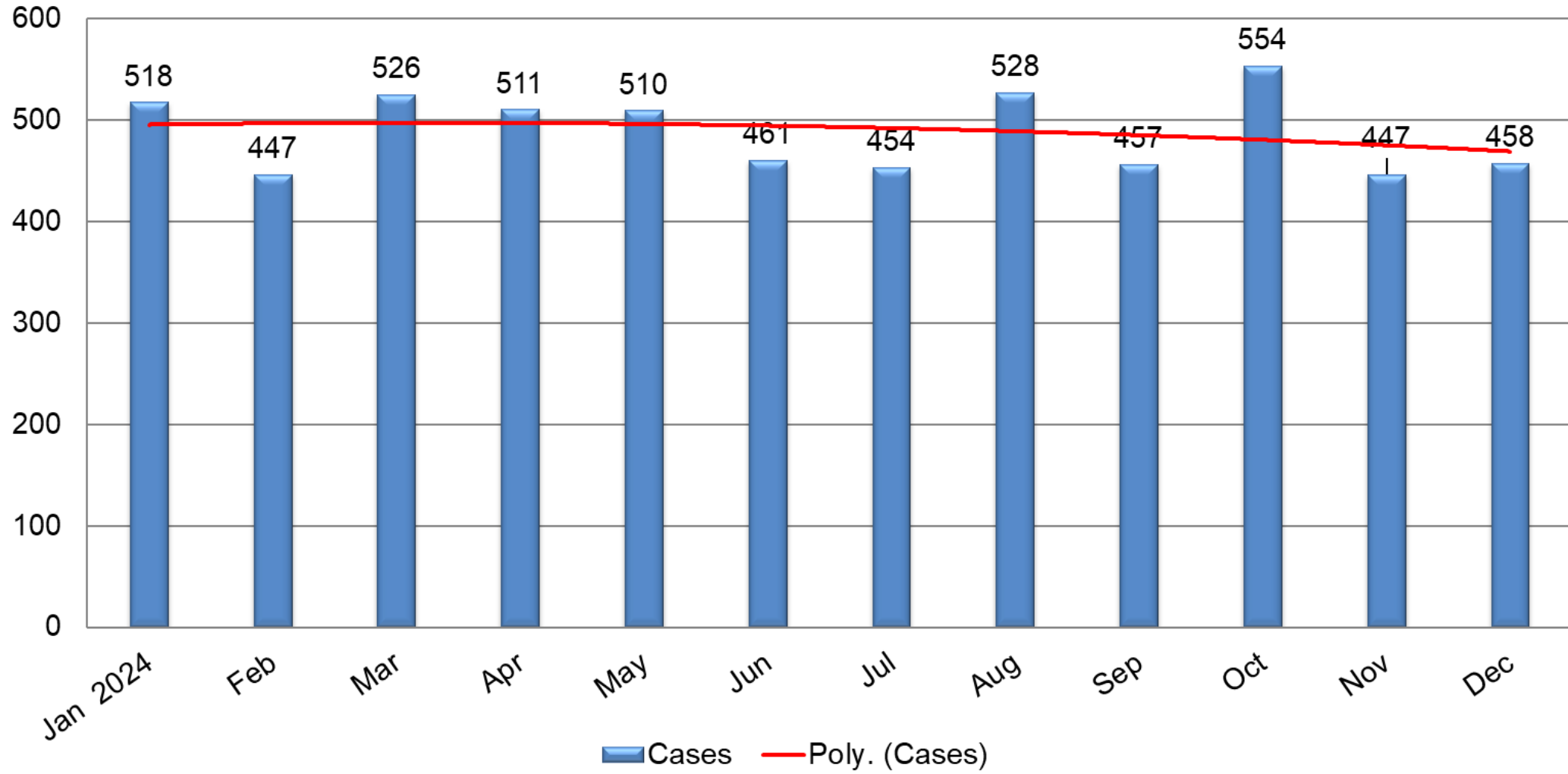


# Mammography – December 2024





## CDOC Cases - Rolling 12 Month Trend Jan 2024 thru Dec 2024

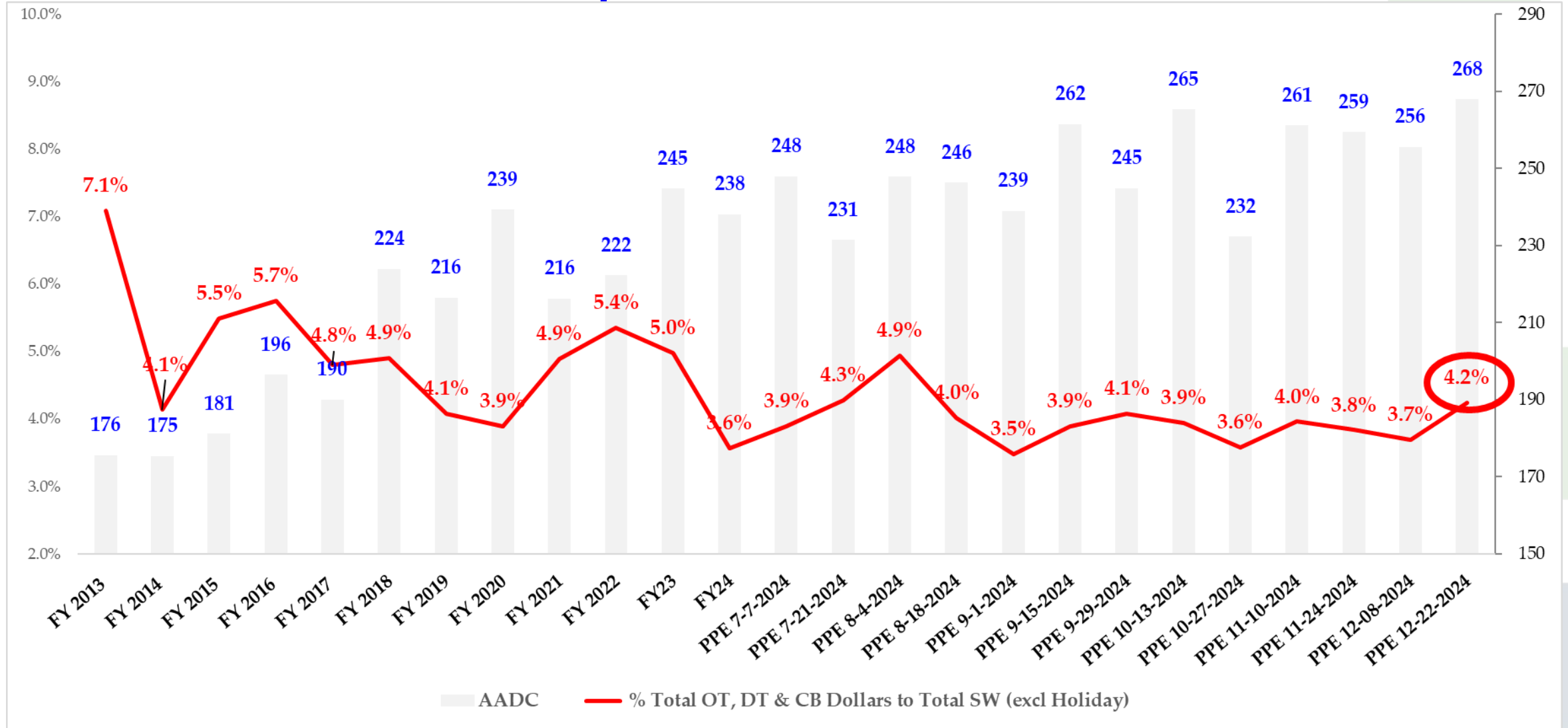


# Labor Productivity – December 2024

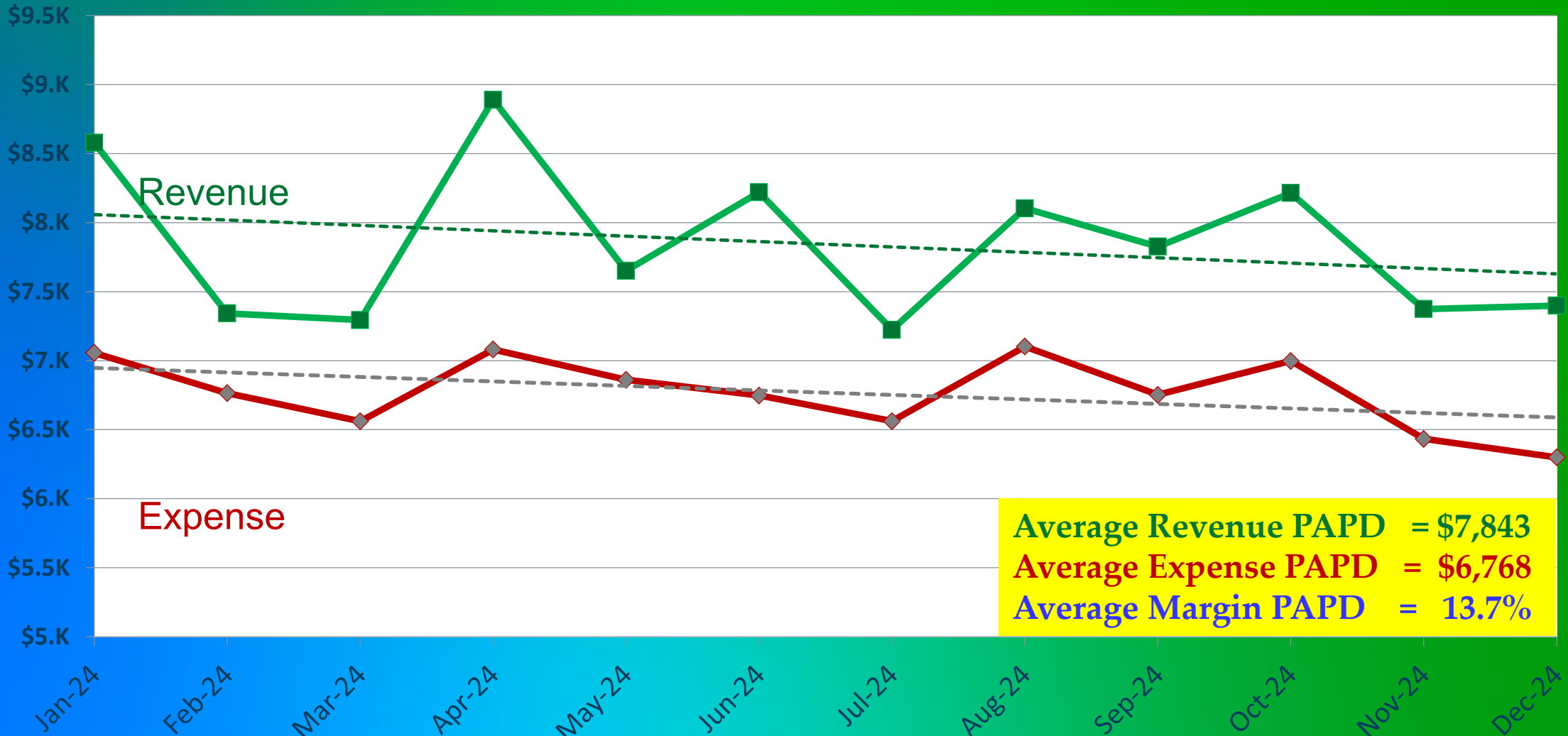
- 1. Worked FTEs:** During the month of December, worked FTEs on a PAADC basis were 12% favorable at **5.7** with a target of **6.5**. *When reviewed on a unit-by-unit level, the variance was **91.5 FTEs positive (\$1.4m)**. The variance was driven by higher volumes in December.*
- 2. Worked FTEs** decreased from 1,595 in November to 1,473 in December. Average daily census increased by 8 compared to prior month at 124 (6% above budget).
- 3. Paid FTEs:** On a PAADC basis, paid FTEs were **11.8%** favorable to budget at **7.0 actual vs. 7.9 budget**. Paid FTEs decreased from 1,830 in November to 1,799 in December.

