

2016

PUBLIC HEALTH & SAFETY BOND

Quarterly Update



San Francisco
Health Network

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH



ZUCKERBERG
SAN FRANCISCO GENERAL
Hospital and Trauma Center

Full Health Commission (Virtual)
August 4, 2020

Topics & Presenters

Bond Overview– Mark Primeau (DPH)

**Budget/Bond Sales and Bond Component Budget
- Mark Primeau (DPH)**

**Accomplishments since October 2019 Report
– Terry Saltz (DPH)**

**Upcoming Milestones and Construction Schedule Summary
- Joe Chin (SF Public Works)**

**Coordination w/ UCSF Research Center Project
- Mark Primeau (DPH)/Brian Newman, (UCSF)**

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

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

1. Represents the true budgets 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

First Bond Sale Budget and Allocation

	Public Health and Safety Components/Projects	Bond Authorization	Bond Budget	1st Bond Sale Budget
1	ZSFG Building 5 Seismic Upgrade and Outpatient Improvements Program	\$222,000,000	\$218,723,000	\$112,055,942
2	Southeast Health Center Renovation (Phase 1) and New Addition (Phase 2) Program	\$30,000,000	\$29,700,000	\$18,239,644
3	Community Health Centers Improvement Program (Various Locations)	\$20,000,000	\$19,800,000	\$16,185,710
	Oversight, Accountability, and Cost of Issuance	\$0	\$3,822,000	\$2,808,704
	Total	\$272,000,000	\$272,000,000	\$149,290,000

- \$16.6M pre-bond funding appropriation from General Funds have been reimbursed out of the First Bond Sale

Bond Sales

	1st Bond Sale Jan 2017	2nd Bond Sale Late 2020 ²	Total
Sale Amount (Not to Exceed) (All PHS components)	\$176.0 M	\$174.0 M	\$350.0 M
% Rate	2.99%	TBD	
Budget (DPH components only)	\$146.5M	\$125.5M	\$272.0 M ³
Expended/Encumbered	\$113.4M ¹	TBD	\$113.4M ¹
% Expended/Encumbered	77%	TBD	42%

1. PeopleSoft financial data as of 6-30-2020. Financial data are subject to revision based on ongoing Public Works labor and non-labor clean-up effort).
2. Timing for the 2nd Bond Sale (DPH Components only) 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

	Bond Budget	Other Fund Sources ⁵	Bond Expended as of 6/30/2020 ³	% Expended/ Budget	Bond Encumbered as of 6/30/2020 ^{3, 4}	Bond %Expended+ Encumbered/ Budget	Forecast
Purchase, Construction, & Mobilization	\$151,736,852	\$0	\$16,403,409	10.8%	\$7,843,134	16.0%	\$151,736,852
Project Control	\$61,075,172	\$0	\$39,436,639	64.6%	\$7,117,986	76.2%	\$61,075,172
Other Program Costs ²	\$5,000,000	\$0	\$0	0.0%	\$0	0.0%	\$5,000,000
Finance Costs ¹	\$4,187,977	\$0	\$961,334	23.0%	\$0	23.0%	\$4,187,977
Total	\$222,000,000	\$0	\$56,801,382	25.6%	\$14,961,120	32.3%	\$222,000,000

1. Finance Costs include Underwriter's discount, cost of issuance, GO oversight committee fee, Controller's audit fees, totaling \$1,256,671. Because the total Finance costs for the 1st sale include all 3 agencies, DPH has segregated out it's portion of the finance costs.
2. Other Program costs include Project Contingency
3. PeopleSoft financial data as of 6-30-2020. Financial data are subject to revision based on ongoing Public Works labor and non-labor clean-up effort.
4. \$15.3M has been reallocated from Building 5 component to fund construction contract for Southeast Health Center Phase 2 Project
5. Other Fund Sources include capital campaign, SFGH Foundation, bond interest earnings, etc. - TBD

