



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 • (510) 797-1111

Nancy Farber, Chief Executive Officer

Board of Directors

Patricia Danielson, RHIT

Jacob Eapen, M.D.

William F. Nicolson, M.D.

Bernard Stewart, D.D.S.

Michael J. Wallace

BOARD OF DIRECTORS' MEETING

Wednesday, September 10, 2014 – 6:00 P.M.

Conrad E. Anderson, MD Auditorium

AGENDA

- | | PRESENTED BY: |
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| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | Bernard Stewart, DDS
Board Member |
| II. ROLL CALL | Christine Flores
Executive Assistant |
| III. EDUCATION SESSION: | |
| Special Care Nursery | Dr. Yao Sun
Neonatologist |
| Transforming Healthcare: Pursuing Perfection | Patricia Crome, RN, MN,
NE-BC, FACMPE
Principal, Rona Consulting
Group |
| IV. CONSIDERATION OF MINUTES | <i>Motion Required</i> |
| August 13, 18, and 25, 2014 | |
| V. COMMUNICATIONS | |
| A. Oral | |
| B. Written | |
| From Peter Lunny, MD, Chief of Staff,
dated August 25, 2014 requesting approval
of Medical Staff Credentialing Action Items | <i>Motion Required</i> |

VI. INFORMATION

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| A. Service League Report | PRESENTED BY:
Gail Tomita
Service League President |
| B. Medical Staff Report | Peter Lunny, MD
Chief of Staff |
| C. Hospital Calendar | Nancy Farber
Chief Executive Officer |
| D. Construction Report | Ed Fayen, Senior Associate
Administrator |
| E. Quality Report
Quality Dashboard for Quarter
Ending June 2014 | Mary Bowron, DNP, RN, CIC
Senior Director of Quality &
Resource Management |
| F. Finance Report | Chris Henry
Chief Financial Officer |
| G. Hospital Operations Report | Nancy Farber
Chief Executive Officer |

VII. ACTION

- | | |
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| A. Consideration of acceptance and approval of Washington Township Health Care District's formal response to the 2013-2014 Alameda County Grand Jury Final Report and authorizing the Board President to sign response on the Board's behalf | Michael J. Wallace
Board Member |
| B. Consideration of Resolution No. 1148 Authorizing Assignment of the Morris Hyman Critical Care Pavilion Construction Contract | |
| C. Consideration of Parking Garage Project Final Bid and Budget | |
| D. Consideration of Secure File Transfer Project | |
| E. Consideration of Communication Antenna | |

VIII. ADJOURN TO CLOSED SESSION

In accordance with Section 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, portions of this meeting may be held in closed session.

- A. HUMAN RESOURCES
Discussion of Human Resources Matter, pursuant to California Government Code Section 54956.
- B. RISK MANAGEMENT
Conference regarding Risk Management Matters, pursuant to Health & Safety Code Section 32155. Discussion of Claims Liabilities pending and anticipated litigation, pursuant to Government Code Section 54956.
- C. STRATEGIC PLANNING
Discussion of Hospital Trade Secrets applicable to institution of new hospital services and facilities. No action will be taken, pursuant to Health & Safety Code Sections 1461, 1462 and 32106 and Government Code Section 54954.5(h). Likely date of release of information to be public: March 2015
- D. EMERGENCY ITEMS
Emergency situations may be discussed in Closed Session if agreed to by a 2/3 vote of the members of the Board present, or by a unanimous vote of the Board members present, pursuant to California Government Code Sections 54956.6 and 54957(a).

IX. RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

Bernard Stewart, DDS
Board Member

X. ADJOURNMENT

Bernard Stewart, DDS
Board Member

<p>A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, August 13, 2014 in the Conrad E. Anderson, MD Auditorium, 2500 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 6:00 p.m. and led those present in the Pledge of Allegiance.</p>	<p><i>CALL TO ORDER</i></p>
<p>Roll call was taken. Directors present: Bernard Stewart, DDS, William Nicholson, MD, Patricia Danielson, RHIT, Jacob Eapen, MD Michael Wallace (excused)</p>	<p><i>ROLL CALL</i></p>
<p>Also present: Nancy Farber, Chief Executive Officer, Peter Lunny, Chief of Medical Staff, Jose Aguirre, Service League 1st Vice President, Christine Flores, Executive Assistant</p>	
<p>Guests: Kimberly Hartz, Ed Fayen, Chris Henry, Gus Arroyo, Donald Pipkin, Albert Brooks, MD, Tina Nunez, Kristin Ferguson, Janice Stewart, Mary Bowron, Cindy Noonan, Angus Cochran, Stephanie Williams, Nick Legge, Mike Engle, Kent Joraanstad, David Hayne, Kathy Hunt, Ray Graves, Joe Tada, Paul Kozachenko, Christine Nguyen-Flores, Dee Antonio</p>	
<p>Nancy Farber introduced Carmen Agcaoili, MD, Medical Director, Intensivist Program and Daniel Sweeney, MD, Assistant Medical Director, Intensivist Program. Dr. Sweeney discussed the purpose of Patient & Family Centered Critical Care; ensure that patient values guide all clinical decisions, focus on open communication and understanding, develop positive partnerships with patients and improve satisfaction, and provide culturally-sensitive care that is respectful and responsive to individual patient preferences, needs and values. Dr. Sweeney continued by discussing the five step approach: "VALUE"; Value family statements, Acknowledge family emotions, Listen to the family, Understand patient as a person, and Elicit family questions.</p> <p>Dr. Agcaoili discussed "Right Care, Right Now", an innovative concept endorsed by the Society of Critical Care Medicine in 2005. Dr. Agcaoili noted this is based on use of research, best practice and an integrated team led by a trained intensivist to deliver the right care at the exact right moment, to achieve optimal patient outcomes. Every May, together with critical care colleagues throughout the nation, Critical Care Awareness is recognized. Dr. Agcaoili went on to introduce the three winners of the Right Care, Right Now Essay Contest Winners, Anu Tharoor, RN, Ida Lee, OT, and Heather Health, RCP, RRT. Each of the contest winners read and shared their essays with the Board of Directors.</p>	<p><i>EDUCATION SESSION: WHHS Intensivist Program: Patient and Family Centered Care</i></p>
<p>Director Nicholson moved for approval of the minutes of July 9, 21, 23, and 28, 2014. Director Danielson seconded the motion. Roll call was taken:</p> <p style="padding-left: 40px;">Bernard Stewart, DDS - aye William Nicholson, MD - aye Patricia Danielson, RHIT - aye Jacob Eapen, MD - aye</p> <p>The motion carried.</p>	<p><i>APPROVAL OF MINUTES OF JULY 9, 21, 23, AND 28, 2014</i></p>

<p>Director Stewart opened the floor to communications from the public. Jeanette Downs, Ninna Baniyani, Abby Aguado, Louis Legrand, and Lenetra Stevenson were invited to address the board. The speakers addressed the Board regarding healthcare benefits, retirement benefits, and CEO Compensation. Director Stewart expressed appreciation to the employees and others who have come to address the Board and noted the Hospital's resolution 331a.</p>	<p><i>COMMUNICATIONS ORAL</i></p>
<p>The following written communication was received from Peter Lunny, M.D., Chief of Staff, dated July 28, 2014, requesting approval of Medical Staff Credentialing Action Items as follows:</p> <p><u>Appointments:</u> Bauer, Kevin, MD; Bouvier, Denis, DO; Cheng, Walter, MD; Chen, Eric, MD; Dastgah, Amir, DPM; Husain, Lubna, MD; Harmon, Michael, MD; Kaiser, Sunitha, MD; Kane, Amy, MD; Kapila, Rishi, MD; Kimm, Simon, MD; Lin, Kirk, MD; Luo, Becky, MD; Malik, Bhavna, MD; Miller, David, MD; Ranchod, Tushar, MD; Saunders, Andrew, MD; Sharma, Anamika, MD; Solt, Stacie, MD; Spira, Alan, MD; Stern, Debra, MD; Sud, Sohil, MD; Wong, Francis, DO</p> <p><u>Temporary Privileges:</u> Husain, Lubna, MD; Ranchod, Tushar, MD; Spira, Alan, MD; Stern, Debra, MD; Sud, Sohil, MD</p> <p><u>Reappointments:</u> Banipalsin, Sarkis, MD; Boohar, Lisa, MD; Cabebe, Elwyn, MD; Chawla, Varun, MD; Che, Qi, MD; Cole, Alexandra, MD; Curran, Steve, MD; Ennix, Coyness, MD; Ge, Mei, MD; Giddens, John, MD; Halimi, Kadeer, MD; Hoang, Sylvia, MD; Hyder, Shakir, MD; Kompella, Suvarchala, MD; Lam, Khoi, MD; Molina, Ricardo, MD; Raj, Kavitha, MD; Robertson, Kari, PA-C; Sharma, Vandana, MD; Slack, Alison, MD; Srivatsa, Arun, MD; Sundar, Shalini, MD; Sweeney, Daniel, MD</p> <p><u>Transfer in Staff Category:</u> Chawla, Varun, MD</p> <p><u>Completion of Proctoring & Advancement in Staff Category:</u> Molina, Ricardo, MD</p> <p>Director Nicholson moved for approval of the credentialing action items. Director Danielson seconded the motion. Roll call was taken:</p> <p style="padding-left: 40px;">Bernard Stewart, DDS - aye William Nicholson, MD - aye Patricia Danielson, RHIT - aye Jacob Eapen, MD - aye</p> <p>The motion carried.</p>	<p><i>COMMUNICATIONS WRITTEN</i></p>