# % of Total OT, DT & CB Dollars to Total S&W

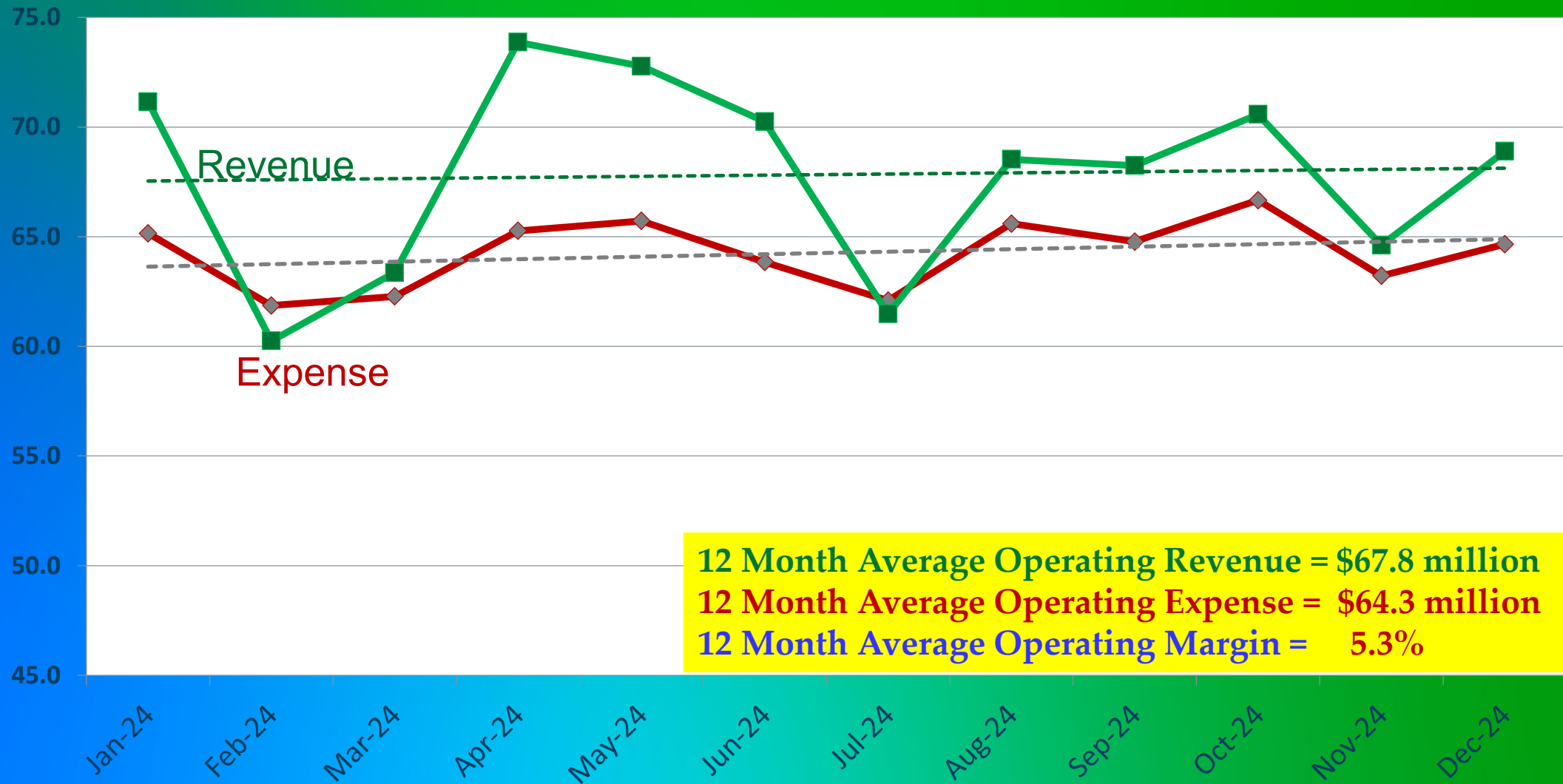
## Updated Thru PPE 12-22-24



# SVHMC Revenues & Expenses Per Adjusted Patient Day Rolling 12 Months: Jan 24 to Dec 24



# SVH Consolidated Revenues & Expenses Rolling 12 Months: Jan 24 to Dec 24



# Salinas Valley Health Key Financial Indicators

Statistic	YTD	SVH		S&P A+ Rated		YTD	
	12/31/24	Target	+/-	Hospitals	+/-	12/31/23	+/-
Operating Margin*	3.8%	5.0%		4.0%		-7.0%	
Total Margin*	8.0%	6.0%		6.6%		6.6%	
EBITDA Margin**	8.3%	7.4%		13.6%		-2.3%	
Days of Cash*	371	305		249		342	
Days of Accounts Payable*	50	45		-		47	
Days of Net Accounts Receivable***	62	45		49		60	
Supply Expense as % NPR	14.8%	14.0%		-		14.3%	
SWB Expense as % NPR	51.8%	53.0%		53.7%		57.2%	
Operating Expense per APD*	7,529	6,739		-		5,441	

