

# 2016 PUBLIC HEALTH & SAFETY BOND

Quarterly Update

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San Francisco  
Health Network

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH

Full Health Commission  
March 6, 2018

# Topics & Presenters

**Bond Overview– Mark Primeau**

**Budget/Bond Sales – Mark Primeau**

**Accomplishments since September Health Commission Report – Terry Saltz**

**Upcoming Milestones and Construction Schedule Summary – Joe Chin**

**Coordination w/ UCSF Research Center Project – Mark Primeau**

# First Bond Sale Budget and Allocation

	Public Health and Safety Components/Projects	Bond Authorization	Bond Budget	Current Appropriation*	1st Bond Sale
1	ZSFG Building 5 Seismic Upgrade and Outpatient Improvements Program	\$222,000,000	\$218,723,000	\$10,314,852	\$112,055,942
2	Southeast Health Center Renovation (Phase 1) and New Addition (Phase 2) Program	\$30,000,000	\$29,700,000	\$2,728,524	\$18,239,644
3	Community Health Centers Improvement Program (Various Locations)	\$20,000,000	\$19,800,000	\$3,575,000	\$16,190,000
	Oversight, Accountability, and Cost of Issuance	\$0	\$3,822,000	\$0	\$2,402,460
	Reserve for Market Uncertainty	\$0	\$0	\$0	\$1,940,000
	<b>Total</b>	<b>\$272,000,000</b>	<b>\$272,000,000</b>	<b>\$16,618,376</b>	<b>\$150,830,000</b>

\* \$16.6M pre-bond funding appropriation from General Funds will be reimbursed out of the First Bond Sale

# Overview

## OVERVIEW OF PHS SCOPE AND BUDGET DPH ONLY - \$272M

Projects	DPH Bond Authorization	Bond Budget <sup>1</sup>
ZSFG BUILDING 5	\$222M	\$218.7M
COMMUNITY HEALTH CENTERS <sup>2</sup>	\$50M	\$49.5M
OVERSIGHT AND COST OF ISSUANCE	-	\$3.8M
<b>Total:</b>	<b>\$272 M</b>	<b>\$272 M</b>

1. Represents the true budget s available for design and construction

2. Of the \$50M, \$30M is allocated to Southeast HC and \$20 M to Castro Mission HC & Maxine Hall HC, with minor improvements and/or studies at other clinics

# Bond Sales

	1st Bond Sale Jan 2017	2nd Bond Sale January 2019 <sup>2</sup>	Total
<b>Sale Amount (Not to Exceed)</b>	\$176.0 M	\$174.0 M	\$350.0 M
<b>% Rate</b>	2.99%	TBD	%
<b>Budget</b>	\$146.5M	\$125.5M	\$272.0 M <sup>3</sup>
<b>Expended/Encumbered</b>	\$28.95M <sup>1</sup>	TBD	\$28.95M
<b>% Expended/Encumbered</b>	19.8%	TBD	10.6%

1. \$7.1 Million pre bond funding from the total of \$10.5 Million appropriated by DPH was reimbursed Expenditures/encumbrances current as of 1/31/2018
2. Timing for the 2<sup>nd</sup> Sale may change depending upon bond market conditions
3. The Budget numbers indicated are only showing the DPH portion of the bond, totaling to \$272 M

# Project Budget: ZSFG, Building 5

Total Budget: \$222 Million

	Budget	Expended/ Encumbered as of 1/31/2018 <sup>3</sup>	% Expended/ Encumbered	Forecast
<b>Purchase, Construction &amp; Mobilization</b>	\$165,362,000	\$17,490,025	10.6%	\$165,362,000
<b>Project Control</b>	\$47,880,000	\$5,064,177	10.6%	\$47,880,000
<b>Other Program Costs<sup>2</sup></b>	\$4,500,000	\$0	0%	\$4,500,000
<b>Finance Costs<sup>1</sup></b>	\$4,258,000	\$701,701	16.5%	\$4,258,000
<b>Total</b>	<b>\$222,000,000</b>	<b>\$23,255,903</b>	<b>10.5%</b>	<b>\$222,000,000</b>

