

Joint Planning Committee
AHS - City of Alameda Health Care District
Date: September 26, 2023
Time: 4 - 6 p.m.

LOCATION:
 Alameda Health Hospital, 2070 Clinton Street, Alameda CA, Conference Room A

JOIN ZOOM MEETING
<https://us02web.zoom.us/j/84646836383?pwd=VTdMWTIKN2xMdjRXdU5Cb244RHIDdz09>
 Meeting ID: 846 4683 6383
 Passcode: 436581

Dial by your location
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 +1 669 444 9171 US

District Board	District Board / AHS Liaison	Alameda Hospital Medical Staff	AHS	Others
Robert Deutsch M.D., President Gayle Codiga, Vice President Debi Stebbins Executive Director	David Sayen	Dr. Nikita Joshi - Chief of Staff and Medical Director of AH ED Dr. Pirnia – Orthopedic Surgeon and AH Vice Chief of Staff Dr. Tamina Isolani- Nagarvala AH Hospitalist Medical Director	Jeanette Dong - Chief Strategy Officer Richard Espinoza – CAO Post Acute Services Mark Fratzke – COO Mark Friedman – Board of Trustees Eric Gully – Director of Business Intelligence Mario Harding – CAO Community Hospitals James Helena – Director of Facilities Kimberly Miranda – Chief Financial Officer Grace Mesina – Director of Financial Planning Christy Tho Vo – Manger of Strategic Planning and Business Development Ethan Torrence – Fellow	Katy Ford – Ratcliff Architects Madelyn McClellan – Smith-Kargn Architecture Rowena Manlapaz – Alameda Community Member

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|--|------------------------------------|
| 1. Call to Order | Dr. Robert Deutsch
Mark Fratzke |
| 2. Approval of Meeting Minutes from July 31, 2023,
ENCLOSURE | Dr. Robert Deutsch |
| 3. Review of Financial Implications for AHS
ENCLOSURE | Kimberly Miranda |
| 4. Update on Alameda Hospital Infrastructure | Mark Fratzke |
| 5. Sterile Processing Department (SPD) | Dr. Robert Deutsch |
| 6. Update on AB 869: Legislation extending 2030 Seismic Standards Deadline | Debi Stebbins |
| 7. Update on Financing Strategy | Debi Stebbins |

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|---|-------------------------------|
| 8. Ratcliff Architects Proposal to Update Cost Estimates
for Select Options and Develop Plan for 2 South
ENCLOSURE | Debi Stebbins |
| 9. HVAC Schedule and Funding | Mark Fratzke
Mario Harding |
| 10. HCAI Meeting Update | Debi Stebbins |
| 11. Next Meeting Dates
Tuesday November 7 th - AHS
Tuesday December 12 th - AH | Dr. Robert Deutch |
| 12 . Adjournment | Dr. Robert Deutsch |

Joint Planning Committee Minutes
AHS - City of Alameda Health Care District

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District Board	District Board / AHS Liaison	Alameda Hospital Medical Staff	AHS	Other's
Robert Deutsch M.D., President Gayle Codiga, Vice President Debi Stebbins - Executive Director	David Sayen	Dr. Nikita Joshi - Chief of Staff and Medical Director of AH ED Dr. Pirnia – Orthopedic Surgeon and AH Vice Chief of Staff Dr. Tamina Isolani- Nagarvala AH Hospitalist Medical Director Dr. Laura Lang – Chair of Anesthesia / Perioperative Medical Director	Jeanette Dong – Chief Strategy Officer Richard Espinoza – Absent CAO Post Acute Services Mark Fratzke – COO Mark Friedman – Absent Board of Trustees Eric Gully – Absent Director of Business Intelligence Mario Harding - CAO Community Hospitals James Helena – Absent Director of Facilities Kimberly Miranda – Chief Financial Officer Ethan Torrence – Fellow	Katy Ford – Ratcliff Architects Madelyn McClellan – Smith Karng Architects Rowena Manlapaz – Alameda Community Member

Agenda Item/Topic	Presentation and Discussion Notes	Action Items/ Follow-Up
Call to Order	The meeting was called to order at 4 p.m. by Dr. Robert Deutsch.	
Review of June 26 th Meeting Minutes	Dr. Deutsch briefly reviewed the meeting minutes from June 26, 2023. A motion to accept the minutes was made by Ms. Codiga and seconded by Mr. Fratzke. The motion was unanimously approved.	Motion approved
Review of Financial Implications for Option 3	Ms. Miranda presented the group with the financial findings for option 3 of the 2030 Seismic / Capital planning. The goal is to provide two years of financial statements that accurately reflect Alameda Hospital as an entity. To do this, Alameda was broken into various components where the sum equals Alameda Hospital. The components were broken down into the following. <ol style="list-style-type: none"> 1. <u>Emergency Room Activity</u>: made up of inpatient and community transfers in mostly from Highland Hospital to get the total. 2. <u>Elective</u>: referred inpatient and outpatient (direct admissions), transfers in and surgery. 3. <u>Sub- Acute</u> 4. <u>Wound Care</u> 	

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- 5. SNF (Park Bridge & South Shore)
- 6. Other (lab & other ancillary services from AHS):

As of May 2023, there is an expected loss of 3.4 million dollars for the FY. This is just the direct cost for Alameda Hospital itself without any administrative salaries. Physicians contract services have improved as physicians are billing directly to the entity they work. The goal is to get the physician scheduling system linked to Chronos or EKG so they would not have to manually submit their hours, and it would automatically populate no matter what entity they work at.