All metrics above are consolidated for SVH except Operating Expense per APD

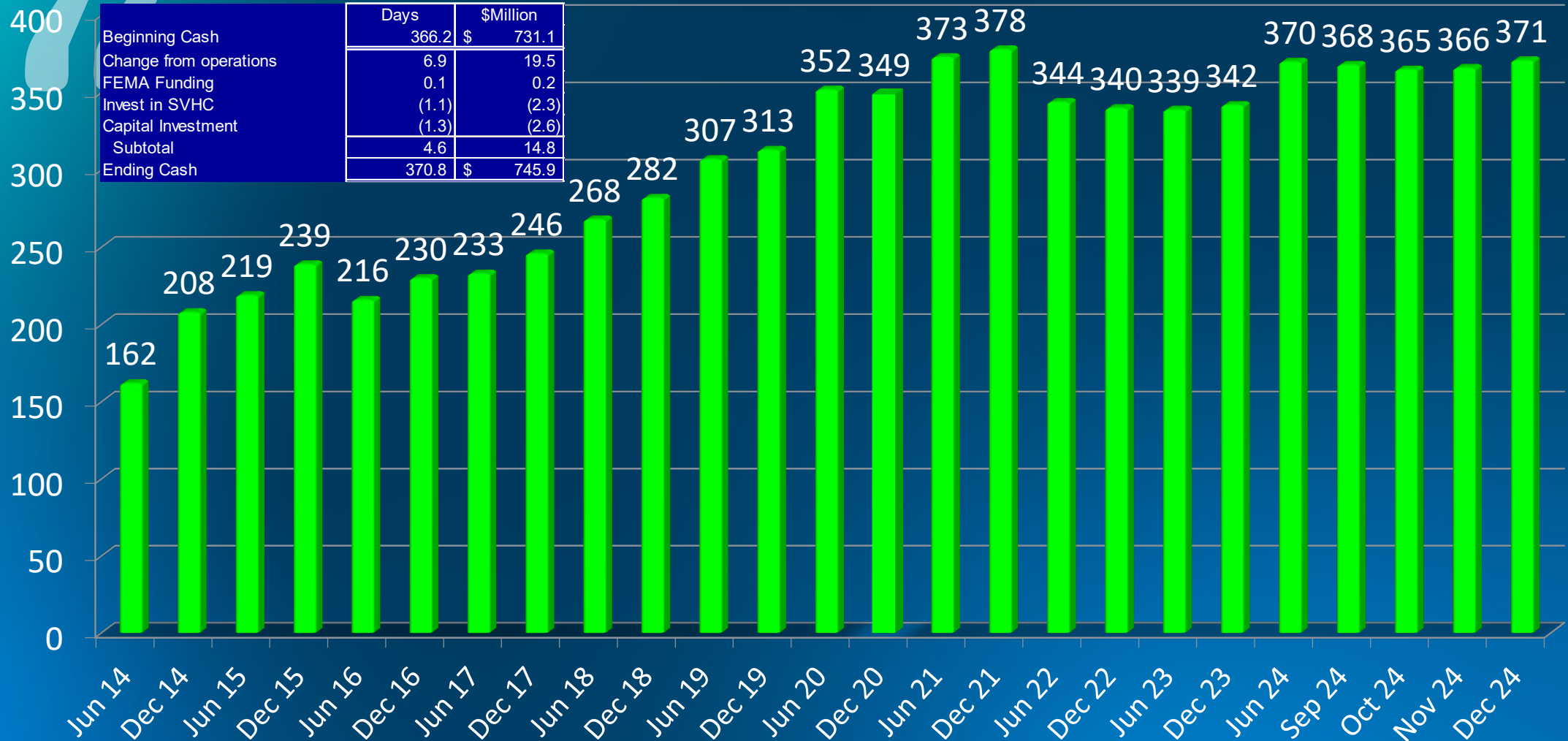
\*These metrics have been adjusted for normalizing items

\*\*Metric based on Operating Income (consistent with industry standard)

\*\*\*Metric based on 365 days average net revenue (consistent with industry standard)

# Salinas Valley Health

Days Cash on Hand = 371 Days (\$745.9M) - December 2024



# Routine Capital Expenditures Through December 2024

Fiscal Month	FY 2025 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,916,667	712,780	1,203,887	ED Expansion	82,530
August	1,916,667	1,382,572	1,737,981	Nuclear Med D-Spect Camera	47,104
September	1,916,667	729,309	2,925,338	Angio Equipment Replacement	21,105
October	1,916,667	1,191,148	3,650,857	X-Ray Rooms Equipment Replacement	20,780
November	1,916,667	794,889	4,772,635	Miscellaneous	45,600
December	1,916,667	1,381,451	5,307,851	Total Improvements	217,118
January	1,916,667		7,224,518	IT Laptops, Printers, PC's and Related Equipment	349,547
February	1,916,667		9,141,184	Surgery Ultrasound	327,681
March	1,916,667		11,057,851	Pharmacy Cabinets	196,917
April	1,916,667		12,974,518	Phys and Business Dev, Auxillary Furnite and Workstations	52,100
May	1,916,667		14,891,184	Miscellaneous	238,089
June	1,916,667		16,807,851	Total Equipment	1,164,333
<b>YTD TOTAL</b>	<b>23,000,000</b>	<b>6,192,149</b>	<b>16,807,851</b>	<b>Grand Total</b>	<b>1,381,451</b>



# Questions/Comments

SALINAS VALLEY HEALTH MEDICAL CENTER  
SUMMARY INCOME STATEMENT  
December 31, 2024

	<u>Month of December,</u>		<u>Six months ended December 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 57,682,787	\$ 52,888,045	\$ 334,713,019	\$ 289,771,990
Other operating revenue	1,477,702	1,612,340	8,991,127	7,246,740
Total operating revenue	<u>59,160,489</u>	<u>54,500,385</u>	<u>343,704,146</u>	<u>297,018,730</u>
Total operating expenses	50,368,419	48,572,361	298,890,724	284,564,849
Total non-operating income	<u>(3,725,185)</u>	<u>472,100</u>	<u>(11,459,262)</u>	<u>(5,819,773)</u>
Operating and non-operating income	<u>\$ 5,066,885</u>	<u>\$ 6,400,124</u>	<u>\$ 33,354,160</u>	<u>\$ 6,634,108</u>

SALINAS VALLEY HEALTH MEDICAL CENTER  
BALANCE SHEETS  
December 31, 2024

	<u>Current year</u>	<u>Prior year</u>
<b>ASSETS:</b>		
Current assets	\$ 423,338,862	\$ 342,219,681
Assets whose use is limited or restricted by board	169,842,945	163,788,499
Capital assets	253,203,610	249,761,627
Other assets	298,329,470	287,888,357
Deferred pension outflows	<u>85,734,219</u>	<u>116,911,125</u>
	<u>\$ 1,230,449,106</u>	<u>\$ 1,160,569,289</u>
<b>LIABILITIES AND EQUITY:</b>		
Current liabilities	92,679,224	92,243,403
Long term liabilities	18,592,908	21,647,807
Lease deferred inflows	1,310,788	1,926,317
Pension liability	90,863,576	118,792,064
Net assets	<u>1,027,002,610</u>	<u>925,959,697</u>
	<u>\$ 1,230,449,106</u>	<u>\$ 1,160,569,289</u>

**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**SCHEDULES OF NET PATIENT REVENUE**  
**December 31, 2024**

	Month of December,		Six months ended December 31,	
	current year	prior year	current year	prior year
Patient days:				
By payer:				
Medicare	2,001	1,997	10,417	10,703
Medi-Cal	1,120	990	6,287	6,136
Commercial insurance	577	501	3,251	3,670
Other patient	106	158	669	643
Total patient days	3,804	3,646	20,624	21,152
 Gross revenue:				
Medicare	\$ 130,456,522	\$ 112,377,689	\$ 748,325,884	\$ 657,549,721
Medi-Cal	80,210,590	70,432,469	477,798,888	406,910,614
Commercial insurance	59,124,897	59,382,383	344,554,562	316,400,725
Other patient	10,076,287	10,336,945	62,226,286	53,583,998
Gross revenue	279,868,296	252,529,486	1,632,905,620	1,434,445,058
 Deductions from revenue:				
Administrative adjustment	465,665	319,397	2,080,546	1,625,910
Charity care	573,124	339,919	2,658,605	4,552,671
Contractual adjustments:				
Medicare outpatient	40,417,105	34,517,144	248,888,251	202,962,520
Medicare inpatient	53,104,830	54,614,027	284,251,682	279,174,418
Medi-Cal traditional outpatient	1,692,571	4,254,832	9,162,164	18,044,276
Medi-Cal traditional inpatient	2,792,094	4,739,170	32,791,339	28,116,409
Medi-Cal managed care outpatient	39,422,204	32,420,424	231,810,747	178,533,675
Medi-Cal managed care inpatient	28,560,165	25,988,563	155,737,339	143,882,158
Commercial insurance outpatient	26,285,753	14,355,511	159,166,396	131,435,634
Commercial insurance inpatient	22,464,170	21,057,656	130,464,096	123,803,543
Uncollectible accounts expense	5,547,100	4,205,137	32,390,140	25,312,290
Other payors	860,728	2,829,661	8,791,296	7,229,566
Deductions from revenue	222,185,509	199,641,441	1,298,192,601	1,144,673,069
Net patient revenue	\$ 57,682,787	\$ 52,888,045	\$ 334,713,019	\$ 289,771,990
 Gross billed charges by patient type:				
Inpatient	\$ 134,547,601	\$ 135,188,320	\$ 764,245,078	\$ 730,087,117
Outpatient	113,903,303	87,759,834	679,195,297	528,127,246
Emergency room	31,417,392	29,581,331	189,465,245	176,230,695
Total	\$ 279,868,296	\$ 252,529,486	\$ 1,632,905,620	\$ 1,434,445,058