1. Finance Costs include Underwriter's discount, cost of issuance, GO oversight committee fee, Controller's audit fees, totaling \$1,868,703. Because the total Finance costs for the 1<sup>st</sup> sale include all 3 agencies, DPH has segregated out it's portion of the finance costs.
2. Other Program costs include Project Contingency
3. Project budget values are as of June 30, 2017 and expenditures beyond June 30, 2017 are estimates pending actuals from the new financial system. New project budget information will be available later this fiscal year after transition to the new City financial system and capture of accurate project financial data.

# Project Budget: Community Health Centers

Total Budget: \$50 Million

	Budget	Expended/ Encumbered as of 1/31/2018 <sup>3</sup>	% Expended/ Encumbered	Forecast
<b>Purchase, Construction &amp; Mobilization</b>	\$36,360,202	\$4,065,981	11.2%	\$36,360,202
<b>Project Control</b>	\$12,639,798	\$1,413,446	11.2%	\$12,639,798
<b>Other Program Costs</b>	\$500,000	\$0	0%	\$500,000
<b>Finance Costs<sup>1</sup></b>	\$500,000	\$215,574	43.1%	\$500,000
<b>Total</b>	<b>\$50,000,000</b>	<b>\$5,695,001</b>	<b>11.4%</b>	<b>\$50,000,000</b>

1. Finance Costs include Underwriter's discount, cost of issuance, GO oversight committee fee, Controller's audit fees, totaling \$1,868,703. Because the total Finance costs for the 1<sup>st</sup> sale include all 3 agencies, DPH has segregated out it's portion of finance.
2. Other Program Cost include Project Contingency
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# ZSFG Accomplishments

**Rehabilitation Department:** 2 bids received. All bids rejected because of bid protest.

**IT Infrastructure:** 50% CD drawings issued.

**Seismic Retrofit:** Backcheck #2 drawings submitted to OSHPD

**Rehabilitation Department:** Completed re-bid. Responding to bid protest. Anticipate NTP in March 2018

**6H Office Surge Space:** Awarded contract to K LW Construction. NTP anticipated for March 2018

**Dialysis Relocation:** Backcheck #1 Drawings returned to OSHPD

**Urgent Care Clinic (Phase 1):** Target construction completion, 1<sup>st</sup> Q  
**Urgent Care Clinic (Phase 2):** Reviewing scope to align with budget

Oct  
2017

Nov  
2017

Dec  
2017

Jan  
2018

Feb  
2018

**Public Health Lab:** Backcheck #1  
Drawings returned to OSHPD



Physical Therapy Rendering



# Ambulatory Care Accomplishments

**Castro Mission HC:**  
Civic Design Review (CDR)  
Phase 2 Approved



Sept  
2017

Nov  
2017

Dec  
2017

Jan  
2018

Feb  
2018

**Southeast HC Addition:**

- CDR Phase 1 Approved
- Presentation to Bayview Citizens Advisory Committee

**Maxine Hall HC:**  
CDR Phase 2 Approved



EXISTING - EAST ELEVATION & ENTRANCE

**Maxine Hall HC:**  
Planning Dept. approved Category  
Exemption (CatEx) based on  
historical preservation review

# ZSFG, EXISTING MAIN HOSPITAL, BLDG. 5

## Existing Main Hospital, Building 5

Start construction for seismic work	Q3 2018
Start construction for fire/life safety, other renovations	Q2 2018
Construction for fire/life safety, other renovations complete	Q1 2021
<b>Total Budget</b>	<b>\$222 M</b>



## UPCOMING MILESTONES/ACTIVITIES

### Construction

- 6H Surge Space; Rehabilitation Department (by Q2, 2018)
- Seismic Retrofit: Mockup Project (Q2, 2018) followed by Main Project Q3, 2018