Ms. Miranda noted Park Bridge and South Shore are doing well on revenue. System wide Medicare is 20% for the ED. For Alameda Hospital their Medi-Care ED payor mix is 40% indicating the ED is being used by the community. Insured patients account for 11% at Alameda Hospital ED compared to 7% system wide. The non-emergency referrals lost \$ 2 million dollars on inpatient revenue and \$5.6 million dollars on outpatient revenue. Ms. Miranda and her team will look into the labor standards and see if there are any excess labor costs. The total occupancy is 64% as of today.

The claim progress is still being worked out to ensure each facility will be reimbursed for the care provided. San Leandro Hospital is on the same license at Alameda Hospital. Typically, when you transfer to a different hospital there would be a separate claim however, the AHS legal team made an exception for transfers within the system.

Option 1: would remove 100 percent of the transfers and elective surgeries. The Acute- Beds would be reduced to 31 beds or 82% occupancy. SNF would increase by 16 beds. The expected length of stay is 3.1 days however, 5 days have been built into this option. According to the architects' Option 1 would put Alameda Hospital out of commission for one – two years.

Ms. Stebbins suggested mapping out a Medi-SNF for acute transfers. This could potentially be on the third floor of Stephens Wings. Ms. Miranda added that if there was a Medi-SNF with shorter stays that accepted all payors it could be extremely efficient. Additionally, AHS SNFs have some of the best ratings. There are services that can be provided within a SNF setting that receive a higher reimbursement.

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	<p><u>Financial Report for Electives</u> The net revenue for elective procedures is \$2,795,551 for the 2023 FY with most of the volume coming from clinical lab and MRI services. The net revenue for elective surgeries is \$8,282,805 for the 2023 FY. Most of the volume is orthopedic and OB services.</p> <p><u>Option 3 and Bond Financing \$</u> At the current state, there is an operating loss of \$3.3 million dollars a year with an improvement of \$7.2 million dollars with a 55% reduction in length of stay. It would take 19.8 years to see a return. If approved the financial bond advisor has estimated a 4.8 – 5 % interest rate for 30 years. There would be no debt obligation from AHS with the exception of diverting the Parcel Tax to secure the bond. Gary Hicks will be meeting with the District.</p> <p><u>Next Steps</u> Ms. Miranda and her team will still be working on the costs of the CCU and better management opportunities. They will also be looking into the reason for loss of surgery cases.</p> <p>Ms. Miranda noted that Option 2 & 4 need more information to be built out. Option 2 could open more beds to be staffed at 80% occupancy. What services would be used by those beds still needs to be figured out. Option 3 would convert more SNF beds but has a significant impact due to cutting out all elective surgeries. There would not be enough capacity in one unit for inpatient space.</p> <p>There is also another option for inpatient medical substance abuse that would be beneficial to the county. Mr. Fratzke no</p>	
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New Programs	Mr. Fratzke will model out an inpatient medical substance abuse unit. This option would be profitable based on a performance review done by AHS.	
HVAC Update	Mr. Fratzke updated the group on the status of the HVAC. Mr. Fratzke will be meeting with Mr. Helena and Mr. Harding to discuss the schedule of work to be completed for the year. Last week Mr. Fratzke approved \$24,000 for a new compressor to service one of the chillers at Alameda Hospital. Additionally, Ms. Stebbins and Dr. Deutsch met with the Alameda Hospital Foundation last week to discuss the project and funding and should hear back from the foundation sometime this week. Over the course of five years there is an estimated \$15 million dollars needed to complete everything.	

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SPD	Dr. Deutsch informed the group that the medical staff was hoping to find a less expensive fix to accommodate the SDP need at Alameda Hospital.	
Legislation Update	AB 869 was a one-year bill however, Assemblyman Wood decided to pull it back making it a two-year bill. The reason is because it would be partially financed through a tax on managed care organization. There was backlash about this and some indication the governor might veto the bill. Ms. Stebbins suggested arranging a meeting with HCAI.	
Adjournment	Dr. Deutsch adjourned the meeting at 5:45 pm	

Minutes submitted by: Alixandria Williams, Executive Assistant

Approved: _____



Joint Planning Committee

9/26/2023

Agenda

1. Revise FY2023 Current State
2. Elective Surgery detail, including patient details (zip code)
3. Options
 - Upgrade hospital, convert 27 acute beds to 16 beds
 - Option 1: 16 SNF Bed, Relocate kitchen and IT, increasing capital costs
 - Option 3a: 16 SNF beds
 - Option 3b: 16 Medical Complex SNF beds
 - Option 3c: 16 IP Substance Abuse beds
 - Upgrade hospital, keep existing bed type the same.
 - Option 2a: Current state
 - Option 2b: 8 IP Substance Abuse
 - Close hospital
 - Option 4a: convert 66 acute to 35 SNF Beds
4. Other costs to be determined
5. Next steps:

Option 2a:Current state

	ER Room Activity	Elective	Sub-Acute	Wound Care	SNF	Other (lab)	Total
Operating Revenue -----							
Facility Charges	\$345,141	\$107,797	\$79,530	\$22,194	\$113,516	\$6,377	\$674,554
Profee changes	7,459	19,863	16	2,092	67		29,498
Total charges	352,601	127,660	79,546	24,286	113,583	6,377	704,053
Net Patient Revenue	57,546	17,120	14,758	4,185	22,221	1,193	117,022
Parcel tax Revenue	3,558	1,288	803	245		64	5,958
Other Government Programs	10,898	8,337	1,521	106	413	137	21,412
Total Revenue - All Sources	72,001	26,745	17,081	4,535	22,634	1,394	144,391
Collection %	16.3%	13.4%	18.6%	17.2%	19.6%	18.7%	16.6%
Operating Expenses -----							
Labor costs	42,395	17,959	11,621	3,764	12,284	289	88,312
Physician contract services	4,116	1,650	31	72	131	2	6,002
Purchased services	691	1,162	325	556	874	201	3,808
Materials and supplies	4,831	3,419	1,251	799	1,591	127	12,018
Facilities	100	46	212	174	60	1	594
Depreciation and amortization	467	232	7	437	2	9	1,154
General and administrative	20	7	5	4	61	1	98
Estimated call fee	1,046	906	1	154	85		2,192
Flex	6,026	1,882	1,614		324	111	9,956
Fixed	12,983	4,055	2,188		3,560	240	23,026
Total Operating Expenses	72,675	31,318	17,255	5,960	18,972	982	147,162
Operating Income (Loss)	-\$674	-\$4,573	-\$173	-\$1,425	\$3,662	\$412	-\$2,771
Operating Margin	-0.9%	-17.1%	-1.0%	-31.4%	16.2%	29.5%	-1.9%
Paid FTE	257.6	100.8	80.1	22.7	148.3	3.6	613.0

Assumptions:

- Collection % based on actual closed patient accounts and varies slightly from entity financial stmt. Prior period SNF payback removed from analysis, \$1M.
- Pro-fees revenue is actual payments for patient.
- Allocated 20% of AHMG expenses to ED. The rest is allocated based on Pro-fee gross charges.
- HPAC revenue is allocated based on percent of Alameda hospital HPAC charges against AHS HPAC total charges
- South Shore moved to Fairmont campus in November 2022. *Fairmont excluded from proforma.*
- System overhead & Suppl. funding not allocated. Net is negative based on WIPFLI allocation which would further deteriorate probability.
- Alameda hospital financial proforma excludes overhead costs (i.e. admin, HR, finance, IT, billing).

Key Points:

- 50% of ED activities are from the city of Alameda, indicating that Alameda residents are using Alameda Hospital
- High Medicare payor at 40% in ED, indicating high Medicare population on the island.
- Elective surgery is losing money in current state.
- Transfers from HGH appear to break-even. Further evaluation is needed. Transfers avg. 35 patients per month with a LOS of 6.8 days.
- SNF Payor mix is unfavorable due to referring pattern from Highland
- LOS is 1.5 days above expected based on acuity models.

Option 2a:Current state

	ER Room Activity	Elective	Sub-Acute	Wound Care	SNF	Other (lab)	Total
Volume:							
Acute Patient Day	11,209	2,779	-	-	-	-	13,988
ED Visit	16,908	-	-	-	-	-	16,908
Surgery Case	271	1,351	-	-	-	-	1,622
Surgery Minute	18,982	70,727	-	-	-	-	89,709
Subacute Day	-	-	12,292	-	-	-	12,292
SNF Day	-	-	-	-	41,493	-	41,493
Bed Hold	-	-	-	-	-	-	-
Wound Care visits	-	-	-	8,223	-	-	8,223
Length of Stay (LOS)							
ACT LOS	5.1	6.0	-	-	-	-	5.2
Expected LOS	3.8	3.1	-	-	-	-	3.7
Payor Mix							
Insurance	11%	7%	2%	11%	1%	4%	7%
Medi-Cal	6%	9%	94%	0%	61%	23%	27%
Medi-Cal MC	27%	48%	1%	31%	32%	44%	28%
Medicare	40%	22%	1%	43%	1%	17%	26%
Medicare MC	12%	5%	0%	15%	4%	6%	8%
Other Govt	2%	8%	0%	0%	0%	4%	2%
Self Pay	2%	1%	2%	0%	1%	3%	2%
	100%	100%	100%	100%	100%	100%	100%
Rates							
Net pt reveue per pt day	\$ 5,134	\$ 6,160	\$ 1,201		\$ 536		
Total Revenue per pt day	\$ 6,423	\$ 9,624	\$ 1,390		\$ 545		
Total operating expenses per pt day	\$ 6,484	\$ 11,270	\$ 1,404		\$ 457		