**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**STATEMENTS OF REVENUE AND EXPENSES**  
**December 31, 2024**

	Month of December,		Six months ended December 31,	
	current year	prior year	current year	prior year
Operating revenue:				
Net patient revenue	\$ 57,682,787	\$ 52,888,045	\$ 334,713,019	\$ 289,771,990
Other operating revenue	<u>1,477,702</u>	<u>1,612,340</u>	<u>8,991,127</u>	<u>7,246,740</u>
Total operating revenue	<u>59,160,489</u>	<u>54,500,385</u>	<u>343,704,146</u>	<u>297,018,730</u>
Operating expenses:				
Salaries and wages	17,974,205	17,051,771	105,453,439	99,337,719
Compensated absences	3,078,644	2,233,673	18,572,384	17,970,675
Employee benefits	6,626,759	9,018,730	47,244,184	49,746,211
Supplies, food, and linen	9,349,330	7,673,685	51,904,880	42,911,259
Purchased department functions	3,514,572	3,300,976	23,299,429	21,541,822
Medical fees	2,705,916	2,198,126	15,041,807	15,138,980
Other fees	2,609,166	2,538,676	11,541,657	13,240,492
Depreciation	2,705,538	2,391,193	15,188,415	14,385,247
All other expense	1,804,289	2,165,531	10,644,529	10,292,444
Total operating expenses	<u>50,368,419</u>	<u>48,572,361</u>	<u>298,890,724</u>	<u>284,564,849</u>
Income from operations	<u>8,792,070</u>	<u>5,928,024</u>	<u>44,813,422</u>	<u>12,453,881</u>
Non-operating income:				
Donations	230,929	0	4,007,960	1,333,552
Property taxes	476,714	333,333	2,860,286	2,000,000
Investment income	(120,673)	4,705,508	9,762,714	17,286,322
Taxes and licenses	0	0	0	0
Income from subsidiaries	(4,312,155)	(4,566,741)	(28,090,222)	(26,439,647)
Total non-operating income	<u>(3,725,185)</u>	<u>472,100</u>	<u>(11,459,262)</u>	<u>(5,819,773)</u>
Operating and non-operating income	5,066,885	6,400,124	33,354,160	6,634,108
Net assets to begin	<u>1,021,935,725</u>	<u>919,559,573</u>	<u>993,648,450</u>	<u>919,325,589</u>
Net assets to end	<u>\$ 1,027,002,610</u>	<u>\$ 925,959,697</u>	<u>\$ 1,027,002,610</u>	<u>\$ 925,959,697</u>
Net income excluding non-recurring items	\$ 5,066,885	\$ 6,400,124	\$ 33,354,160	\$ 6,634,108
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating and non-operating income	<u>\$ 5,066,885</u>	<u>\$ 6,400,124</u>	<u>\$ 33,354,160</u>	<u>\$ 6,634,108</u>

**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**SCHEDULES OF INVESTMENT INCOME**  
**December 31, 2024**

	<u>Month of December,</u>		<u>Six months ended December 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Detail of income from subsidiaries:				
Salinas Valley Health Clinics				
Pulmonary Medicine Center	\$ (218,205)	\$ (220,489)	\$ (1,212,536)	\$ (1,199,679)
Neurological Clinic	(82,976)	(77,633)	(407,545)	(438,228)
Palliative Care Clinic	(104,528)	(87,747)	(661,750)	(518,552)
Surgery Clinic	(74,869)	(175,981)	(1,043,340)	(1,090,961)
Infectious Disease Clinic	(52,283)	(41,327)	(267,345)	(212,536)
Endocrinology Clinic	(200,084)	(231,840)	(1,359,967)	(1,354,971)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(594,733)	(650,667)	(3,451,126)	(3,397,421)
OB/GYN Clinic	(264,270)	(407,702)	(2,370,759)	(2,368,237)
PrimeCare Medical Group	(702,633)	(734,479)	(5,083,892)	(5,057,924)
Oncology Clinic	(411,339)	(372,590)	(2,352,939)	(1,935,226)
Cardiac Surgery	(346,864)	(304,486)	(2,062,632)	(1,909,249)
Sleep Center	(73,709)	(53,347)	(516,260)	(289,014)
Rheumatology	(66,003)	(80,654)	(452,548)	(415,328)
Precision Ortho MDs	(428,522)	(493,193)	(2,643,635)	(2,820,572)
Precision Ortho-MRI	0	0	0	0
Precision Ortho-PT	(81,862)	(39,991)	(456,761)	(254,396)
Vaccine Clinic	0	0	0	16
Dermatology	(44,473)	(33,683)	(257,946)	(236,505)
Hospitalists	0	0	0	0
Behavioral Health	(33,173)	(47,319)	(244,889)	(254,301)
Pediatric Diabetes	(35,507)	(38,577)	(253,379)	(281,264)
Neurosurgery	(128,719)	(53,521)	(692,981)	(208,661)
Multi-Specialty-RR	15,192	(4,829)	70,817	18,563
Radiology	(299,596)	(436,182)	(1,971,647)	(1,883,797)
Salinas Family Practice	(131,189)	(136,425)	(685,213)	(832,953)
Urology	(186,437)	(170,575)	(1,154,653)	(1,006,574)
Total SVHC	(4,546,782)	(4,893,237)	(29,532,926)	(27,947,770)
Doctors on Duty	(9,276)	51,461	43,509	293,960
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	140,466	150,197	955,128	741,903
Coastal	43,460	53,298	4,646	235,686
Apex	0	0	0	0
21st Century Oncology	(0)	17,790	84,189	(11,393)
Monterey Bay Endoscopy Center	59,978	53,750	355,232	247,967
Total	<u>\$ (4,312,155)</u>	<u>\$ (4,566,741)</u>	<u>\$ (28,090,222)</u>	<u>\$ (26,439,647)</u>

**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**BALANCE SHEETS**  
**December 31, 2024**

	Current year	Prior year
<b>A S S E T S</b>		
Current assets:		
Cash and cash equivalents	\$ 283,531,552	\$ 222,703,090
Patient accounts receivable, net of estimated uncollectibles of \$57,220,715	115,978,756	98,096,773
Supplies inventory at cost	9,241,513	8,196,095
Current portion of lease receivable	1,067,519	1,347,190
Other current assets	13,519,522	11,876,533
Total current assets	423,338,862	342,219,681
Assets whose use is limited or restricted by board	169,842,945	163,788,499
Capital assets:		
Land and construction in process	42,424,154	72,486,366
Other capital assets, net of depreciation	210,779,456	177,275,261
Total capital assets	253,203,610	249,761,627
Other assets:		
Right of use assets, net of amortization	6,333,251	7,151,987
Long term lease receivable	277,483	723,298
Subscription assets, net of amortization	7,891,305	8,530,817
Investment in Securities	263,993,737	252,336,815
Investment in SVMC	(2,348,584)	10,333,241
Investment in Coastal	1,757,016	1,917,327
Investment in other affiliates	21,459,497	14,285,397
Net pension asset	(1,034,235)	(7,390,525)
Total other assets	298,329,470	287,888,357
Deferred pension outflows	85,734,219	116,911,125
	\$ 1,230,449,106	\$ 1,160,569,289
<b>L I A B I L I T I E S   A N D   N E T   A S S E T S</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 60,921,255	\$ 60,654,038
Due to third party payers	3,635,397	5,505,983
Current portion of self-insurance liability	22,648,944	19,095,466
Current subscription liability	2,984,587	4,451,874
Current portion of lease liability	2,489,041	2,536,043
Total current liabilities	92,679,224	92,243,403
Long term portion of workers comp liability	12,078,720	13,027,333
Long term portion of lease liability	3,933,983	4,836,895
Long term subscription liability	2,580,205	3,783,579
Total liabilities	111,272,132	113,891,211
Lease deferred inflows	1,310,788	1,926,317
Pension liability	90,863,576	118,792,064
Net assets:		
Invested in capital assets, net of related debt	253,203,610	249,761,627
Unrestricted	773,799,000	676,198,070
Total net assets	1,027,002,610	925,959,697
	\$ 1,230,449,106	\$ 1,160,569,289