<p>Ms. Farber noted a draft response for consideration of approval will be presented to the Board of Directors at the September 10, 2014 Board meeting; a formal written response is due no later than September 23, 2014. Washington Hospital has already started to implement some of the recommendations from the grand jury; the Board discussed their thoughts on the letter and findings. Director Stewart reassured the District residents that the care and services provided by Washington Hospital is not part of the grand jury inquiry; in fact, the report states, for more than 50 years the hospital has provided state of the art medical care to the community.</p>	<p><i>DISCUSSION OF RESPONSE TO THE 2013-2014 ALAMEDA COUNTY GRAND JURY FINAL REPORT</i></p>
<p>Gail Tomita, Service League President presented the Service League Report and noted there were several volunteers who helped the Washington Hospital's Employee Association (WHEA) with the biggest fund raising event collecting the \$5 fee at the Washington West Parking Lot during the Fremont Art Festival.</p>	<p><i>SERVICE LEAGUE REPORT</i></p>
<p>Dr. Lunny reported there are 516 Medical Staff members.</p>	<p><i>MEDICAL STAFF REPORT</i></p>
<p><u>The Hospital Calendar video highlighted the following events:</u></p> <p>The 2014 Central Park Summer Concert Series kicked off on Thursday, July 10th. Washington Hospital was the co-presenting sponsor. All concerts are held at the Central Park Performance Pavilion on Thursdays from 6:00 to 8:00 pm. Washington Hospital has provided health information and health screenings during the 6-week concert series. Representatives from Cardiovascular Services, Birthing Center, Infusion Center, Community Outreach, and Women's Center have been present. One remaining concert will be held on August 14th and will include representatives from the Intensive Care Unit along with information on Advanced Health Care Directives.</p> <p>On July 19th, Washington Hospital and the Taylor McAdam Bell Neurosciences Institute hosted the Seventh Bay Area Symposium on Advances in Neurosciences. World-class neurologists, neurosurgeons, radiation oncologists and other health care professionals spoke at the Symposium. Nationally and internationally recognized experts discussed a wide range of topics focused on neurological diseases, disorders, and treatment approaches. The Program Coordinators were Dr. Sandeep Kunwar, neurosurgeon, Dr. David Larson, Radiation Oncologist, and Dr. Moses Taghioff, neurosurgeon.; 127 people attended.</p> <p>On August 7th, as part of the free Diabetes Matters Education Series, Kathy Weinberg, R.N., presented "What to Expect When Hospitalized with Diabetes"; 7 people attended.</p> <p>On August 9th, Washington Hospital participated in the Ohana Health Fair presented by Tri-City Health Center and the Fremont Unified School District. Washington Hospital provided 28 bone density screenings. Over 300 people attended.</p>	<p><i>HOSPITAL CALENDAR: Community Outreach</i></p>

<p><u>Upcoming Health Promotions & Community Outreach Events</u></p> <p>On Tuesday, August 26th from 1:00 to 3:00 p.m., Dr. Jason Van Tassel will be presenting, "Treatments Options for Sleep Apnea."</p> <p>On Tuesday, September 2nd from 6:00 to 8:00 p.m., as part of the Stroke Education Series, Dr. Ash Jain, cardiologist and Doug Van Houten, R.N., will present "Stroke Prevention and Other Disease Processes" and "Healthy Lifestyle - Be Smart and Avoid Stroke"</p> <p>On Thursday, September 4th from 7 to 8 p.m., as part of the free Diabetes Matters Education Series, Cynthia Hunter, R.N., will be presenting "The Diabetes Domino Effect: "ABC's."</p> <p>On Monday, September 8th from 7 to 8:30 p.m., Dr. Victoria Leiphart will be presenting, "Restoring Balance" a six-week stress reduction program.</p>	
<p>On Saturday, October 11th, the Washington Hospital Healthcare Foundation will host the 28th annual Top Hat dinner dance. This year's gala will be co-chaired by Rod Silveira and Skip Turner, the owners of Professional Home Care Associates and Neurosport, and Dr. Jan Henstorf, Chief Medical Information Officer at Washington Hospital. The trustees of the Foundation have designated the proceeds from this year's Top Hat gala towards the Washington Special Care Nursery, which is affiliated with UCSF Benioff Children's Hospital San Francisco. This unit in the hospital cares for babies born prematurely or with life-threatening conditions. Funds from the gala will support patients' families and provide technology upgrades.</p>	<p><i>HOSPITAL CALENDAR: Washington Hospital Foundation Report</i></p>
<p><u>Washington Hospital Employee Association, W.H.E.A.</u></p> <p>On July 30th, WHEA held a reception to recognize Kaitlin Kopecki, the recipient of the 2014 Don Pickinpaugh Memorial Scholarship in the amount of \$2,000. Kaitlin is the daughter of Suzanne Kopecki in patient accounting, and will attend Cal State University Fullerton in the fall majoring in Communications and Business.</p> <p>On August 2nd and 3rd, WHEA held their biggest fundraiser of the year. During the Fremont Festival of the Arts, employees requested a \$5 donation for festival attendees to park in the Washington West parking lot. The event raised over \$7,000. Proceeds will benefit charitable projects and organizations in the District.</p> <p><u>Washington On Wheels Mobile Health Clinic, W.O.W.</u></p> <p>During the month of July, the Washington On Wheels Mobile Health Clinic continued to serve community members at the Fremont Senior Center, the Fremont Family Resource Center, the Silliman Activity Center in Newark, the New Haven Adult School and the Ruggeri Senior Center both located in Union City. Washington On Wheels continued with the Summer's free glucose screenings at the Niles Canyon Mobile Home Estates, the Newark Library, and Centro de Servicios in Union City, as well all regularly scheduled community sites. In July, W.O.W. provided glucose screenings to 178 individuals.</p>	<p><i>HOSPITAL CALENDAR: Washington Hospital Employee Association, W.H.E.A.</i></p> <p><i>HOSPITAL CALENDAR: Washington On Wheels Mobile Health Van</i></p>

<p><u>Internet Marketing</u></p> <p>There were over 47,144 visits to the hospital website in the month of July. The hospital's Physician Finder section was the most viewed webpage with 16,146 page views, followed by the Employment section with 10,058 and the Volunteers section with 8,669 page views. The About WHHS section had 8,237 views and the Women's Health and Pregnancy with 2,889.</p> <p><u>InHealth - Channel 78</u></p> <p>During the month of July, Washington Hospital's cable channel 78, InHealth, taped new programming including the Neuroscience Conference. InHealth aired new programming including the July Board of Director's meeting and a Diabetes Matters Program titled "Diabetes Update 2014."</p> <p><u>Awards & Recognitions</u></p> <p>U.S. News & World Report has again recognized Washington Hospital as one of the Best Hospitals for 2013-14 and is rated as the 6th best hospital in the Bay Area. Washington Hospital has continued to be recognized as high performing in 7 specialties including gastroenterology and GI Surgery, geriatrics, gynecology, nephrology, neurology and neurosurgery, orthopedics and urology.</p> <p><u>Additional News</u></p> <p>Washington Township Health Care District Board of Directors member Patricia Danielson was elected as vice president of the Alameda County Special Districts Association (ACSDA). Ms. Danielson has been affiliated with the ACSDA for more than 10 years. As the vice president, Ms. Danielson will serve in a backup role as necessary when the president cannot fulfill his duties and will serve in a dual role of treasurer and will oversee the association's finances. ACSDA includes 17 member districts and five associate member districts and prior to her election as vice president; Ms. Danielson served as ACSDA's at-large officer.</p> <p>On August 6th, students and faculty from Taipei Medical University visited Washington Hospital. The main purpose of their visit was to provide students with the opportunity to gain specialized knowledge in the field of health care administration. A total of 11 delegates met with Washington Hospital staff and toured the facilities.</p> <p><u>Employee of the Month</u></p> <p>Elizabeth Ragusa has been working at Washington Hospital since 2011. She started in the Outpatient Registration area as a patient greeter. She soon moved to the Finance Department Cashiers window later that year. She is self-motivated, organized, and takes pride in her work. Elizabeth grew up raising animals and being a part of the 4H; a lot of them were bought by Washington Hospital and used by the food services department. She is the first face that greets our patients and represents not only the face of patient accounting, but Washington Hospital as well.</p>	<p><i>HOSPITAL CALENDAR: Internet Report</i></p> <p><i>HOSPITAL CALENDAR: InHealth</i></p> <p><i>HOSPITAL CALENDAR: Awards & Recognitions</i></p> <p><i>HOSPITAL CALENDAR: Additional News</i></p> <p><i>HOSPITAL CALENDAR: Employee of the Month – Elizabeth Ragusa</i></p>
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<p>Ms. Farber introduced Ed Fayen, Senior Associate Administrator. Mr. Fayen presented a construction update regarding bids for the garage and anticipates to be presented to the Board in mid-September.</p>	<p><i>CONSTRUCTION REPORT Construction Update</i></p>
<p>Nancy Farber introduced Mary Bowron, Senior Director of Quality & Resource Management. Ms. Bowron presented the Intensivist Program noting the benefits of 24/7 Intensivist Coverage; shorter length of stay, less complications, improved survival, and better staff satisfaction. Ms. Bowron went on to report the program objectives: provide the best patient safety and quality of care, identify and improve condition of deteriorating patients, provide right care at the right time for critically ill patients using evidence based therapy and best practices, create a highly multidisciplinary team headed by an intensivist, and provide 24/7 support, integrate and engage patient/family into care. Ms. Bowron discussed the ICU Initiatives: 2013 which include the Delirium Project, Early Mobility Project, Sepsis Project, Blood Transfusion Strategies, Palliative Care Initiative, and the Patient/Family Engagement Initiative.</p>	<p><i>QUALITY REPORT Intensivist Program</i></p>
<p>Chris Henry, Chief Financial Officer, presented the Finance Report for June 2014. The average daily census was 146 with admissions of 905 resulting in 4,380 patient days. Outpatient observation equivalent days were 248. The average length of stay was 4.74 days. The case mix index was 1.563. Deliveries were 129. Surgical cases were 328. Joint Replacement cases were 130. Neurosurgical cases were 21. Cardiac Surgical cases were 9. The Outpatient visits were 7,312 and Emergency visits were 4,226. Total productive FTEs were 1,185.4. FTEs per adjusted occupied bed were 6.89.</p>	<p><i>FINANCE REPORT</i></p>
<p>Ms. Farber presented the Hospital Operations Report for July. There were 925 patient admissions with an average daily census of 145. This was higher than the budget of 922 admissions and 0.7% above the budgeted average daily census of 144. Preliminary information indicated inpatient revenue for the month of July at approximately \$116,100,000; 54.6% was Medicare and 20.5% was Medi-Cal, for a total of 75.8% in government program revenue. There were 136 deliveries in the Hospital resulting in 275 baby days. There were 336 surgical cases at the Hospital and 630 cases at the Outpatient Surgery Center. The Emergency Room saw 4,451 patients. The clinics saw approximately 3,715 patients. FTEs per Adjusted Occupied Bed were 6.66.</p>	<p><i>HOSPITAL OPERATIONS REPORT</i></p>
<p>In accordance with District Law, Policies and Procedures, Director Nicholson moved the Chief Executive Officer be authorized to proceed with the purchase of a Digital Video Recording system for an amount not to exceed \$25,906. This purchase was included in the Fiscal Year 2015 Capital Equipment Budget. Director Danielson seconded the motion. Roll call was taken: Bernard Stewart, DDS - aye William Nicholson, MD - aye Patricia Danielson, RHIT - aye Jacob Eapen, MD - aye The motion carried.</p>	<p><i>APPROVAL OF SUPPLEMENTATION OF THE SECURITY SYSTEM</i></p>