Upgrade hospital, convert 27 acute beds to 16 beds

	Option 1: 16 SNF Bed, Relocate kitchen and IT, increasing capital costs	Option 3a: 16 SNF beds	Option 3b: 16 Medical Complex SNF beds	Option 3c: 16 IP Substance Abuse beds
KEY ASSUMPTIONS:	Eliminate all elective surgeries and transfers which would allow us to operate 39 acute beds.			
	<ul style="list-style-type: none"> Mirror Park Bridge financials 	<ul style="list-style-type: none"> Mirror Park Bridge financials 	<ul style="list-style-type: none"> Change referral patterns to improve payor mix and reduce LOS Shorter term stay and improve payer mix to 55% Medicare/Insurance, improve daily rate from \$538 to \$773. Mirror Park Bridge staffing model and expenses 	<ul style="list-style-type: none"> Based on current payor mix and increase census from 5 to 12 ADC's Assume additional payment from the County at \$724 per day. Licensing needs to be validated
RETURN ON INVESTMENT				
Operating Income (Loss)	\$3,537,722	\$3,537,722	\$4,612,765	\$3,640,680
Capital costs	\$102M	\$75M	\$75M	\$75M
# of years to payback	28.8	21.2	16.3	20.6
BED COUNTS				
	License Actual OCC	License Actual OCC	License Actual OCC	License Actual OCC
ICU	8 6 75%	8 6 75%	8 6 75%	8 6 75%
Tel	31 23 74%	31 23 74%	31 23 74%	31 23 74%
Med/Surg	- - -	- - -	- - -	- - -
Total Acute	39.0 28.9 74%	39.0 28.9 74%	39.0 28.9 74%	39.0 28.9 74%
Sub-Acute	35.0 33.7 96%	35.0 33.7 96%	35.0 33.7 96%	35.0 33.7 96%
New Beds	16.0 15.0 94%	16.0 15.0 94%	16.0 13.6 85%	16.0 13.0 81%
Total	90.0 77.6 86%	90.0 77.6 86%	90.0 76.2 85%	90.0 75.6 84%

	Upgrade hospital, keep existing bed type the same.						Close hospital					
	Option 2a: Current state			Option 2b: 8 IP Substance Abuse			Option 4a: convert 66 acute to 35 Medical Complex SNF beds			Option 4b: convert 66 acute to 35 SNF Beds and 8 holding beds TBD		
KEY ASSUMPTIONS:	<ul style="list-style-type: none"> Same services, mirror Alameda current financials 			<ul style="list-style-type: none"> Retrofit 2nd floor Current state plus IP Substance Abuse Unit Maintaining current AHS payor mix and census of 5 ADC's (breakeven at 10 ADCs due to minimum staffing requirement) Assume additional payment from the County at \$724 per day. Licensing needs to be validated 			<ul style="list-style-type: none"> Losing hospital-based rates for all services including Park Bridge and Sub-acute. Revenue reductions by 45%. 35 Medical Complex SNF beds, -shorter term stay and improve payer mix to 55% Medicare/Insurance -mirror option 3b expenses 			<ul style="list-style-type: none"> Losing distinct hospital rates for all services including Park Bridge. Converting to freestanding. 		
RETURN ON INVESTMENT												
Operating Income (Loss)	(\$2,771,165)			(\$2,992,162)			(\$10,764,959)			TBD		
Capital costs	\$60M			\$60M + 2nd TBD			\$120M			\$120M		
# of years to payback												
BED COUNTS	License	Actual	OCC	License	Actual	OCC	License	Actual	OCC	Available	Actual	Occupancy
ICU	8	6	75%	8.0	6.0	75%	-	-	-	8	6	75%
Tel	31	17	55%	31.0	17.0	55%	-	-	-	31	17	55%
Med/Surg	27	19	70%	27.0	19.0	70%	-	-	-	27	19	70%
Total Acute	66.0	42.0	64%	66.0	42.0	64%	-	-	-	66	42	64%
Sub-Acute	35.0	33.7	96%	35.0	33.7	96%	35.0	33.7	96%	35	-	0%
New Beds		-		8.0	6.0	75%	35.0	33.3	95%	-	-	
Total	101.0	75.7	75%	109.0	81.7	75%	70.0	66.9	96%	101	42	42%

City	Elective Surgery
OAKLAND	44%
HAYWARD	16%
SAN LEANDRO	8%
ALAMEDA	8%
NEWARK	3%
FREMONT	3%
UNION CITY	2%
LIVERMORE	2%
BERKELEY	2%
SAN LORENZO	2%
CASTRO VALLEY	1%
OTHER	8%
TOTAL	100%

Services	Cases	Minutes	Minutes/Case
Ophthalmolo	555	9,661	17
Gynecology	404	31,499	78
Orthopedics	287	24,207	84
Urology	51	2,968	58
Obstetrics	26	1,100	42
General	3	147	49
Gastroentero	1	22	22
Maxillofacial	2	240	120
Vascular	1	31	31
Grand Total	1,331	69,850	52