**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL**  
**December 31, 2024**

	Month of December,			Six months ended December 31,			
	Actual	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:							
Gross billed charges	\$ 279,868,296	\$ 21,955,708	8.51%	\$ 1,632,905,620	\$ 1,530,883,128	102,022,492	6.66%
Deductions from revenue	222,185,509	15,070,927	7.28%	1,298,192,601	1,225,856,484	72,336,117	5.90%
Net patient revenue	57,682,787	6,884,781	13.55%	334,713,019	305,026,643	29,686,376	9.73%
Other operating revenue	1,477,702	25,033	1.72%	8,991,127	8,716,014	275,113	3.16%
<b>Total operating revenue</b>	<b>59,160,489</b>	<b>6,909,814</b>	<b>13.22%</b>	<b>343,704,146</b>	<b>313,742,657</b>	<b>29,961,489</b>	<b>9.55%</b>
Operating expenses:							
Salaries and wages	17,974,205	918,781	5.39%	105,453,439	102,615,484	2,837,955	2.77%
Compensated absences	3,078,644	(600,782)	-16.33%	18,572,384	20,541,931	(1,969,547)	-9.59%
Employee benefits	6,626,759	(865,367)	-11.55%	47,244,184	47,285,533	(41,349)	-0.09%
Supplies, food, and linen	9,349,330	2,047,054	28.03%	51,904,880	43,341,472	8,563,408	19.76%
Purchased department functions	3,514,572	(310,712)	-8.12%	23,299,429	22,951,699	347,730	1.52%
Medical fees	2,705,916	220,279	8.86%	15,041,807	14,913,823	127,984	0.86%
Other fees	2,609,166	852,738	48.55%	11,541,657	10,470,447	1,071,210	10.23%
Depreciation	2,705,538	357,736	15.24%	15,188,415	14,100,780	1,087,635	7.71%
All other expense	1,804,289	(187,178)	-9.40%	10,644,529	11,911,040	(1,266,511)	-10.63%
<b>Total operating expenses</b>	<b>50,368,419</b>	<b>2,432,548</b>	<b>5.07%</b>	<b>298,890,724</b>	<b>288,132,209</b>	<b>10,758,515</b>	<b>3.73%</b>
<b>Income from operations</b>	<b>8,792,070</b>	<b>4,477,266</b>	<b>103.77%</b>	<b>44,813,422</b>	<b>25,610,448</b>	<b>19,202,974</b>	<b>74.98%</b>
Non-operating income:							
Donations	230,929	22,596	10.85%	4,007,960	1,250,000	2,757,960	220.64%
Property taxes	476,714	(0)	0.00%	2,860,286	2,860,286	(0)	0.00%
Investment income	(120,673)	(2,011,846)	-106.38%	9,762,714	11,347,039	(1,584,325)	-13.96%
Income from subsidiaries	(4,312,155)	811,067	-15.83%	(28,090,222)	(30,739,333)	2,649,111	-8.62%
<b>Total non-operating income</b>	<b>(3,725,185)</b>	<b>(1,178,184)</b>	<b>46.26%</b>	<b>(11,459,262)</b>	<b>(15,282,008)</b>	<b>3,822,746</b>	<b>-25.01%</b>
<b>Operating and non-operating income</b>	<b>\$ 5,066,885</b>	<b>\$ 3,299,082</b>	<b>186.62%</b>	<b>\$ 33,354,160</b>	<b>\$ 10,328,440</b>	<b>23,025,720</b>	<b>222.94%</b>



**SALINAS VALLEY HEALTH MEDICAL CENTER  
PATIENT STATISTICAL REPORT**

For the month of December and six months to date

	<u>Month of December</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2023</u>	<u>2024</u>	<u>2023-24</u>	<u>2024-25</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	32	31	215	209	(6)
Other Admissions	87	76	499	478	(21)
Total Admissions	119	107	714	687	(27)
Medi-Cal Patient Days	51	120	346	412	66
Other Patient Days	144	54	847	688	(159)
Total Patient Days of Care	195	174	1,193	1,100	(93)
Average Daily Census	6.3	5.6	6.5	6.0	(0.5)
Medi-Cal Average Days	1.5	3.9	1.7	2.1	0.4
Other Average Days	1.0	0.7	1.7	1.5	(0.2)
Total Average Days Stay	1.5	1.6	1.7	1.7	(0.0)
<u>ADULTS &amp; PEDIATRICS</u>					
Medicare Admissions	427	391	2,247	2,252	5
Medi-Cal Admissions	308	280	1,573	1,720	147
Other Admissions	436	303	1,791	1,884	93
Total Admissions	1,171	974	5,611	5,856	245
Medicare Patient Days	1,678	1,496	9,079	8,658	(421)
Medi-Cal Patient Days	1,063	981	6,327	6,654	327
Other Patient Days	1,160	714	5,631	4,432	(1,199)
Total Patient Days of Care	3,901	3,191	21,037	19,744	(1,293)
Average Daily Census	125.8	102.9	114.3	107.3	(7.0)
Medicare Average Length of Stay	4.2	3.8	4.1	3.8	(0.2)
Medi-Cal Average Length of Stay	3.3	3.2	3.5	3.4	(0.1)
Other Average Length of Stay	2.6	1.9	2.5	1.9	(0.6)
Total Average Length of Stay	3.4	2.9	3.3	3.0	(0.3)
Deaths	30	37	156	165	9
Total Patient Days	4,096	3,365	22,230	20,844	(1,386)
Medi-Cal Administrative Days	0	0	5	0	(5)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	0	0	5	0	(5)
Percent Non-Acute	0.00%	0.00%	0.02%	0.00%	-0.02%

**SALINAS VALLEY HEALTH MEDICAL CENTER**

**PATIENT STATISTICAL REPORT**

For the month of December and six months to date

	<u>Month of December</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2023</u>	<u>2024</u>	<u>2023-24</u>	<u>2024-25</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	257	271	1,429	1,440	11
Heart Center	348	313	1,962	1,953	(9)
Monitored Beds	675	570	3,694	3,370	(324)
Single Room Maternity/Obstetrics	293	303	1,923	2,038	115
Med/Surg - Cardiovascular	923	820	4,976	5,219	243
Med/Surg - Oncology	302	271	1,658	1,618	(40)
Med/Surg - Rehab	546	469	2,720	2,797	77
Pediatrics	159	98	808	712	(96)
Nursery	195	174	1,193	1,100	(93)
Neonatal Intensive Care	142	76	795	597	(198)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	63.77%	67.25%	59.74%	60.20%	
Heart Center	74.84%	67.31%	71.09%	70.76%	
Monitored Beds	80.65%	68.10%	74.36%	67.83%	
Single Room Maternity/Obstetrics	25.54%	26.42%	28.25%	29.94%	
Med/Surg - Cardiovascular	66.16%	58.78%	60.10%	63.03%	
Med/Surg - Oncology	74.94%	67.25%	69.31%	67.64%	
Med/Surg - Rehab	67.74%	58.19%	56.86%	58.47%	
Med/Surg - Observation Care Unit	0.00%	0.00%	0.00%	0.00%	
Pediatrics	28.49%	17.56%	24.40%	21.50%	
Nursery	38.12%	34.02%	19.65%	18.12%	
Neonatal Intensive Care	41.64%	22.29%	39.28%	29.50%	

**SALINAS VALLEY HEALTH MEDICAL CENTER  
PATIENT STATISTICAL REPORT**

For the month of December and six months to date

	<u>Month of December</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2023</u>	<u>2024</u>	<u>2023-24</u>	<u>2024-25</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	116	123	651	683	32
C-Section deliveries	37	31	228	208	(20)
Percent of C-section deliveries	31.90%	25.20%	35.02%	30.45%	-4.57%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	17,688	20,885	96,693	108,663	11,970
Out-Patient Operating Minutes	26,842	29,584	177,793	207,519	29,726
Total	44,530	50,469	274,486	316,182	41,696
Open Heart Surgeries	18	12	68	69	1
In-Patient Cases	111	134	694	708	14
Out-Patient Cases	274	301	1,758	1,957	199
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	33	31	220	193	(27)
High Risk	870	838	4,335	5,179	844
More Than One Resource	2,926	2,736	17,153	16,733	(420)
One Resource	1,998	1,672	11,843	10,582	(1,261)
No Resources	64	62	594	464	(130)
Total	<u>5,891</u>	<u>5,339</u>	<u>34,145</u>	<u>33,151</u>	<u>(994)</u>