<p>Director Nicholson moved for the adoption of Resolution No. 1147. This is a resolution to officially oppose proposition 46, also known as MICRA reform measure, on the November 2014 Statewide ballot. Proposition 46, if passed, would have an adverse effect on the ability of District residents to access care and greatly increase the operating costs of the District. Director Danielson seconded the motion. Roll call was taken: Bernard Stewart, DDS - aye William Nicholson, MD - aye Patricia Danielson, RHIT - aye Jacob Eapen, MD – aye</p> <p>The motion carried.</p>	<p><i>ADOPTION OF RESOLUTION NO. 1147, TAKING A POSITION ON PROPOSITION 46 ON THE NOVEMBER 2014 CALIFORNIA STATEWIDE BALLOT</i></p>
<p>In accordance with Health & Safety Code Sections 1461, 1462, and 32106 and Government Code Section 54954.6(h). Director Stewart adjourned the meeting to closed session at 8:23p.m. as the discussion pertained to Hospital trade secrets, human resources matters and risk management.</p>	<p><i>ADJOURN TO CLOSED SESSION</i></p>
<p>Director Stewart reconvened the meeting to open session at 9:05p.m. and reported no action was taken in closed session.</p>	<p><i>RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION</i></p>
<p>There being no further business, Director Stewart adjourned the meeting at 9:06p.m.</p>	<p><i>ADJOURNMENT</i></p>
<p>_____ Bernard Stewart, DDS President</p>	<p>_____ William Nicholson, MD Secretary</p>

<p>A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, August 18, 2014 in the Boardroom, Washington Hospital, 2000 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 6:05 p.m. and led those present in the Pledge of Allegiance.</p>	<p><i>CALL TO ORDER</i></p>
<p>Roll call was taken. Directors present: Bernard Stewart, DDS; William Nicholson, MD; Michael Wallace; Patricia Danielson, RHIT; Jacob Eapen, MD</p>	<p><i>ROLL CALL</i></p>
<p>Also present: Nancy Farber, Chief Executive Officer; Kimberly Hartz, Senior Associate Administrator; Ed Fayen, Senior Associate Administrator; Chris Henry, Associate Administrator; Stephanie Williams, Associate Administrator; Bryant Welch, Associate Administrator; Tina Nunez, Associate Administrator; Paul Kozachenko; Paulina Tran; Michael MacBryde; Noah Rosenberg; Christine Flores, Executive Assistant.</p>	
<p>There were no oral or written communications.</p>	<p><i>COMMUNICATIONS</i></p>
<p>In accordance with Health & Safety Code Sections 1461, 1462 and 32106 and Government Code Section 54954.5(h) Director Stewart adjourned the meeting to closed session at 6:06 p.m., as the discussion pertained to Hospital trade secrets, Human Resources matters and Risk Management.</p>	<p><i>ADJOURN TO CLOSED SESSION</i></p>
<p>Director Stewart reconvened the meeting to open session at 7:55 p.m. and reported no action was taken in closed session.</p>	<p><i>RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION</i></p>
<p>There being no further business, Director Stewart adjourned the meeting at 7:55 p.m.</p>	<p><i>ADJOURNMENT</i></p>
<p>_____ Bernard Stewart, DDS President</p>	<p>_____ William F. Nicholson, MD Secretary</p>

<p>A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, August 25, 2014, in the Boardroom, Washington Hospital, 2000 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 7:30 a.m.</p>	<p><i>CALL TO ORDER</i></p>
<p>Roll call was taken. Directors present: Bernard Stewart, DDS; William Nicholson, MD; Patricia Danielson, RHIT, Jacob Eapen, MD Excused: Michael Wallace</p>	<p><i>ROLL CALL</i></p>
<p>Also present: Peter Lunny, MD; Jan Henstorf, MD; Nancy Farber, CEO; Albert Brooks, MD</p>	
<p>There were no oral or written communications.</p>	<p><i>COMMUNICATIONS</i></p>
<p>Director Stewart adjourned the meeting to closed session at 7:30 a.m. as the discussion pertained to Medical Audit and Quality Assurance Matters pursuant to Health & Safety Code Sections 1461 and 32155.</p>	<p><i>ADJOURN TO CLOSED SESSION</i></p>
<p>Director Stewart reconvened the meeting to open session at 9:25 a.m. and reported no action was taken in closed session.</p>	<p><i>RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION</i></p>
<p>There being no further business, the meeting adjourned at 9:25 a.m.</p> <p>_____ Bernard Stewart, DDS President</p> <p>_____ William F. Nicholson, MD Secretary</p>	<p><i>ADJOURNMENT</i></p>

September [], 2014

TRANSMITTED VIA U.S. MAIL

The Honorable Winifred Y. Smith
Presiding Judge
Alameda County Superior Court
1225 Fallon Street, Department One
Oakland, CA 94612

**RE: Response of the Washington Township Health Care District to Civil Grand
Jury Report issued on June 23, 2014**

Dear Presiding Judge Smith:

This letter constitutes the formal response of the Washington Township Health Care District ("District") to the report entitled *Washington Hospital Health Care District - Brown Act/Conflicts of Interest* issued as part of the 2013-2014 Alameda County Grand Jury Final Report on June 23, 2014. The Grand Jury has asked the District to respond to Findings 14-9 through 14-15 and Recommendations 14-9 through 14-16.

By way of introduction, the Board of Directors wishes to express its gratitude for the Grand Jury's efforts. The Board appreciates the time it took for the Grand Jury to review the thousands of pages of records the District provided to the Grand Jury. The District also appreciates that the Grand Jury provided both our Board President and our Chief Executive Officer the opportunity to personally respond to the Grand Jury's questions.

Rest assured that the District takes its responsibilities regarding transparency and conflicts of interest seriously. The District always welcomes suggestions for improvements. As you will see below, some of the Grand Jury's recommendations have already been implemented. We would be remiss, however, if we did not point out that in the effort to provide more transparency, the District must always consider its obligations to safeguard patient and physician privacy. With over 50,000 patient encounters annually in the Emergency Room alone, issues regularly arise which cannot be discussed in an open forum. In addition, certain other aspects of the District's operations are allowed to be held in closed session (see below).

Finding 14-9: The long tenure of Washington Hospital Healthcare System's board members has led to a perception of complacency.

District Response to Finding 14-9

The District respectfully disagrees with this finding. Long tenure does not automatically result in complacency. To the contrary, the long tenure of the Board is a strength of the District.