Notes:

- Address data based on patient encounter data. Patients are mainly from Oakland and Hayward

Notes from meeting with bond consultant:

- Interest rates vary based on bond rating:
 - AAA at 4.25%
 - BBB at 5.00%
 - Non rated at 5.5%
- Generally, bond term is 30 years for COP (Certification Of Participation) bonds
- Per consultant, our parcel tax will allow us to borrow approximately \$70M
- 90% of the parcel tax can be used to guarantee bonds (90% of \$5.6M = \$5.05M)
- Cost of bond issuance estimated to be between .5%-.75% (\$350k-\$525k) of bond amount which includes underwriter, campaign consultant, bond counsel.
- JPA needs be amended to facilitate the bond offering
- Time frame to complete bond issuance is between 18-24 months
- Alameda seismic costs need to be fit within the funding generated from the bond.
 - Seismic cost has not been updated
 - No costs for 2nd floor remodeling
 - Need estimates for costs related to project manager, architect and HCAI fees

Next Steps

- Complete other options:
 - Option 2c: 8 IP Medicare Psych unit
 - Option 2d: 8 holding surgery recover. Assume a recovery unit for surgery?
 - Option 4b: convert 66 acute to 35 SNF Beds and 8 acute holding beds. Is there any profitability associated with 8 acute holding units.
 - Optimize services to improve profitability.
 - Validate transfer accounts to reflect collections for services done at Alameda Hospital.
- Other ideas:
 1. What are the regulatory requirements to reduce emergency services and ICU beds to lower costs. What are legal hospital licensing requirements?
 2. Are there options to better utilize surgical suites and manage patients better?
 3. Review option to re-license AH SNF under AHS Core to maintain distinct hospital rates.

APPENDIX

- Alameda District Hospital acute average daily census runs approximately 59% occupancy; mostly admissions coming through the ED. YTD census is 38.6.
 - Med surg, 27) and Tele, 31 (58 beds,)
 - ICU census (8 Beds)
 - Clinics include Wound Care Clinic

- Skilled Nursing runs at approximately 94% capacity; mostly admissions from AHS hospitals.
 - Hospital (Subacute 35 beds)
 - Park Bridge (120 beds) and
 - Fairmont South Shore (26 beds) moved to Fairmont campus in November 2022.