**SALINAS VALLEY HEALTH MEDICAL CENTER  
PATIENT STATISTICAL REPORT**

For the month of December and six months to date

	Month of December		Six months to date		Variance
	2023	2024	2023-24	2024-25	
<b>CENTRAL SUPPLY</b>					
In-patient requisitions	13,803	12,340	78,342	75,023	-3,319
Out-patient requisitions	9,707	10,076	61,810	65,513	3,703
Emergency room requisitions	548	439	4,455	3,802	-653
Interdepartmental requisitions	7,278	7,476	39,603	40,525	922
<b>Total requisitions</b>	<b>31,336</b>	<b>30,331</b>	<b>184,210</b>	<b>184,863</b>	<b>653</b>
<b>LABORATORY</b>					
In-patient procedures	40,917	37,830	217,890	211,109	-6,781
Out-patient procedures	33,927	39,141	126,637	257,967	131,330
Emergency room procedures	13,411	12,842	78,182	74,711	-3,471
<b>Total patient procedures</b>	<b>88,255</b>	<b>89,813</b>	<b>422,709</b>	<b>543,787</b>	<b>121,078</b>
<b>BLOOD BANK</b>					
Units processed	325	283	1,862	1,766	-96
<b>ELECTROCARDIOLOGY</b>					
In-patient procedures	1,244	1,221	6,461	6,672	211
Out-patient procedures	409	431	2,394	2,437	43
Emergency room procedures	1,245	1,398	7,193	7,612	419
<b>Total procedures</b>	<b>2,898</b>	<b>3,050</b>	<b>16,048</b>	<b>16,721</b>	<b>673</b>
<b>CATH LAB</b>					
In-patient procedures	121	144	731	788	57
Out-patient procedures	130	112	672	760	88
Emergency room procedures	0	0	0	1	1
<b>Total procedures</b>	<b>251</b>	<b>256</b>	<b>1,403</b>	<b>1,549</b>	<b>146</b>
<b>ECHO-CARDIOLOGY</b>					
In-patient studies	446	404	2,237	2,385	148
Out-patient studies	302	340	1,625	1,972	347
Emergency room studies	0	3	7	10	3
<b>Total studies</b>	<b>748</b>	<b>747</b>	<b>3,869</b>	<b>4,367</b>	<b>498</b>
<b>NEURODIAGNOSTIC</b>					
In-patient procedures	144	117	794	795	1
Out-patient procedures	14	31	115	142	27
Emergency room procedures	0	0	0	1	1
<b>Total procedures</b>	<b>158</b>	<b>148</b>	<b>909</b>	<b>938</b>	<b>29</b>

**SALINAS VALLEY HEALTH MEDICAL CENTER  
PATIENT STATISTICAL REPORT**

For the month of December and six months to date

	Month of December		Six months to date		Variance
	2023	2024	2023-24	2024-25	
<b>SLEEP CENTER</b>					
In-patient procedures	0	0	0	0	0
Out-patient procedures	225	263	1,364	1,646	282
Emergency room procedures	0	0	0	0	0
<b>Total procedures</b>	<b>225</b>	<b>263</b>	<b>1,364</b>	<b>1,646</b>	<b>282</b>
<b>RADIOLOGY</b>					
In-patient procedures	1,538	1,495	7,828	7,759	-69
Out-patient procedures	378	451	2,385	2,532	147
Emergency room procedures	1,488	1,613	8,962	9,372	410
<b>Total patient procedures</b>	<b>3,404</b>	<b>3,559</b>	<b>19,175</b>	<b>19,663</b>	<b>488</b>
<b>MAGNETIC RESONANCE IMAGING</b>					
In-patient procedures	133	160	841	1,103	262
Out-patient procedures	97	100	698	648	-50
Emergency room procedures	6	4	43	39	-4
<b>Total procedures</b>	<b>236</b>	<b>264</b>	<b>1,582</b>	<b>1,790</b>	<b>208</b>
<b>MAMMOGRAPHY CENTER</b>					
In-patient procedures	4,021	3,489	24,939	20,801	-4,138
Out-patient procedures	3,957	3,482	24,625	20,741	-3,884
Emergency room procedures	0	3	9	9	0
<b>Total procedures</b>	<b>7,978</b>	<b>6,974</b>	<b>49,573</b>	<b>41,551</b>	<b>-8,022</b>
<b>NUCLEAR MEDICINE</b>					
In-patient procedures	17	13	113	97	-16
Out-patient procedures	134	108	647	757	110
Emergency room procedures	1	0	2	2	0
<b>Total procedures</b>	<b>152</b>	<b>121</b>	<b>762</b>	<b>856</b>	<b>94</b>
<b>PHARMACY</b>					
In-patient prescriptions	93,636	87,235	497,415	477,786	-19,629
Out-patient prescriptions	14,682	16,674	94,024	99,718	5,694
Emergency room prescriptions	9,532	9,938	55,877	58,946	3,069
<b>Total prescriptions</b>	<b>117,850</b>	<b>113,847</b>	<b>647,316</b>	<b>636,450</b>	<b>-10,866</b>
<b>RESPIRATORY THERAPY</b>					
In-patient treatments	18,874	18,322	96,812	88,872	-7,940
Out-patient treatments	1,231	773	6,447	5,166	-1,281
Emergency room treatments	606	668	3,224	3,044	-180
<b>Total patient treatments</b>	<b>20,711</b>	<b>19,763</b>	<b>106,483</b>	<b>97,082</b>	<b>-9,401</b>
<b>PHYSICAL THERAPY</b>					
In-patient treatments	2,436	2,279	15,161	13,883	-1,278
Out-patient treatments	265	236	1,577	1,456	-121
Emergency room treatments	0	0	0	0	0
<b>Total treatments</b>	<b>2,701</b>	<b>2,515</b>	<b>16,738</b>	<b>15,339</b>	<b>-1,399</b>

**SALINAS VALLEY HEALTH MEDICAL CENTER  
PATIENT STATISTICAL REPORT**

For the month of December and six months to date

	Month of December		Six months to date		Variance
	2023	2024	2023-24	2024-25	
<b>OCCUPATIONAL THERAPY</b>					
In-patient procedures	1,189	1,430	8,442	8,501	59
Out-patient procedures	212	203	1,411	1,182	-229
Emergency room procedures	0	0	0	0	0
<b>Total procedures</b>	<b>1,401</b>	<b>1,633</b>	<b>9,853</b>	<b>9,683</b>	<b>-170</b>
<b>SPEECH THERAPY</b>					
In-patient treatments	611	563	3,056	3,111	55
Out-patient treatments	58	39	232	204	-28
Emergency room treatments	0	0	0	0	0
<b>Total treatments</b>	<b>669</b>	<b>602</b>	<b>3,288</b>	<b>3,315</b>	<b>27</b>
<b>CARDIAC REHABILITATION</b>					
In-patient treatments	0	0	9	4	-5
Out-patient treatments	462	505	2,945	3,715	770
Emergency room treatments	0	0	0	1	1
<b>Total treatments</b>	<b>462</b>	<b>505</b>	<b>2,954</b>	<b>3,720</b>	<b>766</b>
<b>CRITICAL DECISION UNIT</b>					
Observation hours	385	292	1,798	1,498	-300
<b>ENDOSCOPY</b>					
In-patient procedures	84	68	442	498	56
Out-patient procedures	67	58	358	342	-16
Emergency room procedures	0	1	0	1	1
<b>Total procedures</b>	<b>151</b>	<b>127</b>	<b>800</b>	<b>841</b>	<b>41</b>
<b>C.T. SCAN</b>					
In-patient procedures	820	789	4,256	4,544	288
Out-patient procedures	299	457	2,127	2,944	817
Emergency room procedures	675	686	4,381	4,511	130
<b>Total procedures</b>	<b>1,794</b>	<b>1,932</b>	<b>10,764</b>	<b>11,999</b>	<b>1,235</b>
<b>DIETARY</b>					
Routine patient diets	14,690	16,806	104,972	94,192	-10,780
Meals to personnel	30,741	38,344	170,705	211,556	40,851
<b>Total diets and meals</b>	<b>45,431</b>	<b>55,150</b>	<b>275,677</b>	<b>305,748</b>	<b>30,071</b>
<b>LAUNDRY AND LINEN</b>					
Total pounds laundered	101,270	100,705	584,027	584,034	7

# Balanced Scorecard

*FY 2025 YTD November*

# Monthly Scorecard

## Service (30%)

Organizational Goals by Pillar
<b>I. Service</b>
Inpatient - Recommend the Hospital
Emergency Room - Likelihood of Recommending
Ambulatory - Recommend the Hospital
Outpatient - Likelihood of Recommending

Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	FY 2025 Act/Proj	TARGET	Var %
77.6	75.4	77.3	79.7	77.0	77.2	78.5	-1.6%
66.9	69.2	70.9	65.6	59.7	66.3	62.3	6.4%
80.0	85.4	79.8	81.3	79.4	80.6	86.4	-6.7%
89.1	87.4	88.6	87.0	89.1	88.2	89.4	-1.4%

FY 2024 Baseline
78.0
61.8
85.4
88.4

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- Inpatient Score FY 2024 Baseline was 78.0. Rationale: Threshold = Baseline. Target is +0.5 from baseline. Max is +1.0 from baseline.
- ER Score FY 2024 Baseline was 61.8. Rationale: Threshold = Baseline. Target is +0.5 from baseline. Max is +1.0 from baseline.
- Ambulatory Score FY 2024 Baseline was 85.4. Rationale: Threshold +0.5 from Baseline. Target is +1.0 from baseline. Max is +1.5 from baseline.
- Outpatient Score FY 2024 Baseline was 88.4. Rationale: Threshold +0.5 from Baseline. Target is +1.0 from baseline. Max is +1.5 from baseline.