The District operates in a complex and highly regulated environment. Providing quality healthcare to the community has grown increasingly complex over the past few years, particularly over the past 18 months during the initial implementation of the Affordable Care Act. The Board's knowledge and experience has been an asset in guiding the District as it strives to continue providing high quality cost effective healthcare to the residents and patients of the District. By way of example, during the last fiscal year, the Board approved an affiliation with UCSF which will improve access to high quality physician services and serve as a possible foundation for the creation of a comprehensive, sustainable and integrated health care network to serve the District's residents. The Board's knowledge and experience in understanding the historical needs of the District combined with its knowledge of current healthcare issues greatly facilitated the approval of this key affiliation.

In addition, it should be noted that Board members attend many community events throughout the District, a further example of an engaged and active Board of Directors.

Finding 14-10: Both the Washington Hospital Healthcare System and DEVCO conduct a good portion of their meetings in closed session. Reasons for closed sessions and their results are rarely reported in open session, which discourages public involvement and scrutiny.

District Response:

The District agrees in part and disagrees in part. The District Board acknowledges that it conducts a good portion of its meetings in closed sessions. Unlike a city or county, a health care district routinely deals with unique issues which require closed sessions. Section 1461 of the California Health & Safety Code provides for closed sessions for hospital medical audit or quality assurance committee reports. Section 1462 provides for closed sessions involving hospital trade secrets. In addition, the District, like other public agencies, may hold closed sessions for other matters that require confidentiality including, but not limited to, certain personnel matters, labor negotiations and liability claims.

While the District appreciates the need for public involvement and scrutiny, the public need must be balanced, against other interests which require confidentiality. The District

acknowledges that the District needs to do a better job of educating the public on the need for closed sessions when operating a complex multifaceted healthcare system.

Finding 14-11: The Washington Hospital Healthcare System and its entities' board packets and non-confidential material are not routinely made available nor are they accessible online, which inhibits public involvement and scrutiny. Minutes of DEVCO and the Foundation are not available online.

District Response:

The District agrees in part and disagrees in part. The District's board packets have not been available online but as described below under the discussion for Recommendation 14-11, board packets for the District, Washington Hospital Healthcare Foundation and DEVCO are now available online.

To the extent a member of the Grand Jury was told that board packets are not normally provided to the public, the District acknowledges that this should not have happened. In the past, the District has provided copies of reports and other agenda items on request. While the District does not receive many requests, the District acknowledges it still needs to make the information more readily available. By posting the packets online, the District will be making the packets available to anyone via computer, tablet or smartphone.

Finding 14-12: In violation of the Brown Act, a public sign-in was required at a September 2013 board meeting, which discourages public participation.

District Response:

The District agrees in part and disagrees in part. To the extent that members of the public were directed by security and staff to sign in, that should not have happened and clearly there was a misunderstanding. It is not the policy of the District to require anyone to "sign in" to participate at a public meeting.

Finding 14-13: Washington Hospital Healthcare System's poor adherence to the requirements of the Public Records Act prevents interested citizens from obtaining information about the management and finances of the district.

District Response:

The District disagrees with this finding. Over just the last six months alone, the District estimates it has produced over 260,000 hard copy pages of records and 140 gigabytes of

electronic records in response to Public Records Act requests. The District believes that with regard to the one instance mentioned in the letter, there may have been a miscommunication or an error. The District's general adherence to the requirements of the Public Records Act should not be evaluated on the basis of one instance.

Finding 14-14: The Washington Hospital Healthcare System's financial support of a community non-profit outside its district boundaries that involved the CEO's spouse led to the perception of conflict of interest.

District Response:

The District agrees that while there may have been a perception of a conflict of interest, as the Grand Jury noted, no violation of law occurred. The District's support of the community non-profit started when the Chief Executive Officer learned that the community non-profit may have to close its doors. This particular non-profit served a unique and heart wrenching purpose: namely, the provision of a compassionate, dignified and caring environment for gravely and terminally ill children and their families, including District residents. At the time, this community non-profit was the only children's hospice in the State of California.

When the Chief Executive Officer learned that the community non-profit had decided to extend a paid position to her spouse (converting him from his volunteer role), she immediately declared her conflict in writing, and stepped away from administering any grant. At that point in time, no one else in the community had stepped up to support this community non-profit. Had the District decided to renege on its anticipated grant, the community non-profit would likely have folded. While the District acknowledges that some may believe the District should avoid even the appearance of a conflict of interest, in this instance, the District believed that following through on the grant was the appropriate course of action. It should be noted that the Fair Political Practices Commission reviewed the Chief Executive Officer's letter (disclosing the conflict) and recusal. Based on that review, the Commission determined it would not take any action.

Finding 14-15: The Washington Hospital Healthcare System's practice allowing for the CEO's reimbursement of personal charitable donations led to the appearance of impropriety.

District Response:

The District disagrees in part and agrees in part. This Finding 14-15, as written, could lead to a perception that the Grand Jury concluded that the District automatically reimburses the Chief Executive Officer for any and all personal charitable donations. This is not the case.

The practice of reimbursing the Chief Executive Officer for certain expenditures is based on Section 9.e of the Chief Executive Officer's Employment Agreement which has remained largely unchanged since 1994.

9.e. It is the desire of DISTRICT that FARBER become involved in charitable, academic, civic, social and professional organizations and activities in order to promote and enhance the relations of WASHINGTON HOSPITAL with the Medical Staff and the community it serves. In addition, the DISTRICT desires that FARBER be hereby authorized to make appropriate donations or contributions in the best interests of the DISTRICT. Accordingly, expenses incurred for these activities together with other reasonable business expenses incurred by FARBER will be paid by DISTRICT upon submission of an appropriate written request for reimbursement for the same.

Similar language existed in the employment agreement of the past Chief Executive Officer, Richard Warren (prior to 1994).

The District has had a long standing policy of supporting community service organizations that provide services which would otherwise need to be provided by the District. Rather than compete with these community service organizations, the District provides financial support.

The Chief Executive Officer's expenditures for which she was reimbursed all fit within the above language. In many instances, the Chief Executive Officer merely made the same or similar expenditure as in prior years. However, the District acknowledges that it must adjust its policy to make it clear that the amount paid is coming from the District.

Recommendation 14-9: The Washington Hospital Healthcare System should consider term limits for its board members.

District Response

The District Board has considered term limits but will not take action to implement term limits. As previously noted in the discussion under Finding 14-9, the District believes the long tenure of the Board is an asset to the District.

The District follows existing law related to Board member qualifications and term of service. The voters have ample power to make a change, should they decide to do so.

The issue of term limits may be of state wide concern and if deemed appropriate, term limits should be adopted on a state wide basis and applied to all special districts in the state.

Recommendation 14-10: The Washington Hospital Healthcare System must better comply with open meeting laws and educate the public about closed sessions.

District Response:

The District will endeavor to improve its process regarding meetings and will also take steps to educate the public about closed sessions. We have a responsibility to the public which is twofold: we want to be transparent and we want to be responsible stewards of the operations of the District. With regard to the latter, we must be cognizant that our health care system competes for patients, employees and physicians with other nonprofit and for-profit entities. The District does not have a monopoly to provide healthcare to District residents.

Also, the District must hold, in the strictest confidence, certain information related to patients and physicians pursuant to HIPAA, the California Confidential of Medical Information Act and California Business and Professions Code Section 809 *et seq.*

As noted above and below, the District has already started posting board packets on-line. Within the next six months, the District will provide education sessions to the public about closed sessions. In addition, the District will consider additional ways of improving its processes regarding meetings.

Recommendation 14-11: The Washington Hospital Healthcare System must make available to the public, board packets and other non-confidential material provided to board members before and at public meetings. The board packet must include all relevant material that will be discussed or considered at board meetings.

District Response:

The Grand Jury's recommendation has been implemented. The Washington Hospital Healthcare System has already started posting board packets online. The Board packets include all relevant material that will be discussed or considered at board meetings with the exception of those items related to matters which are properly discussed in closed session.

Recommendation 14-12: The Washington Hospital Healthcare System must eliminate any requirement of public sign-in at its board meetings.

District Response:

The Grand Jury's recommendation has been implemented. The Washington Hospital Healthcare System never intended to have a required public "sign in" at its meetings. However, if members of the public want to be added to the District's mailing list, they will be provided an opportunity to do so.

Recommendation 14-13: The Washington Hospital Healthcare System must provide conflict of interest training pursuant to the AB 1234 requirement for all board members and senior staff.

District Response:

This recommendation has already been implemented. The Washington Hospital Healthcare System already provides conflict of interest training for all Board members and staff pursuant to AB 1234. At the December 12, 2012 Board meeting, the Compliance Officer provided an education session which included AB 1234 compliance. In addition, each Board member completed AB 1234 training in January 2013.

The Washington Hospital Healthcare System will continue to provide AB 1234 training.

Recommendation 14-14: The Washington Hospital Healthcare System must comply with the Public Records Act when responding to citizen's requests for information.

District Response:

This recommendation has already been implemented. The Washington Hospital Healthcare System acknowledges its obligation to comply with the Public Records Act.

Recommendation 14-15: The Washington Hospital Healthcare System must publish board packets, minutes and related materials for all of its entities online.

District Response:

The Washington Hospital Healthcare System has already implemented this recommendation. The referenced records are available online or will be available online within 90 days.

The Honorable Winifred Y. Smith
Presiding Judge, Alameda County Superior Court
September [___], 2014
Page 8

Recommendation 14-16: The Washington Hospital Healthcare System must publish the CEO's contract on the district's website.