### Design

- Complete Dialysis Relocation; Public Health Laboratory; IT Infrastructure Projects
- Proceeding with programming/design for 4E Surge Space; Family Health Center; Psychiatric Emergency Services; and Mental Health Rehabilitation Center Projects

## RISKS AND CHALLENGES

- Manage added scope and implement value engineering options to stay within budget
- Adverse bidding environment

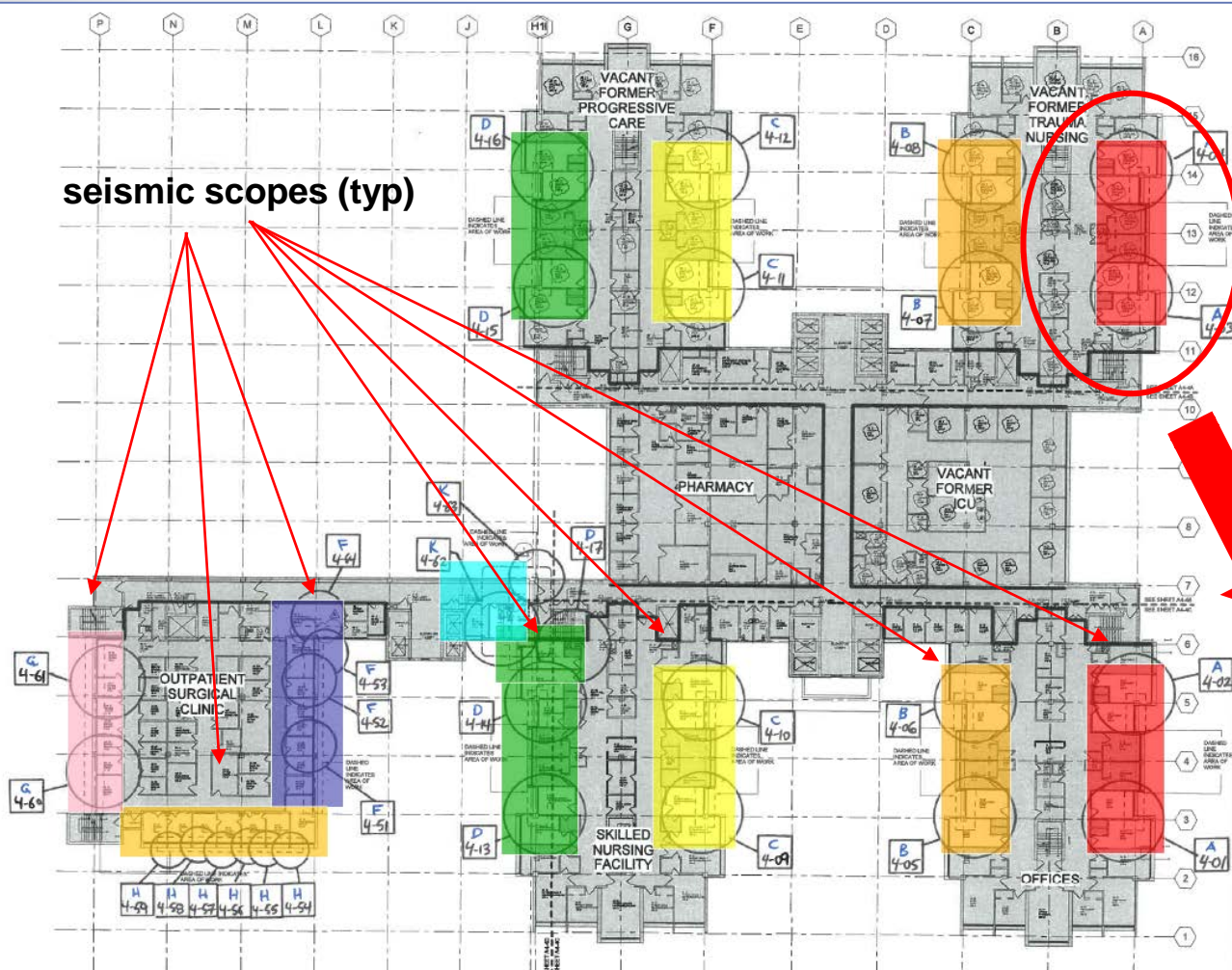




# ZSFG, EXISTING MAIN HOSPITAL, BLDG. 5 (cont'd)

## FOURTH FLOOR - Seismic Scope

seismic scopes (typ)



Rooms Impacted: 31

Seismic Scopes

Sawcut: 30 locations

Fiber-reinforcement wrap: 22 locations

Shade removal: 23 locations

New concrete elements: 3 locations



\* Highlighted areas represents different phases of seismic scope

# DPH SOUTHEAST HEALTH CENTER

## Southeast Health Center

Construction for dental clinic renovation (Phase 1) completed	July 2017
Start construction for addition (Phase 2)	Q2, 2019
Construction for addition complete; move in	Q4, 2020
<b>Total Budget</b>	<b>\$30 M</b>



New Southeast Health Center Rendering

## UPCOMING MILESTONES/ACTIVITIES

### Design

- Civic Design Review (Phase 2): Q2, 2018 (tentative)