# Monthly Scorecard

## Quality & Safety Processes – ER (5%)

Organizational Goals by Pillar	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	FY 2025 Act/Proj	TARGET	Var %	FY 2024 Baseline
III. Quality & Safety Processes									
Emergency Room Efficiencies									
Median length of stay for non-admits (in minutes)	181.0	179.0	177.0	178.0	178.0	179.0	181.0	1.1%	181.0
Median time from admit decision to time of admission to nursing unit (in minutes)	71.0	68.0	72.0	65.0	67.0	68.0	74.0	8.1%	74.0



Source: Meditech

**ER - LOS for Non-Admits in Minutes:** Data Criteria: Calculate the median LOS in minutes for ER Outpatients for each month & YTD for cases in ER (excludes inpatients and patients leaving against medical advice or left without being seen.) Baseline = Target is based on FY 2024 Actuals. The Threshold & Maximum are 2 minute increments from the Target. **Rationale:** SVHMC ER has recently experienced a higher volume level, including a surge of patients and provider turnover. According to CMS, the latest available data from 2021 indicates that the State Rate is 196 minutes and the National Rate is 203 minutes for comparable size hospitals. The implementation of new ED modular will necessitate new patient flow process which could impact wait times / efficiency (Estimated to start October 2024).

**ER - Time to Admit in Minutes:** Data Criteria: Calculate the median time for inpatients from admit decision to time of admission to nursing unit in minutes (includes observation cases). Baseline = Target is based on FY 2024 Actuals. The Threshold & Maximum are 2 minute increments from the Target.

**Rationale:** The ER average daily census is currently averaging at about 186 patients a day compared to the baseline period of 128 (Jul21-Jan22), or a 45% increase in ER census. We also have continued challenges with COVID and respiratory isolation. The vast increase of volume leads to limited space availability and delays. We have put forth a new initiative called the “Big 5 Handover Process”, which is a streamline handover process between the ED and nursing units, which may reduce admit time. The implementation of new ED modular will necessitate new patient flow process which could impact wait times / efficiency (Estimated to start October 2024).

# Monthly Scorecard

## Quality & Safety Processes – OR & Cath Lab (5%)

Organizational Goals by Pillar
<b>III. Quality &amp; Safety Processes</b>
<b>Operating Room Efficiencies</b>
Turnover Time (Wheels out / Wheels in) (in minutes)
<b>Cath Lab Efficiencies</b>
First Case - On Time Start %

Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	FY 2025 Act/Proj	TARGET	Var %
30.8	30.5	33.9	34.6	32.3	32.4	30.5	-6.3%
86.1%	81.6%	75.0%	85.4%	83.8%	82.4%	85.0%	-3.1%

FY 2024 Baseline
30.8
80.4%



**OR Turnover Time Measurement:** Source is from the **PICIS OR Nurse Record**. Calculate minutes elapsed between the wheels out & wheels in of the next case. Only cases where the time difference is less than or equal to 60 minutes will be included because breaks are often scheduled in a day. Due to MD availability, cases that exceed 60 threshold minutes will not count as a turnover. Excludes non-scheduled cases. Measurement applies to cases for the same physician and same room only. Data will be partitioned by actual date rather than previously scheduled date. **National benchmarks range from 25 to 38 minutes.** FY 2025 Goals are set at a level to continue high efficiency performance and strive to maintain sustainability at these levels as the result of upcoming changes during FY 2025: An additional 7<sup>th</sup> operating room is expected to open during September & 3 new surgeons hired during FY 2025, which means there will be more complex cases specifically for robotic & neurosurgery cases that require a longer setup and cleanup time for the room.

**Cath Lab Percentage of 1<sup>st</sup> case On Time Start Time**

- > Source is from Meditech Community Wide Scheduling for the first case scheduled in each Cath Lab, where the scheduled time is from 7:00 am to 9:00 am
- > Conscious sedation patients prepped and draped 5 minutes before the scheduled start time as measured by “Patient Ready” note charted in McKesson/CPACS
- > Anesthesia patients prepped and draped within 60 minutes of scheduled start time as measured by “Patient Ready” note charted in McKesson/CPACS

# Monthly Scorecard

## Quality & Safety Processes – HAC & Hand Hygiene (10%)

Organizational Goals by Pillar
<b>III. Quality &amp; Safety Processes</b>
<b>Hospital Acquired Conditions Index (Weighted Total)</b>
<b>Hand Hygiene (Average Number of Observations Per Quarter Per Nursing Unit)</b>

Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	FY 2025 Act/Proj	TARGET	Var %
N/A	N/A	0.43	N/A	N/A	0.43	0.77	44.1%
N/A	N/A	251	N/A	N/A	251	220	14.1%

FY 2024 Baseline
0.77
216

### Hospital Acquired Conditions

Source: National Healthcare Safety Network (NHSN) & BD Health Insight Interface  
 Hospital Acquired Conditions will be measured **quarterly**

**Rationale for Targets: The Threshold = FY 2024 Baseline; Max = FY 2023 Baseline; Target is the midpoint. Utilizing CMS/NHSN/Magnet benchmarks and last year’s FY targets for sustainment and ongoing prevention practices. Process improvement measures for Falls, HAPIs, CLABSI, CAUTI, CDI, and SSI processes are in place.** With the changes in the data methodology in FY 2024, especially with CLABSI, CAUTI, CDI & SSI, we are continuing to create consistency by re-baselining the data for FY 2025 and utilizing comparison data outcomes from FY 2023 and FY 2024.

- **Falls with injury:** NDNQI Magnet benchmark 0.5- our outcomes in FY2022 and FY2023 are meeting the benchmarks
- **HAPI—stage 2 and Deep tissue injuries are added to the CMS measures already reported (currently, stage 3,4 and unstageable events are reported)—the goal expanded. There is no current benchmark. We have already improved the outcomes in FY 2023 over FY 2021—**we are proposing to keep/sustain the current outcomes. Displayed as a rate: number of pressure injuries /over 1000 patient days.
- **CLABSI** (Central Line-Associated Bloodstream Infection), Health & Human Services 2020 Goal for CLABSI: SIR <0.50. An HAI Event can create increases above the benchmark SIR due to low utilization. Example: FY Q2 2021 1 CLABSI increased the SIR to 0.63. We will utilize a rate methodology: number of infections/ over 1000 line days. This rate is not risk-adjusted like the SIR rate is, but it provides us with the ability to display outcome measures after the close of the month instead of waiting from NHSN for benchmarked data. This is important for rapid continuous improvement work.
- **CAUTI** (Catheter Associated Urinary Tract Infection) Health & Human Services 2020 Goal for CAUTI: SIR <0.75. An HAI Event(s) can create increases above the benchmark SIR due to low utilization. Example: FY Q4 2022 1 CAUTI increased the SIR to 0.72 .We will utilize a rate methodology: number of infections/ over 1000 line days. This rate is not risk adjusted like the SIR rate is but it provides us with the ability to display outcome measures after the close of the month instead of waiting from NHSN for benchmarked data.
- **CDI** (Clostridium Difficile Infection), Health & Human Services 2020 Goal for CDI: SIR <0.70. We will utilize a rate methodology: number of infections/ over 1000 patient days. This rate is not risk adjusted like the SIR rate is but it provides us with the ability to display outcome measures after the close of the month instead of waiting from NHSN for benchmarked data.
- **SSI** (Surgical Site Infections), Health and Human Services 2020 Goal for SSI <0.70. We will utilize a rate methodology: number of infections/ over 1000 procedure days. This rate is not risk adjusted like the SIR rate is but it provides us with the ability to display outcome measures after the close of the month instead of waiting from NHSN for benchmarked data.

### Hand Hygiene

Source: Hand Hygiene Auditing Tool populated by SVHMC staff. The threshold = baseline, the target is +4 & Maximum is +14 from baseline.

# Monthly Scorecard

## Finance (20%)

Organizational Goals by Pillar
<b>IV. Finance</b>
SVHMC Income from Operations (Normalized & Adjusted) (\$ in Millions)
<i>Operating Margin (Normalized)</i>

<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	<u>Nov-24</u>	<u>FY 2025 Act/Proj</u>	<u>TARGET</u>	<u>Var %</u>
\$4,729	\$7,311	\$7,978	\$9,050	\$6,954	\$86,451	\$50,803	70.2%
9.2%	12.4%	13.7%	14.8%	12.8%	12.7%	8.1%	57.1%

<u>FY 2024 Baseline</u>
\$74,413
11.3%

- Target Methodology is based on SVHMC's 100% of FY 2025 Board Approved Annual Operating Budget (in dollars).