District Response:

This recommendation has already been implemented. The contract is available online.

Respectfully submitted,

*****DRAFT*****

Dr. Bernard Stewart, President
Washington Township Health Care District

CC: Alameda County Grand Jury
Attention: Kelley A. McFarland, Foreperson
1401 Lakeside Drive, Suite 1104
Oakland, CA 94612

Washington Township Health Care District Board of Directors

DRAFT

PRELIMINARY DRAFT

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
RESOLUTION NO. 1148

**AUTHORIZING ASSIGNMENT OF THE MORRIS HYMAN
CRITICAL CARE PAVILION CONSTRUCTION CONTRACTOR**

Section 1. WHEREAS:

1. The design and construction of the Morris Hyman Critical Care Pavilion (the "Project") is funded by Measure FF and Measure Z, of which the Board of Directors ("Board") has available \$281,654,994 of bonds; and
2. The Project is subject to OSHPD jurisdiction. OSHPD is widely regarded as a strict state supervisory agency with high standards for enforcing seismic safety, plans and specifications, and having the mandate that hospital construction meet seismic standards to withstand earthquake forces and maintain operations following earthquake events; and
3. Hospital construction is unique, not only in the degree of oversight and supervision by OSHPD, but also the nature of the design and construction required to meet seismic safety standards and the intent and goals of the seismic safety laws, including the structural and non-structural elements within hospitals, which places a premium on coordination of the design and construction of interior mechanical, electrical and plumbing systems, using techniques such as Building Information Modeling; and
4. On March 13, 2013, after advertisement and award in conformance with the requirements of Health & Safety Code Section 32132 and pursuant to lawful action of this Board by Resolution 1125, the District awarded to Hensel Phelps Construction, Inc. ("Hensel-Phelps"), a contract for construction of the Project, inclusive of preconstruction services and construction services, with a construction budget target of \$221,082,000. and a contract completion date in 2017. (the "Contract"). Resolution 1125 is incorporated hereat; and
5. The Contract was thereafter subject to certain changes and extensions, and disputes arose between the District and Hensel Phelps, including disagreements regarding budget, schedule, and completion of the work within the District's construction budget, and the effect of the improving economy on the construction market.

6. Subcontractor bidding and the construction was originally scheduled to start in Summer 2013; there occurred disagreements regarding pricing, scheduling, and bidding; and the District suspended the work of Hensel Phelps in May, 2014, pending review and determination of performance options; and
7. The improving economy and demand for construction in the Bay Area has resulted in construction budget adjustments and construction cost inflation; staff has reported that it expects that construction costs will be 8.74% greater than budgeted in early 2013, adjusting the construction budget target to \$239,659,852, which reflects the effect of the improved economy in the Bay Area construction market and extended construction periods.
8. The District and Hensel Phelps have reached agreement regarding resolution of issues under the Contract including an Assignment and Novation of the Contract to Rudolph & Sletten, Inc., ("Rudolph & Sletten").
9. Rudolf & Sletten and the District have reached agreement on substantially all terms of the Contract and completing the scope of work of the Contract within the District's construction adjusted target budget and to utilize certain construction and procurement methods designed to regain lost contract time.
10. The original project budget contained contingency amounts that covered substantial portions of the expected budget adjustment. Staff requests an adjustment to the Project Budget of \$7,500,000 to cover amounts not funded by the contingency budgets.
11. The Contract as assumed by Rudolph & Sletten includes the following categories of changes necessary to recapture schedule and to complete the Project within the District's adjusted construction budget:
 - a. it will permit a Parent Company Guaranty in lieu of a performance bond, that may result in cost savings;
 - b. It will permit Rudolph & Sletten to perform initial stages of the Project work using its own forces, subject, however, to demonstrating price competitiveness and reasonableness and time savings that will recapture up to several months of schedule delay.
 - c. It will permit best value selection of interior construction trades customarily procured early for hospital construction projects for the purposes of "design assist" services involving Building Information Modeling (or "BIM"), provided that the material provisions governing "best value" selection defined in Public Contract Code section 20146 are followed.
 - d. It will permit "open book" subcontractor bidding in lieu of formal bidding by the District and then assignment and novation to Rudolph

& Sletten, however, such open book bidding must comply with the Subcontractor Listing Law; and It will permit staff to negotiate lump sum scopes of the work of trades at such time as the work is further defined, design assist services sufficiently completed, and cost savings identified, if and as necessary to recapture time and further scope that is currently outside the scope of work accepted by Rudolph & Sletten.

12. The assignment and negotiation of the completion terms are necessary to complete the Contract within the District's adjusted target budget and in order to recapture time lost due to the current construction delays. This assignment and negotiation of the changes to the Contract for completion will avoid protracted disputes, result in savings of time and preserve needed bond funds for construction; and
13. The Contract permits assignment upon the mutual agreement of the District and HP; and
14. Any effort to terminate the contract, repackage the drawings and rebid would cause delay, not be useful, nor produce a public advantage;
15. There are sufficient facts to warrant and justify the consent to the assignment, and the finding of necessity and that any action to terminate the existing contract, repackage, rebid, would involve further delay and needless expenditure of bond funds and expose the Project to further construction cost inflation.

Section 2. NOW, THEREFORE, IT IS RESOLVED as follows:

1. The above-recited facts are true and correct.
2. The construction firm of Rudolph & Sletten is a responsible contractor with significant experience in construction of hospitals, performing preconstruction services, using building information modeling, and meeting time and budget requirements of project owners.
3. The assignment of the Contract from Hensel Phelps to Rudolph & Sletten is in the best interest of the District, will involve time savings in construction, assist the District in meeting its construction budget adjusted for construction cost inflation, and avoid a further dispute and diversion of staff time and resources in disputes with Hensel Phelps.
4. In the event that it is ever contended that the Contract should not be assigned and instead rebid, then the Board makes the findings as stated in the recitals. Further, the Board further finds that the purposes of the competitive bidding requirements are to guard against favoritism, improvidence, extravagance, fraud and corruption; to prevent waste of public funds; and to obtain the best economic results for the public. By

permitting Rudolph & Sletten to self-perform initial work based upon showings of price competitiveness and time savings, and otherwise procuring subcontracts using competitive procedures recognized in California statutes, the purposes of competitive bidding laws are met. Finally, the Board further finds that the change order authority in the Contract permits these changes.

5. Based upon the foregoing facts, this Board finds that the assignment to Rudolph & Sletten and the negotiation of completion terms is authorized by the Contract and in the best interest of the District and the most prudent method of expenditure of bond funds towards completion of the Project.
6. Based upon the foregoing facts, this Board finds that for this Project that any effort to terminate the Hensel Phelps contract, and re-bid, would work an incongruity and run contrary to the public interests usually protected by the public bidding and competitive bidding process, and that competitive bidding therefore is undesirable and impractical, and that it is in the public interest for the District to move forward with the assignment and completion terms set forth above; and
7. This Board further finds and declares that it is in the best interest of both the District and the taxpayers that the assignment is approved and that any bidding requirements for the Project that may be contended at any time to apply may be dispensed with because doing so in this instance is in the best interest of the District.
8. Therefore, this Board hereby authorizes the following:
 - a. Assignment and Novation of the Contract and negotiation of new completion terms, consistent with this Resolution. In such final negotiations, staff shall have authority to negotiate final changes and revisions as staff may deem reasonably necessary for final execution of the Contract, and amounts and definitions of scope, allowances, and pricing, as staff deems reasonably necessary to include the maximum amount of base and alternate scope into the District's construction budget adjusted for construction cost inflation, provided the resulting final Contract remains consistent with this Resolution.
 - b. Adjustment of the Project Budget by \$7,500,000.

PASSED AND ADOPTED by the Board of Directors of the WASHINGTON TOWNSHIP HEALTH CARE DISTRICT this 10th day of September 2014, by the following votes:

Resolution # 1148

PRELIMINARY DRAFT

AYES:

NOS:

ABSENT:

Bernard Stewart, D.D.S.
President of the Board of Directors
Washington Township Health Care District

William Nicholson, M.D.
Secretary of the Board of Directors
Washington Township Health Care District

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT (dba WASHINGTON HOSPITAL HEALTHCARE SYSTEM) FACILITIES MASTER PLAN – PHASE 2

MORRIS HYMAN CRITICAL CARE PAVILION PROJECT

STAFF FINDINGS AND RECOMMENDATIONS

I. BACKGROUND FACTS

In November 2004, the Washington Township Health Care District voters approved Bond Measure FF, which authorized the improvement and expansion of the Washington Hospital facilities (Facilities Master Plan). In November 2012, voters approved Bond Measure Z, which authorized additional funds for the Facilities Master Plan construction program. Phase 2 of the Facilities Master Plan includes the Morris Hyman Critical Care Pavilion, which will house expanded emergency, critical care, intensive care and surgical care facilities (Replacement Hospital Project, or Project).

The Project is subject to OSHPD jurisdiction. OSHPD is widely regarded as a strict state supervisory agency with high standards for enforcing seismic safety, plans and specifications, and having the mandate that hospital construction meet seismic standards to withstand earthquake forces and maintain operations following earthquake events.