- Next Design Milestone – Complete schematic design in 1<sup>st</sup> Quarter 2018
- Target Construction Start – Q2, 2019

## RISKS AND CHALLENGES

- Manage added scope and implement value engineering options to stay within budget
- Adverse bidding environment



# DPH SOUTHEAST HEALTH CENTER (cont'd)

**EXCERPTS FROM CIVIC DESIGN REVIEW PHASE 1 PRESENTATION (JAN 2018)**



PLAZA ENTRY



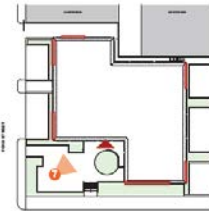
ENTRY STAIRS

# DPH COMMUNITY HEALTH CENTERS

Other Health Clinics	
Start planning and design	Nov. 2016
Start construction	
<ul style="list-style-type: none"> <li>Maxine Hall Health Center</li> <li>Castro Mission Health Center</li> </ul>	Q4 2018 Q4 2018
Complete construction*; move-in	
<i>*phase construction occurs at multiple sites</i> <ul style="list-style-type: none"> <li>Maxine Hall Health Center</li> <li>Castro Mission Health Center</li> </ul>	Q4 2019 Q4 2019
<b>Total Budget</b>	<b>\$20 M</b>



Existing Conditions



Site Plan



Castro Mission HC Rendering

## UPCOMING MILESTONES/ACTIVITIES

### Design

- Castro Mission and Maxine Hall – Complete design by Q3, 2018)
  - Construction Target Start – Q4, 2018
- Chinatown Public HC – Complete phase 2 seismic assessment testing and verification