ALAMEDA HOSPITAL
SEISMIC RETROFIT OPTIONS FOR ACUTE CARE COMPLIANCE BEYOND 2030

	OPTION 1 – NO STEPHENS UPGRADE; RELOCATE KITCHEN, IT	OPTION 2 – STEPHENS WING UPGRADE; KEEP EXISTING BED TYPE	OPTION 3 – STEPHENS UPGRADE; CONVERT 29 MED SURG BEDS TO SNF BEDS	OPTION 4 – MAX SNF LONG TERM CARE. DOWNSIZE ACUTE BEDS IN SOUTH WING TO HOLDING UNIT AND REPLACE WITH SNF BEDS
BASIC COMPONENTS	<ul style="list-style-type: none"> Maintain Stephens Wing in current SPC 2 rating; Stephens 2nd Floor remains SubAcute. Stephens Wing 3rd floor has to convert Med Surg beds to SubAcute (SNF) making Stephens Wing an OSHPD2 building, instead of OSHPD1 acute care Upgrade West Wing SPC 4D Upgrade West and South buildings to 2030 NPC4 Upgrade campus to NPC5 (New 5000 gal water storage tank, generator and electrical upgrade, waste storage onsite). 	<ul style="list-style-type: none"> Upgrade Stephens Wing to SPC 4D (Stephens wing already retrofit for kitchen, IT and Geotech) Upgrade West Wing SPC 4D Upgrade all buildings to 2030 NPC4 Upgrade campus to NPC5 (New 5000 gal water storage tank, generator and electrical upgrade, waste storage onsite). 	<ul style="list-style-type: none"> Upgrade Stephens Wing to SPC 4D (Stephens wing already retrofit for kitchen, IT and Geotech) Upgrade West Wing SPC 4D Upgrade all buildings to 2030 NPC4 Upgrade campus to NPC5 (New 5000 gal water storage tank, generator and electrical upgrade, waste storage onsite). 	<ul style="list-style-type: none"> Upgrade Stephens Wing to SPC 4D (Stephens wing already retrofit for kitchen, IT and Geotech) Upgrade West Wing SPC 4D Upgrade all buildings to 2030 NPC4 Upgrade campus to NPC5 (New 5000 gal water storage tank, generator and electrical upgrade, waste storage onsite).
COST ESTIMATES (in \$ Millions) (Dollar amounts are Rough Orders of Magnitude and not vetted by Cost Estimating firm yet)	<ul style="list-style-type: none"> 18 -20 M - Relocation of Kitchen 4 M - IT Relocation 5 M - Stairway/Staff Elevator: Stephens to West Wing 12 - 15 M - Upgrade West Wing to SPC 4D; Seismic Upgrade 3 - 4 M - NPC 4 and 5 Upgrade 7 - 10 M - Convert 3rd Floor to 15 bed SNF 10 - 15 M - Re-skin exterior of South Wing (optional) 12 M - 15 M - Soft Costs (Geotech, Design, Permitting, Inspections) (+20%) 12 M – 15 M - Contingency, Escalation (+20%) <p>TOTAL: 82 - 102 M</p>	<ul style="list-style-type: none"> 22 - 24 M - Upgrade Stephens Wing to SPC 4D – Seismic Upgrade 12 - 15 M - Upgrade West Wing to SPC 4D - Seismic Upgrade 3 - 4 M NPC 4 and 5 Upgrade 7 - 19 M - Soft Costs (Geotech, Design, Permitting, Inspections) (+20%) 7 - 9 M – Contingency and Escalation (+20%) <p>TOTAL: 52 - 60 M</p>	<ul style="list-style-type: none"> 22 - 24 M - Upgrade Stephens Wing to SPC 4D – Seismic Upgrade 7 - 10 M – Convert 3rd floor to 16 bed SNF 12 - 15 M - Upgrade West Wing to SPC 4D - Seismic Upgrade 3 -14 M NPC 4 and 5 Upgrade 9 – 11 M - Soft Costs (Geotech, Design, Permitting, Inspections) (+20%) 9 - 11 M – Contingency and Escalation (+20%) <p>TOTAL: 62 - 75 M</p>	<ul style="list-style-type: none"> 22 - 24 M - Upgrade Stephens Wing to SPC 4D – Seismic Upgrade 12 - 15 M - Upgrade West Wing to SPC 4D - Seismic Upgrade 3 - 4 M NPC 4 and 5 Upgrade 7 - 19 M - Soft Costs (Geotech, Design, Permitting, Inspections) (+20%) 7 - 9 M – Contingency and Escalation (+20%) <p>TOTAL: 100 - 120 M</p>
BED COUNTS	<p>BEDS:</p> <p>Lose 27 Med surg beds, gain 16 SNF for net loss of 11 beds. From 101 currently licensed beds to 90.</p>	<p>RESULTING BEDS:</p> <p>CCU: 8 beds remain Sub Acute: 12 +23 = 35 (could be less after seismic work) Acute: 58 Beds (could be less after seismic work)</p> <p>2nd floor beds tbd</p>	<p>RESULTING BEDS:</p> <p>CCU: 8 beds remain Sub Acute: 12+23 beds =35 (could be less after seismic work) Acute: 31 beds* SNF +16 beds * Lose 11 net beds</p> <p>2nd floor beds tbd</p>	<p>RESULTING BEDS:</p> <p>CCU: None Sub Acute: 26 to 35 bed range SNF: adds 35 beds</p> <p>2nd floor 8 acute holding</p> <p style="text-align: right; color: red; font-size: 24px;">19</p>

FY2022	1-Alameda	2-Sub-acute	3-Wound Care	4-Park Bridge	5-South Shore	6-Other	Total
ALAMEDA	45.9%	20.6%	12.7%	45.7%	24.4%	3.0%	28.0%
OAKLAND	30.5%	28.4%	38.8%	29.4%	22.3%	50.5%	38.2%
SAN LEANDRO	4.4%	3.3%	7.8%	1.5%	29.1%	15.5%	8.8%
HAYWARD	5.5%	0.2%	6.6%	0.9%	4.7%	11.5%	7.6%
FREMONT	1.1%	0.0%	0.6%	0.3%	3.1%	3.5%	2.0%
berkeley	1.1%	0.0%	10.5%	0.5%	0.0%	1.8%	1.7%
SAN LORENZO	0.8%	2.8%	1.8%	1.5%	0.0%	1.7%	1.2%
UNION CITY	0.8%	4.7%	0.7%	0.1%	4.5%	1.8%	1.2%
NEWARK	0.5%	0.9%	0.0%	0.0%	0.0%	1.6%	0.9%
CASTRO VALLEY	0.6%	2.6%	2.3%	0.4%	0.0%	1.2%	0.9%
RICHMOND	0.6%	5.4%	4.2%	4.5%	0.0%	0.7%	0.9%
SAN FRANCISCO	0.6%	3.3%	0.1%	1.7%	0.0%	0.6%	0.6%
Other CITIES	7.5%	27.7%	14.0%	13.4%	11.8%	6.8%	7.9%