Hospital construction is unique, not only in the degree of oversight and supervision by OSHPD, but also the nature of the design and construction required to meet seismic safety standards and the intent and goals of the seismic safety laws, including the structural and non-structural elements within hospitals, which places a premium on coordination of the design and construction of interior mechanical, electrical and plumbing systems, using techniques such as Building Information Modeling.

In the autumn of 2012 Washington Hospital Healthcare System (WHHS) published its Request for Proposals for the Replacement Hospital Project Construction Manager/General Contractor (CM/GC Contract). Swinerton Builders, Hensel Phelps Construction Co. (HP), and McCarthy Construction submitted their Statements of Qualifications (SOQs) in October 2012. WHHS requested and received additional SOQs and Proposal Price and Submittals from Swinerton, McCarthy and HP in January 2013.

In March 2013, WHHS awarded the CM/CG Contract to HP as the lowest, responsive, responsible proposer. The CM/GC Contract award and contract methodology, was based upon, in part, the unique nature of hospital construction and the unique role of Building Information Modeling. The construction budget was \$220 Million, with a Project completion date of 2017.

The CM/CG Contract required HP to perform the work in two phases: Preconstruction (first phase) and Construction (second phase). The CM/GC Contract fixed the fee for the first phase. The CM/GC Contract did not fix the price for the Construction phase (second), rather, the price of the second phase would be determined based upon the value of the construction work as competitively procured from subcontractors plus fixed and percentage CM/GC costs as defined in the CM/GC contract.

The Preconstruction Phase required HP to perform constructability reviews and coordination reviews, cost estimating and scheduling, generate subcontractor bidding interest and prepare bid packages and bid the Project scope of work to trade subcontractors. The contract required HP to complete this phase in six months, allowing bidding in late 2013. Due to reasons that are in dispute between WHHS and HP, HP commenced bidding but did not complete bidding and WHHS suspended HP's services during the trade bidding effective May 2014, pending its evaluation of options for completing the CM/GC Contract and the Project.

The contract issues and progress issues that resulted in the decision to suspend HP's work include:

- a. Estimating: HP estimate of Project construction costs was approximately \$20 Million (or about 10%) over the WHHS budget.
- b. Value Engineering/Pricing: HP and WHHS did not reach agreement on cost savings or commitments to bring the Project within budget.
- c. Bidding/Impacts to Bidding: HP and WHHS did not agree on the HP developed trade bid documents and the CM/GC Contract. WHHS stopped trade bidding in May 2014 as a result of these progress and contractual issues rather than receive incorrect or a limited number of trade bids.
- d. In or about this same time period, HP notified WHHS that it "wished to withdraw from the Project."

As part of a resolution of the developing disagreements and disputes with HP, WHHS began its search for a CM/GC to complete HP's work. WHHS held informal interviews with six CM/GC firms regarding their interest in, and availability to complete, the Project. Of these six, WHHS identified Rudolph & Sletten (R&S) as the most qualified candidate. R&S had recently completed two major hospitals within 20 miles of the Project, and has built over 15 hospitals and other construction projects in the Bay Area over the past 20 years, and is familiar with Building Information Modeling.

R&S submitted a fee and qualifications proposal. R&S proposed to build the project at lower construction costs and in less time than HP.

WHHS and HP have agreed upon an Assignment and Novation of the Contract to R&S, whereby WHHS will accept R&S as the Contractor for the Phase 2 (Construction) work. HP will be paid for its Phase 1 services and will not receive any compensation in any form for Phase 2. R&S will assume and complete HP's contract with modifications to several of the documents that comprise the Project Manual. These documents are listed in the attachments to Document 00 5201 (Agreement) within the Project Manual. (A copy of Document 00 5201 is attached to this report.)

The primary categories of changes to the Contract negotiated with R&S, are changes necessary to recapture schedule and to complete the Project within the District's construction adjusted budget. These changes include:

- a. A Parent Company Guaranty in lieu of a performance bond, that will result in cost savings;
- b. Allowing Rudolph & Sletten to perform initial stages of the Project work using its own forces, subject to demonstrating price competitiveness and reasonableness and time savings that will recapture up to several months of schedule delay.
- c. Allowing best value selection of interior construction trades customarily procured early for hospital construction projects for the purposes of "design assist" services involving Building Information Modeling (or "BIM"), provided that the material provisions governing "best value" selection defined in Public Contract Code section 20146 are followed.
- d. Allowing "open book" subcontractor bidding in lieu of formal bidding by the District and then assignment and novation to Rudolph & Sletten, providing the Subcontractor Listing Law is followed; and

- e. It will permit staff to negotiate lump sum scopes of the work of trades at such time as the work is further defined, design assist services sufficiently completed, and cost savings identified, if and as necessary to recapture time and further scope that is currently outside the scope of work accepted by Rudolph & Sletten.

Because of the unique nature of hospital construction, and as recognized in the initial award of the HP Contract and with prior hospital construction at the District, and because the CM/GC method is the recognized method for hospital construction (while low bid is not), it would not be in the District's best interest to change contracting approaches or vehicles in this case, nor would it be in the District's best interest to incur further delay to try to conduct any type of competitive "low bid" bidding. Staff's recommendation is to retain the current contract and contracting method.

HP bid for, and was awarded, a contract for the Morris Hyman Critical Care Pavilion Project at the end of the Great Recession, the worst environment for the construction industry, in particular, since the Great Depression. In the past two years, the economy in the San Francisco Bay Area has dramatically improved and demand for construction services has increased significantly. This has resulted in inflation rates in the cost of construction services in the San Francisco Bay Area reaching 8.74% over the past two years (Leland Saylor and Associates).

B. REQUEST FOR AUTHORITY

WHHS management requests the Board to authorize it to execute the following actions:

- a. Enter into the Assignment and Novation Agreement with HP and R&S, in the form attached to this report.

- b. Negotiate with Rudolph and Sletten final revisions to Document 00 5201 Agreement, attachments and other documents, as may be necessary to implement the intent of the attached form of the Agreement and Resolution #1148, subject to:

- 1. Use existing Phase 2 – Replacement Hospital plans and specifications, except for Designer's document changes to save costs, provide scope omitted from, or lacking functionality in, the OSHPD approved Fong & Chan

Architects (FCA) contract documents and Change Orders either approved by OSHPD or pending OSHPD approval as of the date of this report. Changes to the contract documents since the last document issue are to be addressed as allowances in the R&S estimate.

2. No change in Contract Time. The Project Schedule has been shortened from 48 to 41 months with associated cost savings in trade subcontractors' overhead costs.

3. An increase in the Project budget of \$7,500,000, due to the improving economy, demand for construction in the Bay Area, and inflation.

4. Use existing General Conditions and Division 1 Specifications except as modified by the parties through negotiation, primarily to reflect the fact that R&S will perform limited Preconstruction Services.

5. Commercial negotiations over agreement, pricing and potential incentives.

AGREEMENT

THIS AGREEMENT, dated this ____ day of September, 2014 is by and between Rudolph and Sletten, Inc. whose place of business is located at 1600 Seaport Blvd., Redwood City, CA 94063 (CM/GC and/or Contractor), and the WASHINGTON TOWNSHIP HEALTH CARE DISTRICT d.b.a. WASHINGTON HOSPITAL HEALTHCARE SYSTEM (Owner), a healthcare district established under the laws of the State of California.

WHEREAS, Owner, by its Resolution No. _____ adopted on the _____ day of _____, 2014 (a copy of which is attached and made a part of this Agreement), awarded to CM/GC the following contract:

**WASHINGTON HOSPITAL HEALTHCARE SYSTEM
PHASE 2 PROJECT, MORRIS HYMAN CRITICAL CARE PAVILION**

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, CM/GC and Owner agree as follows:

ARTICLE I, SCOPE OF WORK OF THE CONTRACT

I.01. Work of the Contract

- A. CM/GC shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents (Work).
- B. The Specifications and Drawings include the OSHPD Permit Set for the Project, and OSHPD Change Orders 1 and 2 in their current form either approved by OSHPD or currently submitted to OSHPD made available to CM/GC on FTP site on July 15, 2014. An index of the contents of the FTP site is annexed to this Agreement as Attachment F, Contract Documents.

I.02. General

- A. Owner shall pay CM/GC the amounts indicated in Paragraphs 1.03 and 1.04 below (together, Contract Sum) for completion of Work in accordance with Contract Documents and (as applicable) as set forth in Attachment A, Contract Award Cost Summary.
- B. The Contract Sum includes all allowances identified in the Contract Award Cost Summary and designated either as Owner controlled or Contractor controlled allowances.
- C. Owner' Guaranteed Maximum Price award budget (GMP) is \$220 million inclusive of all Cost Items identified herein. Attachment A, Contract Award Cost Summary identifies the Owner controlled cost items that are included in the Owner's \$220M Project Budget but will not be included in Contractor's GMP or Contract Sum.

I.03. Limited Preconstruction Phase (Phase I) Portion of Contract Sum

- A. Cost Item 1. Owner shall pay CM/GC the lump sum amount of \$907,225 for completion of Limited Preconstruction Phase Services indicated in the Contract Award Cost Summary (Limited Pre-Construction Services), inclusive of all CM/GC Limited Preconstruction Phase Estimating and Procurement, other services, related expenses, fee, profit, bonds and insurance and overhead, and any other Limited Preconstruction Phase services and work necessary to commence the Construction Phase (Phase II). CM/GC's Limited Preconstruction cost estimate shall be accurate, supported by necessary detail and estimates and takeoffs and quotations or preliminary pricing, and may be used by Owner to thereafter monitor and measure the bid and award of subcontracts and self-performed work and negotiations of pricing.