Project Budget: Community Health Centers

Total Budget: \$50 Million

	Bond Budget	Other Fund Sources ⁵	Bond Expended as of 6/30/2020 ³	% Expended/Budget	Bond Encumbered as of 6/30/2020 ^{3, 4}	Bond %Expended+ Encumbered/Budget	Forecast
Purchase, Construction, & Mobilization	\$36,360,202	\$7,008,000	\$4,563,834	12.6%	\$26,898,434	86.5%	\$36,360,202
Project Control	\$12,639,798	\$4,672,000	\$8,761,944	69.3%	\$1,226,083	79.0%	\$12,639,798
Other Program Costs ²	\$500,000	\$0	\$0	0.0%	\$0	0.0%	\$500,000
Finance Costs ¹	\$500,000	\$0	\$295,337	59.1%	\$0	59.1%	\$500,000
Total	\$50,000,000	\$11,680,000	\$13,621,115	27.2%	\$28,124,517	83.5%	\$50,000,000

1. Finance Costs include Underwriter's discount, cost of issuance, GO oversight committee fee, Controller's audit fees, totaling \$1,256,671. Because the total Finance costs for the 1st sale include all 3 agencies, DPH has segregated out it's portion of finance.
2. Other Program Cost include Project Contingency
3. PeopleSoft financial data as of 6-30-2020. Financial data are subject to revision based on ongoing Public Works labor and non-labor clean-up effort.
4. \$15.3M has been allocated from ZSFG Building 5 Component to fund construction contract encumbrance for Southeast Health Center Phase 2 Project. Funding will be reimbursed after the next bond sale
5. Other Fund Sources includes FEMA, PUC, Mayor's Budget Office, MHSA, OCII, bond interest earnings, etc.

ZSFG Building 5 Accomplishments

Seismic Retrofit (Phase 1):

- Continuing with exterior seismic locations (sawcuts and fiberwrap)

CM/GC RFP

- Received RFP proposals.
- Includes 8 projects

Family Health Center:

- Issued 100% design development docs

Buildings 80/90 Specialties:

- Proceeding with schematic design

Seismic Retrofit (Phase 1):

- Completed all exterior seismic locations (sawcuts and fiberwrap) (see photo)
- Continuing with interior column strengthening scope

IT Infrastructure:

- Preparing Backcheck #3 OSHPD submittal package

Family Health Center (FHC):

- Issued 50% construction docs

Psychiatric Emergency Services (PES):

- Programming/planning documents have been approved by ZSFG/end users

Seismic Retrofit (Phase 1):

- All phase 1 scopes completed (sawcut, fiberwrap, & column strengthening)

CM/GC Contract

- NTP to Pankow Builders

4E Surge Space:

- Received OSHPD plan approval.

IT Infrastructure:

- Received OSHPD plan approval.

Family Health Center (FHC):

- Issued 95% construction docs

Buildings 80/90 Specialties:

- Issued 100% schematic design docs

Psychiatric Emergency Services (PES):

- Issued 100% schematic design

4th Q,
2019

1st Q,
2020

2nd Q,
2020

Photos of interior column strengthening progress:



Ambulatory Care Accomplishments

Maxine Hall HC:

- Proceeding with structural improvements

Southeast HC:

- Advertised for bidding

Castro Mission HC:

- Received DBI Plan Approval

Southeast HC:

- Three bids received. Awards construction contract to CLW Bidders

Castro Mission HC:

- Converted to COVID-19 testing facility
- Submitted added mechanical scopes to DBI for plan review

Southeast HC:

- Virtual meeting with Supervisor Walton staff
- DPH sets up Field Care Clinic in response to COVID-19 pandemic
- Received DBI plan approval/permit
- Issued construction NTP to CLW Builders

Castro Mission HC:

- Received approval from FEMA on \$1.6M hazard mitigation grant
- Proceeding with construction bidding

4th Q,
2019

1st Q,
2020

2nd Q,
2020

DPH Field Care Clinic at Southeast HC along Armstrong St:



ZSFG Building 5 – Upcoming Activities



Projects in Construction:

• 6H Surge Space

- ❑ Ward 6H – Finishing up ductwork install in the corridor and wall closeup in IDF Room. FF&E furniture installation completed.
- ❑ Ward 2C (added surge space) – 95% ductwork is completed. Proceeding with painting, ceiling grid, and flooring installations.
- ❑ Target completion – early 4th Q, 2020. COVID-19 impacted labor resources, material procurement, and mechanical system shutdowns



6H Surge – Furniture installation in progress

• Rehabilitation Department Relocation –

- ❑ 3B/3G areas: wall close-up with ceiling installations ongoing; flooring and casework installation to follow.
- ❑ 3H/3D areas: continuing with demolition and wall framing/plumbing rough-ins for restrooms/ waste holding rooms. DPW is reviewing contractor's time extension request.
- ❑ Target date completion is by early 4th Q, 2020. COVID-19 has impacted labor resources, material procurement, and mechanical system shutdowns.