# Monthly Scorecard

## Growth (10%)

Organizational Goals by Pillar
<b>V. Growth</b>
Increase the scope of the Community Oncology Research Program by adding one to two New Clinical Trials
Expand / Add one to two New Comprehensive Cancer Program Outpatient Supportive Services
Initiation of Familial Genetic Testing for non-breast cancers
Implementation of External TeleHealth Services in the SVH Clinic System & Average Monthly Visits during FY25Q4

Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	FY 2025 Act/Proj	TARGET	Var %
					0	1	-100.0%
					0	1	-100.0%
					0	1	-100.0%
					0	25	-100.0%

FY 2024 Baseline
-
-
-
-

Activity is expected to be reported during January 2025.

- **Increase the scope of the Community Oncology Research Program by adding 1-2 Clinical Trials:** Success measured by the number of new active Clinical Trial Agreements (CTA's) for IRB-approved oncology research protocols. Expanding the number clinical trials aligns with the Comprehensive Cancer Program's mission to advance oncology research and improve outcomes and health equity within the community. **There is no Threshold (zero opportunity for Threshold Incentive).** Data Source: Research Program (Terri Nielsen)
- **Expand/add Comprehensive Cancer Program Outpatient Supportive Services:** Supportive services in Cancer Care complements the care provided by oncologists. Cancer patients and their families have significant supportive needs throughout their disease trajectory. The Cancer Resource Center currently provides supportive services such as Social Work, personalized Nurse Navigator Support, Support Groups and Wig/Head Covering Program. Supportive services for consideration include lymphedema clinic, nutritional counseling, spiritual care, art therapy, etc. **There is no Threshold (zero opportunity for Threshold Incentive).** Data Source: Comprehensive Cancer Program.
- **Initiation of Familial Genetic Testing for non-breast cancers:** Familial genetic testing allows family members of an individual known to have an inherited gene mutation to test and determine if they need screening tests to look for cancer early or if they need to take steps to lower their risk of cancer. Familial genetic testing is offered for families of breast cancer patients with specific gene mutations. The Target is based on successful initiation of the program, while the Stretch goal will include Genetic Counseling provided as part of the service. **There is no Threshold (zero opportunity for Threshold Incentive).** Data Source: Myriad and Meditech Reports
- **Implementation of External TeleHealth Services in the SVH Clinic System for FY2025 Q4:** Expansion of resources via an external telehealth company. Increase access and expand provider team. Rollout will require implementation plan and resources to ensure success/adoption (insurance credentialing, patient education). Areas of emphasis: after hours and weekend coverage provided. Important to improve access for services, patient experience and reduce burden of call for physicians (provider satisfaction). External resources supplement current services provided at four SVH locations (in person and telehealth). (Not including DOD.) The Threshold will be based on successful implementation of the Telehealth Services, followed by the Target & Maximum measured by average monthly visits during Q4. Data will be provided FY2025, Q4. Data Source: Business & Development Reports

# Community FY 2025 Goals

Organizational Goals by Pillar	
<b>VI. Community</b>	
*	Increase community engagement through individual district zone specific events
**	Allocation of Community Benefit funding in South County Measured by: % Over Baseline (\$3,000)
**	Allocation of Community Benefit funding in North County Measured by: % Over Baseline (\$0)

Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	FY 2025 Act/Proj	TARGET	Var %	FY 2024 Base Line
0	0	0	2	0	2	5	-60.0%	-
-	-	-	-	-	0.0%	4.0%	-100.0%	-
-	-	6.0%	-	-	6.0%	4.0%	50.0%	-

**Community Pillar** (Total 5%) – Increase diversified impact throughout the hospital District through community engagement and program support.

**Increase community engagement through individual district zone specific events** (2.5%)

- Achieved by:
  - Diversified community outreach events in each of the five District zones
  - Community health and service line promotion prioritized
  - Measured by event hosting or participation
- Threshold 3 | Target 5 | Max 6 (one in each zone to achieve max – see next slide for map)

* <b>Community Engagement Status:</b>	Zone 1	Zone 2 ✓	Zone 3	Zone 4	Zone 5 ✓
	Confirmed event on April 27 <sup>th</sup>	<b>COMPLETED</b> on Oct 14 <sup>th</sup> : Flu Clinic and hospital resource fair at Boys & Girls Club	Confirmed event on March 6 <sup>th</sup>	Confirmed event March 30 <sup>th</sup>	<b>COMPLETED</b> on Oct 12 <sup>th</sup> : Gonzales Family Fun Day

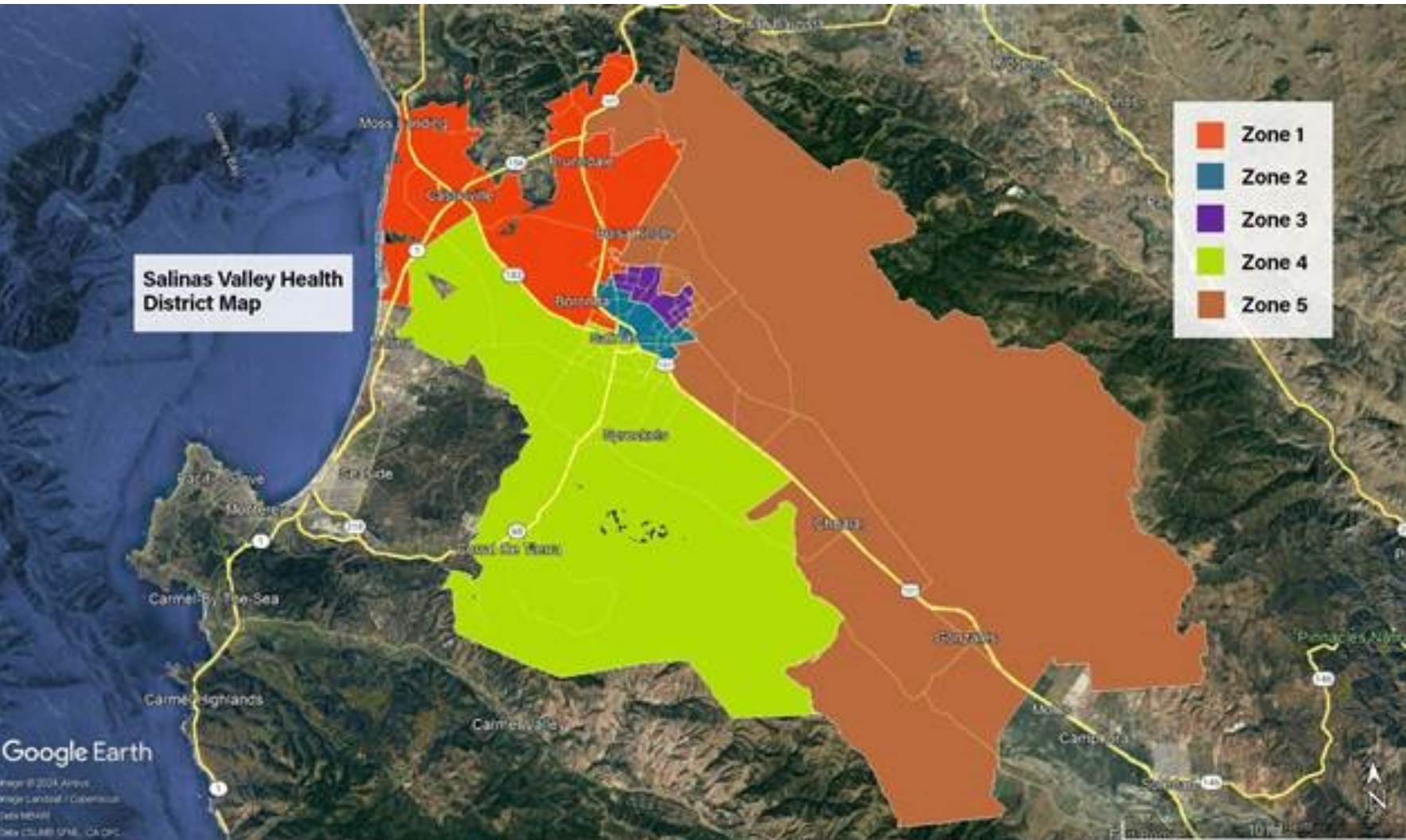
**Allocation of Community Benefit funding** (2.5%)

- Diversify distribution of Community Benefit Funding to increase grants in North County and South County regions.
- Measurement is based on % increase of total funds allocated in identified areas, baseline FY24 number and development of dashboard
- Achieved by:
  - Development of a Community Funding dashboard
  - Include District funding distribution
  - Outreach to underrepresented communities to encourage aligned funding request
- Threshold: 2% increase | Target: 4% increase | Max: 6% increase

\*\* **Allocation of Community Benefit funding: South County community benefit was funded \$2,500 on 9/23/24 which is below baseline of \$3,000. North County community benefit was funded \$5,000 on 9/23/24 which has exceeded the maximum of 6% over the baseline (baseline is \$0).**



# Community FY 2025 Goals



# QUESTIONS / COMMENTS



*ADJOURNMENT*