FY2023	1-Alameda	2-Sub-acute	3-Wound Care	4-Park Bridge	5-South Shore	6-Other	Total
ALAMEDA	43.8%	12.1%	10.7%	44.6%	23.8%	2.9%	27.0%
OAKLAND	32.7%	34.0%	46.3%	27.9%	15.7%	48.2%	38.8%
SAN LEANDRO	4.7%	0.0%	5.0%	1.9%	36.7%	16.4%	9.0%
HAYWARD	5.8%	3.1%	6.2%	1.8%	5.7%	12.5%	8.1%
FREMONT	1.2%	0.0%	0.6%	0.0%	3.8%	3.3%	1.9%
berkeley	1.1%	0.0%	9.2%	0.3%	0.0%	1.6%	1.6%
SAN LORENZO	0.9%	2.5%	2.6%	1.4%	0.0%	1.9%	1.4%
UNION CITY	0.8%	6.6%	1.6%	0.2%	8.1%	1.8%	1.2%
NEWARK	0.9%	0.6%	0.2%	1.1%	0.0%	1.9%	1.2%
CASTRO VALLEY	0.7%	2.7%	2.4%	0.1%	0.0%	1.3%	1.0%
RICHMOND	0.5%	3.3%	3.6%	2.1%	0.0%	0.7%	0.8%
SAN FRANCISCO	0.6%	7.2%	0.1%	2.2%	0.0%	0.5%	0.6%
Other CITIES	6.4%	28.0%	11.6%	16.5%	6.2%	7.1%	7.4%

Notes:

- Address data based on patient encounter data. Patients are mainly from Alameda and Oakland

September 5 2023

Debi Stebbins, Executive Director
Alameda Health District
Alameda CA

Debi,

Please find the enclosed proposal to develop an official cost estimate for all the code required upgrades as well as change of use scenarios. This work will include providing test fits to convert South Wing 2nd floor to a SNF unit. Bedrooms can be doubles and 50% of beds are required to have in-room accessible toilets. Goal is to provide 18 to 20 SNF beds on the 2nd floor where previous labor and delivery department has been vacated.

Scope

Scope of services for this Project includes analysis of CBC chapter 12 for Skilled Nursing Units (OSHPD 2), this work will require the following steps:

1. Draft initial layout and scope of work, forward to cost consultant. Cost consultant to start itemizing project costs for the following:
 - a. South Wing conversion.
 - b. Stephens Wing 3rd floor conversion to SNF.
 - c. West Wing SPC 4D shear wall project.
 - d. Stephens Wing SPC shear wall project.
 - e. NPC 4 and 5 projects.
2. Present test fits and cost findings to AHD as well as joint AHD and AHS meetings.
3. Revise and produce final options and cost summaries.
4. Fee includes time for Ratcliff to attend up to six (6) planning meetings.

Schedule

This proposal is based on the expectation that work is to commence and complete by end of 2023.

Fee

Eighty Nine Thousand Dollars (\$89,000), invoiced lump sum per the following scope and schedule below:

Scope	estimated hours	avg rate	fee	Duration Estimate
<u>Ratcliff</u>				1.5 Month
Meetings (6) prep and follow up	18	\$300	\$5,400	
Development and presentation of test fit	40	\$250	\$10,000	
Revisions	24	\$180	\$4,320	
Coordinate scope with Cost consultant	36	\$250	\$9,000	
Final Options	24	\$250	\$6,000	
Sub Total	142		\$34,550	
<u>tbd Cost consultants</u>				
Stephens Wing Seismic Retrofit	34	\$225	\$7,650	
West Wing Seismic Retrofit	34	\$225	\$7,650	
Seismic -NPC non structural	46	\$225	\$10,350	
Seismic - NPC 5 Site	26	\$225	\$5,850	
Revisions / review	28	\$145	\$4,050	
Remodel Stephens Wing	36	\$150	\$5,400	
Remodel South Wing	36	\$150	\$5,400	
Revisions / Review	12	\$225	\$2,700	
Meetings / Site	24	\$225	\$5,400	1.5 Month
Sub Total			\$54,450	
Total Fee			\$89,000	3 months

Fee Assumptions/Exclusions

- This work does not include design for NPC or SPC upgrade or further scenario studies regarding future use of Alameda Hospital. Although general scope of work will be used to inform cost estimate.
- It is possible during the evolution of this work that more hours are needed to respond to multiple possible scenarios. Upon approval, Ratcliff would continue on an as needed, time and materials basis to cover any time beyond what is anticipated above.
- Renderings are not anticipated.



Katy Ford AIA
 Principal
 RATCLIFF

Debi Stebbins
 Executive Director
 ALAMEDA HEALTH DISTRICT

**EXHIBIT A
RATCLIFF ARCHITECT'S STANDARD HOURLY RATES**

Principal	\$300.00
Associate Principal	\$260.00
Senior Project Architect/Designer/Manager III	\$225.00
Senior Project Architect/Designer/Manager II	\$210.00
Senior Project Architect/Designer/Manager I	\$190.00
Project Architect/Designer/Manager III	\$180.00
Project Architect/Designer/Manager II	\$170.00
Project Architect/Designer/Manager I	\$160.00
Intermediate Architect/Designer II	\$150.00
Intermediate Architect/Designer I	\$145.00
Designer II	\$124.00
Designer I	\$135.00
Intern	\$125.00
Project Administrator	\$105.00
CAD Drafter	\$100.00
Intern	\$90.00

Rates effective through December 31, 2024



August 30, 2023

Katy Taylor Ford
Ratcliff
5856 Doyle Street
Emeryville, Ca 94608

6518 Lonetree Blvd. #164
Rocklin, CA 95765

Direct 415 510 7387
Mobile 707 628 8614
www.tbdconsultants.com
kdefay@tbdconsultants.com

**Re: Alameda Hospital Seismic Retrofit
Fee Proposal for Cost Consulting Services**

Dear Katy,

We are pleased to offer Cost Consulting services for the above project located in Alameda, CA

We understand the project occurs on the existing Alameda Hospital campus in Alameda, Ca. The seismic work will be full seismic upgrades in Stephens Wing and West Sing, Non-structural seismic work to occur at all other buildings (except original hospital), and site Seismic retrofit (Utilities, holding tanks, generators, etc.). Operation/Programmatic changes will occur on one floor of Stephens Wing and 1 floor in the South Wing including a full gut/interior demolition with a remodel.