New door sliders installed

ZSFG Building 5 (cont'd)

Projects in Construction:

- **Seismic Retrofit (Phase 1 seismic scopes)**

- All phase 1 scopes all completed and signed off by OSHPD. Closeout phase.

- **CM/GC Contract in Preconstruction (8 projects):**

- Upcoming preconstruction tasks:
 - Validating construction phasing/sequencing/logistics
 - Constructability review and cost validation
 - Develop trade buyout strategy (onboarding of subcontractors) with a focus on prequalification and bidding for Priority 1 projects (Seismic Retrofit Ph. 2; PHL; Dialysis; IT Infrastructure)



Completed wall and floor restoration near Urgent Care Clinic

Projects in Design:

- **Next Design Milestone:** Family Health Center - 100% CD; Building 80/90 Specialties Services –100% DD; Psychiatric Emergency Services – 100% SD;

Projects in Programming/Planning/Scoping:

- **Projects** – Electrical Core Phase 1

COMMUNITY HEALTH CENTER – Upcoming Activities

Southeast Health Center (District 10 – Walton)

- Construction Notice to Proceed (NTP) - May 18, 2020
- Start demolition of existing parking lot and excavation/ foundation scopes
- Start shop drawing/procurement of long lead items: structural steel, HVAC equipment, and elevators



**Southeast Health Center
(existing)**

**New Southeast Health
Center (rendering)**

Maxine Hall Health Center (District 5 – Preston)

- Construction NTP – July 3, 2019
- Continuing with the structural scopes (new foundations, micro-piles, shear walls, etc.) at all levels. Targeting to complete the main structural scopes by August 2020
- Basement – new shear walls completed; mechanical/electrical/plumbing coordination/layout in progress



Maxine Hall – MEP installation



New shotcrete shear walls

Castro Mission Health Center (District 8 – Mandelman)

- Bidding advertisement – June 8
- Pre-bid meeting – June 29
- Bids due – July 22 (eight bids received)
- Target construction start – End of 2020