I.04. Construction Phase (Phase II) Portion of Contract Sum

- A. Final Guaranteed Maximum Price. After all of the Trade Subcontracts have been bid and awarded (or otherwise procured), a Final GMP (FGMP) shall be established as provided in Document 00 5251 (Pre-Construction and CM/GC Services) that shall be all inclusive. Unless mutually agreed otherwise in a Change Order, the FGMP shall be the sum of Cost Items 2 through 8, below. The FGMP shall not exceed the Owner's GMP and Contractor shall be at risk for amounts above Owner's GMP required or necessary to complete the Work.
- B. Total Compensation. Owner shall pay CM/GC for completion of all Construction Phase Work, as total compensation, as follows:
1. Cost Item 1 (Fee for Preconstruction Phase Services). The lump sum amount above for completion of Limited Preconstruction Phase Services.
 2. Cost Item 2 (Fee for Construction Services). An amount equal to (i) the percentage for CM/GC Fee identified in CM/GC's Proposal Form (Proposal Item 2) (CM/GC Fee) (Proposal Item 3) (ii) multiplied by the sum of Cost Items 3, 4 and 5 below, in full compensation for CM/GC's construction phase fee and profit. Amounts in Cost Items 6, 7 and 8, as incurred, will be transferred to Cost Item 5 and Fee paid thereon. The scope of Cost Item 2 Fee is defined in the Contract Documents.
 3. Cost Item 3 (General Conditions). The specified dollar amount in CM/GC's Proposal Form for CM/GC General Conditions (CM/GC General Conditions) in full compensation for CM/GC's construction phase general conditions and related field overhead. The scope of Cost Item 3 General Conditions is defined in the Contract Documents.
 4. Cost Item 4 (General Requirements). The specified dollar amount in CM/GC's Proposal Form for CM/GC General Requirements (CM/GC General Requirements) (Proposal Item 4, subject to subparagraph 5) in full compensation for CM/GC's construction phase general requirements, bonds and insurance, and all field overhead not otherwise included in Cost Item 3. The scope of Cost Item 4 General Requirements is defined in the Contract Documents.

Insurance and bonds costs and responsibility for providing them will be resolved before fixing the FGMP. The Owner will furnish the OCIP coverage and Builders Risk insurance. Contractor will provide other insurance required by this Agreement. Owner will consider a Corporate Guarantee by Contractor's parent company in lieu of performance bonds. The payment bond requirement of California Civil Code Section 89550 shall be complied with. Trade contractor bonding will be decided on a case-by-case basis and as required, may be either by individual trade contractor bonding or by Subguard.

5. Cost Item 5. The aggregate total cost of all Trade Subcontracts bid and awarded (or otherwise procured) by CM/GC, each administered at its initial bid/award value without markup (Aggregate Trade Subcontract Cost). Cost Item 5 includes all advance package procurements by Owner including without limitation as shown in Attachment E, Procurement Plan.
6. Cost Item 6. An amount equal to five percent of Cost Item 5 (Construction Contingency or Contingency). Contingency is subject to adjustment as provided in paragraph C.
7. Cost Item 7. Contractor Controlled Allowances which will be identified and listed in Exhibit A-1, (Owner Allowances and Contractor Allowances) of Attachment A, Contract Award Cost Summary. Contractor's monthly reports shall show the Contractor controlled allowance amounts used or anticipated to be used, their basis and the amount remaining in Contractor controlled allowances. Owner shall have the right, but not the duty, to monitor and question or object to use of Contractor controlled allowances on an item-by-item basis and to consent or withhold consent, however, Owner's consent shall not be unreasonably withheld. Contractor may not exceed the total amount of all allowances and will notify Owner if it anticipate exceeding the amount of any individual allowance. Upon project completion, unused allowance amount will revert to Owner by change order.
8. Cost Item 8. Owner Controlled Allowances will be identified and listed in Exhibit A-1, (Owner Allowances and Contractor Allowances) of Attachment A, Contract Award Cost Summary.

C. Construction Contingency.

1. Construction Contingency (Cost Item 6) amount will be administered by Contractor, paid only to subcontractors, and expended only for changes and/or extra costs as defined in this paragraph C. Not more than 2% (40%) of the 5% contingency may be expended if necessary during procurement prior to establishing the FGMP.
2. On final completion and close out of the Contract, unspent amounts in Cost Item 6 (Construction Contingency) shall be shared, i.e., paid to CM/GC and retained by Owner with the Contract Sum adjusted accordingly, in the following percentages:
 - a. For unspent amounts equal to or less than the first 2.5% (50%) of Cost Item 5: 50% to Contractor, 50% retained by Owner;

- b. For unspent amounts in excess of the remaining 2.5% (50%) and up to 5% of Cost Item 5: 25% to Contractor, 75% to Owner.
3. All uses of Construction Contingency shall be limited to those permitted in this Paragraph I.04.C and shall be reported on and documented by Contractor monthly in its Monthly Progress Report, and subject to audit at closeout of the Project. Owner shall have the right, but not the duty, to monitor use of contingency on an item-by-item basis and to consent or withhold consent, however, Owner's consent shall not be unreasonably withheld. Contractor's monthly reports shall show monthly the amount used or anticipated to be used and the basis for its use, and the amount remaining in Construction Contingency. Construction Contingency shall include cost resulting from:
 - a. Willful negligence or non-conforming work corrections.
 - b. Work scope and cost not addressed within or between trade bids (scope gap);
 - c. Non-Owner caused schedule acceleration or other actions to maintain schedule;
 - d. Changes in work sequence;
 - e. Overtime premiums;
 - f. Similar added costs.
4. Costs and expenses outside of Contingency and a basis for a Change Order that increases the Contract Sum and/or a Cost Item, increasing the GMP in whatever stage it is in, include the following categories of changes and extra costs:
 - a. Owner elective changes adding scope in terms of new equipment, additional square feet, materially changing the plans and specifications;
 - b. Material changes in legal requirements or their reasonable interpretations inconsistent with the scope of the Contract Documents;
 - c. Design errors resulting from errors in design and/or engineering calculations not reasonably discoverable by satisfactory performance of CM/GC's work under Document 00 5251;
 - d. Omissions or constructability issues not reasonably foreseeable by Contractor based on its experience and its limited scope of performance under Document 00 5251;
 - e. Differing site conditions not ascertainable or reasonably determined in the course of performing Contractor's limited Preconstruction investigations and/or services under Document 00 5251; and
 - f. Acts or omissions by Owner or third parties not permitted, contemplated or contrary to the requirements of the Contract Documents, not foreseeable or preventable through the proper performance of CM/GC's pre-construction investigations and/or services under Document 00 5251.

- 5. Costs may not be charged to Construction Contingency if such costs are included within the scope of any other Cost Items.
- D. There shall be no duplication of scope or costs in any of the Cost Items.
- E. Construction Phase portion of Contract Sum will be payable only following issuance of Document 00 5501-B (Notice to Proceed for Construction) and satisfaction of any applicable conditions therein. (See paragraph B)

I.05. Confirmation and Development of Contract Sum. Contractor shall bid and award, negotiate or otherwise procure trade subcontracts using the methodology identified in Attachment E, Procurement Plan to this Agreement, subject to the following:

- A. Contractor may self-perform work only on the limited scope identified in this attachment or approved by Owner in its sole discretion; in each instance, any self-performed work shall be authorized only upon documentation demonstrating price competitiveness and schedule necessity to regain lost time on Owner's initial project schedule.
- B. Contractor may procure subcontracts identified for a best value methodology only by complying substantially with the best value requirements identified in Public Contract Code Section 20146 for construction management at risk procurements using open book methods; substantial compliance, however, must include using all five criteria identified in the statute and the minimum scoring criteria identified in the statute, and must include full compliance with the California Subcontractor Listing Law.
- C. Contractor may procure subcontracts identified for competitive bidding by using open book competitive bidding with advertisements, and in all instances, shall comply with the California Subcontractor Listing Law.

At such time as the bid/award/procurement process has progressed sufficiently for Owner and Contractor to accurately identify reasonable final costs, Owner and CM/GC may liquidate portions or all of the work into lump sum scopes. Owner and CM/GC shall complete and execute a change order to include in form of Attachment A, Contract Award Cost Summary to this Document 00 5201 to memorialize the Contract Sum as described above, in either its final amount or to identify progressively developed amounts.

I.06. Documents part of this Agreement. The following documents are included and made part of this Agreement by either or both attachment or reference:

- A. Attachment A, Contract Award Cost Summary, including:
 - 1. Exhibit A-1. Owner Allowances and Contractor Allowances
- B. Attachment B, Graphical Project Schedule
- C. Attachment C, Rudolph and Sletten Proposal
- D. Attachment D, Document 00 0521 Limited Preconstruction Phase Services including:
 - 1. Supplement to 00 0521 Limited Preconstruction Phase Services
- E. Attachment E, Procurement Plan listing trade contractors
- F. Attachment F, Contract Documents list the Contract documents and other information provided to Contractor July 15, 2014 on FTP site and used as basis for this Agreement.