Scope of Services

Our fee proposal is based on providing the following base scope:

- Seismic Retrofit
 - o Conceptual Cost Estimate – Full Seismic Retrofit Stephens and West Wings (34 hrs each)
 - o Conceptual Cost Estimate – Non- structural Seismic Retrofit of remaining buildings (46 hrs)
 - o Conceptual Cost Estimate – Site Seismic Retrofit
- Operations/Programmatic Changes – Full Gut and Remodel
 - o Conceptual Cost Estimate draft- Stephens Wing and West Wing (22 hours each)
- Estimate revision (@4- 6 hrs per Estimate)
- 1 site visit (8 hrs)
- Design Review Meetings (Virtual) (2 each) – Sr. Estimator & MEP (8 hours)

The cost estimates will identify the total cost of construction based on the quantities or allowances with composite unit rates where applicable reflecting the scope of work and the current market conditions. Ratcliff Architects, and any other design consultants will provide project design documents, including relevant existing building design documents and site and bldg. photos, if applicable, for our use. **We also assume that estimating any of the other buildings on site will be excluded from this effort.** We also understand that reconciliation of our estimate with other cost opinions will not be required, and that ‘soft costs’ are excluded. We will not obtain any bids nor opinions of cost from subcontractors or vendors unless the work is of such a unique nature that no other cost information is available. The cost estimates will be provided using a standard TBD Consultants estimate template utilizing Uniformat II component format (a systems format). **Each of the options are assumed to be estimated separately.**



Notable Exclusions:

The following items are excluded from the scope in this fee proposal:

- Estimating extensive site improvements. (minimal site improvement scope estimating is included).
- In-person attendance at meetings (web-based meetings are included in the fee).
- Soft cost estimating.
- Reconciliation with estimates by others.
- Value analysis/engineering, life cycle cost studies.

Fees

We propose to provide the above services based on a **Lump Sum basis:**

Conceptual Estimate:

Scope 1:

Seismic Retrofit - Stephens Wing (34 hr).....	\$	7,650.00
Seismic Retrofit - West Wing (34 hr).....	\$	7,650.00
Seismic (non-structural) - Remaining Buildings (46 hr)	\$	10,350.00
Seismic Retrofit - Site (26 hr).....	\$	5,850.00
Revisions/Review (28hr.).....	\$	4,050.00

Scope 2:

Remodel: Stephens Wing (36 hr).....	\$	5,400.00
Remodel: West Wing (36 hr).....	\$	5,400.00
Revisions/Review (12hr.).....	\$	2,700.00

Meetings/Site Visit (24 hr.).....	\$	5,400.00
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TOTAL (248 hrs) \$ 54,450.00

Optional Add Alternates

Additional online meetings (2 hour meeting x2 people) - \$900

Provide cost estimating of additional options – fee can be provided upon request.

Additional work beyond the above shall be per our standard wage rate for senior cost consultants of \$225/hr for work performed in 2023.

The fees include expenses incurred in preparation and distribution of any required documentation and reports.

Expenses such as drawing reproduction, courier services, special mailing services (Federal Express, Express Mail etc.), and other abnormal costs are excluded and will be charged at cost plus 0% administration.

Our fees exclude travel costs outside the San Francisco Bay Areas, any such travel costs as incurred will be billed separately.



Payment and Terms

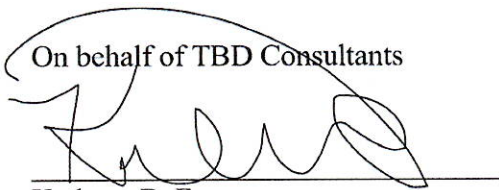
We will issue a monthly invoice. Payment will be due thirty (30) calendar days after the date of invoice.

Our proposal remains open for a period of ninety (90) days. After this time, we will be pleased to review the proposal, make any required amendments and re-submit for your review and approval.

Work will be completed under the direction of Kathryn DeFay and Niall Durkin.

We trust that we have interpreted your requirements correctly, if you have any questions or suggested amendments please do not hesitate to contact the undersigned. If you would like to proceed with the above services, please complete and return the authorization below.

We look forward to working with you on this project.

On behalf of TBD Consultants

Kathryn DeFay
Senior Cost Consultant

On behalf of Ratcliff

Accepted by: _____
Printed Name: _____
Title: _____
Date: _____