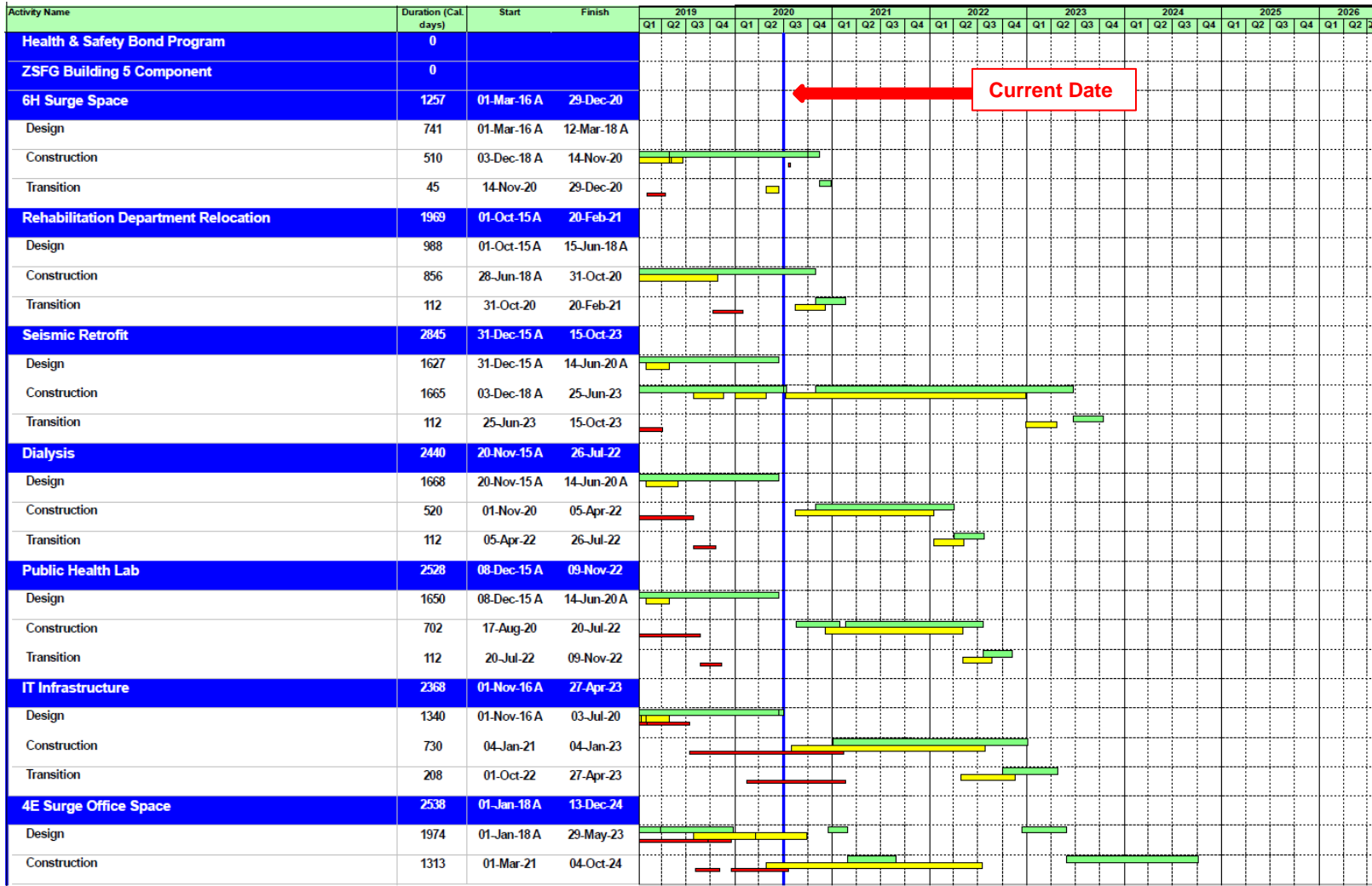


Castro Mission (existing)



Castro Mission (rendering after renovation)

PROGRAM SCHEDULE SUMMARY



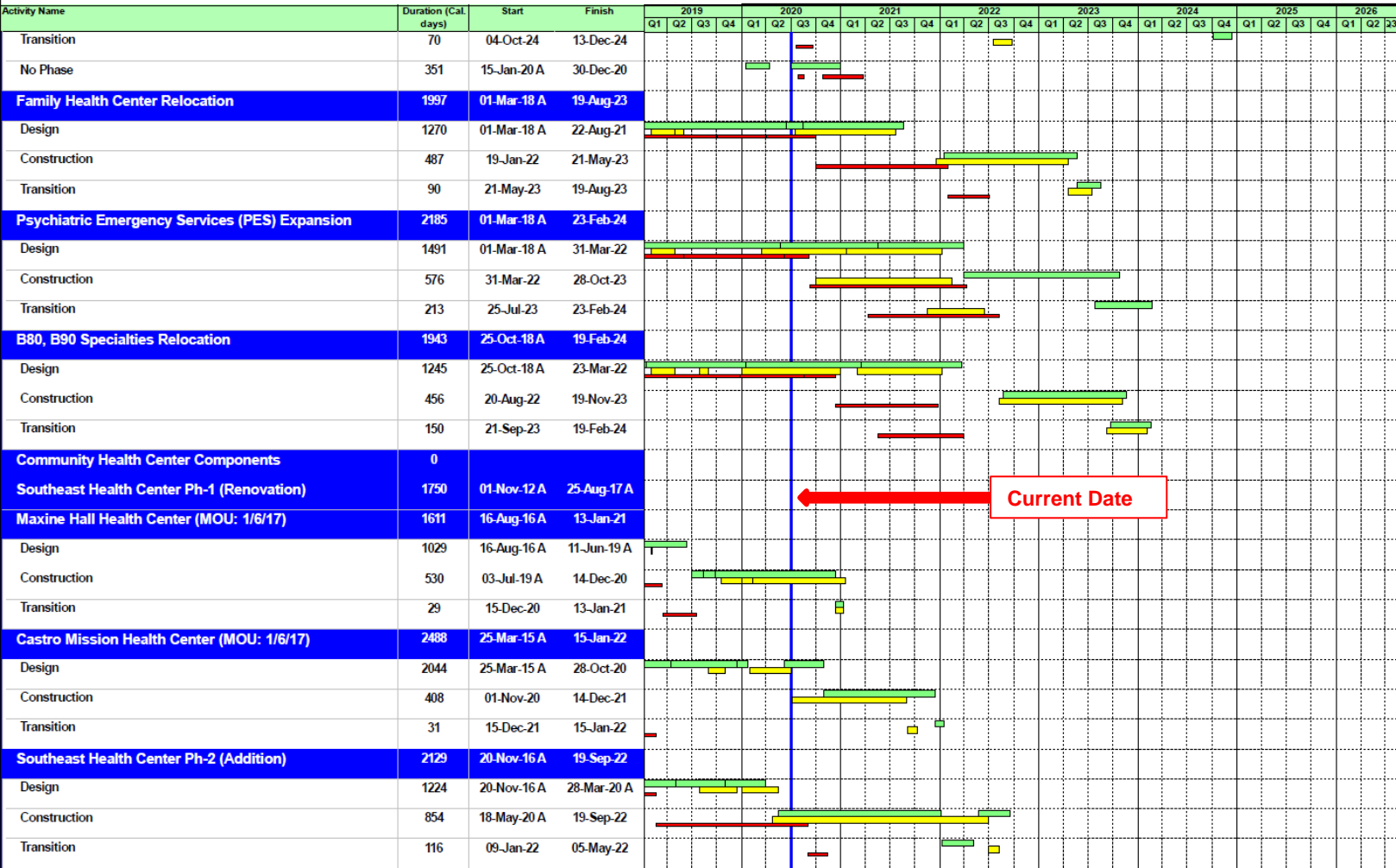
- Current Activity
- Baseline Activity
- Prev. Reported Activity