### Construction

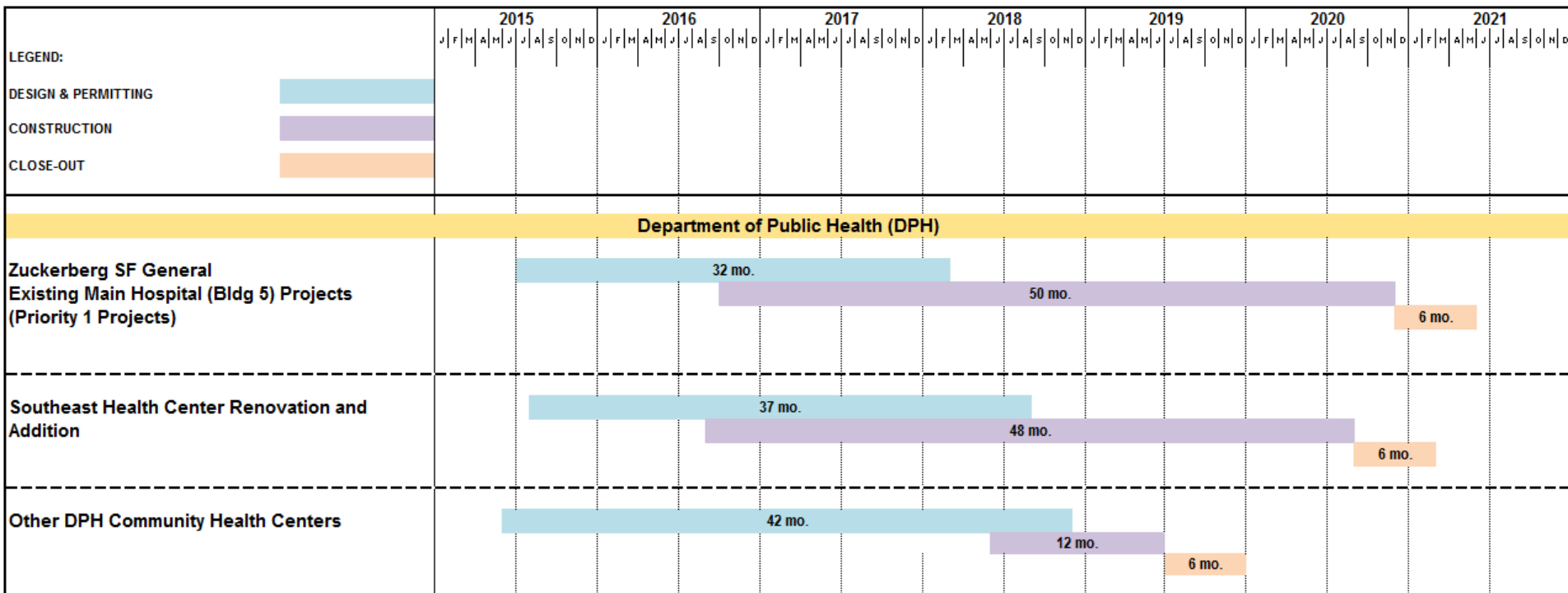
- Infrastructure Improvements: Finalize scope and issue NTP for the joint agency energy efficiency projects (partnering with Public Utilities Commission) at Silver Avenue, Castro Mission, and Maxine Hall

### Risks and Challenges

- Added scope due to seismic deficiencies, adverse bidding environment impact
- Developing construction phasing and logistic planning to keep clinics operational during construction

# Program Schedule Summary

\*Estimated Dates as of September 2017



Building 5 Projects: Major projects include: Seismic Retrofit, Dialysis, Public Health Lab Relocation, Urgent Care, Out-Patient services relocated from Buildings 80/90



# Coordination w/ UCSF Research Center Project

- Ordinance 33-17 Lease Disposition and Development Agreement (LDDA) and ground lease with UCSF – New research building signed by Mayor on 2/3/2017
- The City & UCSF execute LDDA – October 2017
- City & UCSF preparing documents to satisfy Close of Escrow requirements- target for completion: November 2018.
- **Escrow Documents:**
  - Final Parking Relief Plan- submit to the Board of Supervisors
  - City Approves conceptual design documents
  - UCSF obtains regulatory approvals
  - UCSF obtains required insurance
  - UCSF deposits parking reimbursement contribution of \$10m into escrow
- **Review key construction milestone dates for the Research project**
  - Start of construction on roadway – 2<sup>nd</sup> Quarter 2019
  - Start of construction on research building- 4<sup>th</sup> Quarter 2019
  - Duration of construction & completion date – 1<sup>st</sup> Quarter 2022
  - Move in date – 2<sup>nd</sup> Quarter 2022

# Questions?

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**San Francisco Department of Public Health**  
**December 5 2017**