*Estimated Dates as July 2020

Legend:

- Design: Programming, Design, Permitting, and Bid & Award
- Construction: NTP, Construction, and Punchlist
- Transition: FF&E, Training, and Licensing

PROGRAM SCHEDULE SUMMARY



- Current Activity
- Baseline Activity
- Prev. Reported Activity

Legend:
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Coordination w/ UCSF Research Center Project

- UCSF selected Design-Builder (Boldt Company). SOM is the A/E Design under Boldt. Continue progressing through the Design Development phases with review meetings with the Historical Preservation Commission, the Department of Building Inspection, and storm-water plan review by the SF Public Utilities Commission.
- **Escrow Documents:**
 - ❑ City records Memorandum of Lease Disposition & Development Agreement on -6/2018
 - ❑ Title is cleared on the B/C Lot where the Research Building will be constructed -4/2019
 - ❑ Final Parking Relief Plan completed- 8/2018
 - ❑ City Approves conceptual design documents- 3rd Quarter 2019
 - ❑ UCSF obtains regulatory approvals- 3rd & 4th Quarter 2019
 - ❑ UCSF obtains required insurance- 3rd Quarter 2020
 - ❑ UCSF deposits parking reimbursement contribution of \$10m into escrow - after Ground Lease is signed and all escrow documents have been satisfied - 3rd Quarter 2020
 - ❑ City & UCSF preparing documents to satisfy Close of Escrow requirements- target for completion, 3rd Quarter 2020
- **Review key construction milestone dates for the Research project**
 - ❑ Start of construction on roadway – 3rd Quarter 2020
 - ❑ Start of construction on research building – 3rd Quarter 2020
 - ❑ Duration of construction & completion date – 4th Quarter 2022
 - ❑ Move in date – 1st Quarter 2023

Questions?



San Francisco Department of Public Health

Appendix

Other Potential Supplemental Fund Sources

FUND SOURCE TYPE	FUND SOURCE DESCRIPTION
A	2016 BOND PROGRAM CONTINGENCY - \$5 M
B	CAL OES/FEMA HAZARD MITIGATION GRANT: \$ 1.63 M (Castro Mission HC)
C	BOND INTEREST EARNINGS: \$3.5M - \$5M (DEPENDENT ON MARKET CONDITIONS OF 2ND SALE)
D	DONOR- PHILANTHROPY: \$ TBD
E	PUC ENERGY GRANT DOLLARS: TBD, \$500,000 TARGET
F	ANNUAL CPC- GF FUNDS: \$TBD
G	REIMBURSEMENT OF BOND ELIGIBLE EXPENSES APPLIED TO A FUTURE DPH BOND: \$500,000 - \$1,500,000
H	DPH REVENUE/SAVINGS -APPROVED BY MBO FOR USE ON CAPITAL: \$ TBD
I	MHSA & OCII funding and PUC funding (Southeast HC): \$3-\$6.25M