ARTICLE II, CONTRACT TIME; COMMENCEMENT AND COMPLETION OF WORK

II.01. Phase I – Limited Preconstruction Phase

- A. CM/GC shall commence Limited Preconstruction Phase services pursuant to Document 00 5251 on the date indicated in Document 00 5501-A (Notice to Proceed for Pre-Construction) (Preconstruction Phase Commencement Date).
- B. CM/GC shall achieve Substantial Completion of Limited Preconstruction Phase within 330 Days from the Limited Preconstruction Phase Commencement Date, subject to extension only as provided in Document 00 5251. Substantial completion shall be bid and award of all contracts in the first two trade bid packages (BP2 and BP3), except any remaining work that CM/GC recommends and Owner approves deferring to later procurement.
- C. Attachment B, Graphical Project Schedule shows the major limited Preconstruction tasks and phases which overlap with and extend beyond construction start as described below.
- D. The pre reconstruction sub-phases are:
 - 1. Sub-Phase 1 – familiarization, estimate up to sub solicitation – approximately July through mid- September (2 months).
 - 2. Sub-Phase 2 – trade bidding BP2 and BP3 – mid September through mid-December (3 months). Approximately 80% of the value of the work will be procured. GC submit for Owner approval GMP based on actual trade bids received with allowances for roughly 10% of contract total remaining to bid plus another 10% in contingency and allowances.
 - 3. Sub-Phase 3 – interior trade bidding BP4 – mid-November through mid-March (4 months) – the another approx. 10% of the value of the work will be procured and remainder accounted for via allowances.
 - 4. Sub-Phase 4 – BIM coordination, deferred approval preparation and submissions, etc. up to the completion of the Final GMP – December through mid-May (2 months after Phase 3). The allowances will be reconciled against the coordinated documents.
- E. Owner reserves the right to modify or alter the Limited Preconstruction Phase Commencement Date in its sole discretion.

II.02. Phase II – Construction Phase

- A. CM/GC shall commence the Construction Phase work on the date indicated in Document 00 5501-B (Notice to Proceed for Construction or Construction Phase Commencement Date).
- B. CM/GC shall achieve Substantial Completion of the entire Work 1,170 Days from the Construction Phase Commencement Date. Construction commencement shall be the Notice to Proceed issued for the first time-critical field construction contract.

- C. CM/GC shall achieve Final Completion of the entire Work 1,230 Days from the Construction Phase Commencement Date.

II.03. General Matters

- A. Conditions to Owner's issuance of Document 00 5501-A (Notice to Proceed for Pre-Construction) include all matters described in Document 00 5101 (Notice of Award), and such other matters as Owner may reasonably request.
- B. Conditions to Owner's issuance of Document 00 5501-B (Notice to Proceed for Construction) include the following, which Owner may waive or modify in its sole discretion:
 - 1. CM/GC has satisfactorily completed all precedent pre-construction phase services required by Document 00 5251 (Pre-Construction and CM/GC Services).
 - 2. Owner has awarded all trade subcontracts required to execute the Construction Phase work of the Contract Documents.
 - 3. CM/GC has provided a list of any and all Contractor and Owner controlled allowances.
 - 4. CM/GC has provided evidence of all insurance, bonds and bond amounts required by Contract Documents for construction.
- C. Owner reserves the right to modify or alter the Limited Preconstruction Phase Commencement Date or Construction Phase Commencement Date in its sole discretion.

ARTICLE III, PROJECT REPRESENTATIVES AND KEY PERSONNEL

III.01. Owner's Project Manager

- A. Owner has designated these individuals as its representatives in all matters relating to the Contract Documents;
 - 1. Ed Feyen, Associate Administrator. Executive oversight and approval authority not reserved for CEO.
 - 2. Ray Graves, Owner's Representative, Construction. Project management oversight and direction to project team.
 - 3. Bob Grassi, Jacobs Project Director. Contract administration of CM/GC agreement and services.
- B. The CEO shall have final authority over all matters pertaining to the Contract Documents and shall have sole authority to modify the Contract Documents on behalf of Owner, to accept work, and to make decisions or actions binding on Owner, and shall have sole signature authority on behalf of Owner, subject only to the limit in Document 00 7200, paragraph 14.1.12.
- C. Owner may assign all or part of the Project Manager's rights, responsibilities and duties to Owner Representative, Construction, a to Construction Manager, or others or Owner Representative, or change individuals in these positions Project Manager, Construction Manager or other Owner Representative at any time.

III.02. CM/GC's Project Manager

- A. CM/GC has designated Jim Young (part time) as Project Executive, Kelli Quinn as its Project Manager and Larry Lascurain (part time) as General Superintendent and Lazlo Vincze as Superintendent to act as CM/GC's Representative in all matters relating to the Contract Documents.

III.03. Architect/Engineer

- A. Fong and Chan Architects (FCA) furnished the Plans and Specifications through OSHPD permit. Ratcliff Architects supplanted FCA and shall perform limited Preconstruction and construction phase AE services and have the rights assigned to Architect/Engineer in the Contract Documents.

III.04. Staffing Plan and Key Personnel

- A. CM/GC shall, during the term of this Contract, use the Key Personnel and other personnel specified in Document 00 5220 (CM/GC Staffing Plan) and Attachment C, Rudolph and Sletten Proposal. CM/GC represents that such staff have the necessary licenses, experience and qualifications to satisfactorily perform all Contract Documents' requirements and that at all times CM/GC shall maintain such staff or similar staff having all necessary licenses, certifications, experience and skills necessary to perform all Contract Documents obligations.
- B. Key Personnel must commit to co-locating with Owner's Project Team in a dedicated project office in Fremont, California for specified times during Project's duration.
- C. Document 00 5220 also specifies liquidated damages measures that apply to certain substitutions of Key Personnel.

ARTICLE IV, TERMS, CONDITIONS AND SCOPE OF LIMITATIONS ON DELAY DAMAGES

IV.01. Identification and Limitation on Delay Damages.

- A. Except as otherwise expressly provided in ARTICLE V, Owner and CM/GC (including Subcontractors) agree that, because of the nature of the Project, including the pricing and incentive provisions in Contract Documents, neither shall have the right to recover such defined delay damages against the other, other than the specific damages described in ARTICLE V.
- B. Nothing in this ARTICLE IV limits CM/GC's right to non-compensable extensions of time as otherwise provided in Contract Documents.

IV.02. Delays Covered. This mutual waiver and limitation on delay damages includes delay damages resulting from delays which in turn result from ordinary, alleged breaches of contract; or errors, omissions, or alleged defects in the design; and force majeure events, whether or not otherwise compensable under any other provision of Contract Documents. Such delays include CM/GC failure to achieve Substantial Completion or Final Completion of any portion of the Work within the times required in the Contract Documents, plus any permitted extensions, for the periods identified in Article V.

IV.03. Subcontractor Consent. Subcontractors must expressly agree to be bound to this ARTICLE IV and ARTICLE V, to the extent of their scope of Work. Under no circumstances may any Subcontractor make a claim against Owner for delay damages suffered by a Subcontractor. To the extent that this Document 00 5201 (Agreement) otherwise expressly entitles Subcontractors to receive delay damages, all Subcontractor claims for delay damages (i) must be prosecuted through CM/GC as provided in Document 00 7200 (General Conditions) and (ii) are subject to all limitations and waivers otherwise contained in this Document 00 5201 and the other Contract Documents.

IV.04. Exclusions. The foregoing mutual waiver of delay damages excludes the following:

- A. Any damages arising from or relating to personal injury, death, defective work, property damage, or to the extent covered by insurance maintained by Owner, CM/GC or any Subcontractor.
- B. Any damages resulting from CM/GC's or any Subcontractor's failure to maintain the minimum staffing levels required to prosecute the Work with reasonable diligence, defective work or failure to remedy defective work.
- C. Any damages resulting from any party's gross negligence or intentional misconduct.
- D. Indemnity or defense obligations under Contract Documents.
- E. Under no circumstances may this mutual waiver be construed to limit liability for any damages covered by insurance maintained by Owner, CM/GC or any Subcontractor, to the extent of such coverage available and recovered after exercise of reasonable efforts.

ARTICLE V, LIMITATIONS ON DELAY DAMAGES

V.01. Limitation On Delay Damages

- A. The limitations on "delay damages" stated in this ARTICLE V, are subject to the provisions of ARTICLE IV, TERMS, CONDITIONS AND SCOPE OF LIMITATIONS ON DELAY DAMAGES.
- B. Limitation on Damages for Delay Up to and Following Substantial Completion Date. Except as provided specifically in this Document 00 5201, neither CM/GC, Owner nor any Subcontractors (of any tier), shall be entitled to claim or recover "delay damages" (as defined in ARTICLE IV) against the other, for any "delay damages" that may occur or accrue, or that either may suffer, at any time before or up to the Substantial Completion Date described in paragraph B of Article II.02 and during the "Grace Period" described below.
- C. Grace Period. CM/GC and Owner shall each have 30 days (for a total of 60 Days) of non-compensable Project time contingency to use at its sole discretion (together as used, Grace

Period), and against which each may charge against delays, impacts, changes or interferences for which they have responsibility under the Contract Documents. For delays caused by OSHPD and other third parties, the delay will be assigned to the party (Owner or CM/GC) which is at fault or otherwise responsible. If neither party is at fault or responsible, then Owner and CM/GC will each be assigned 50% of the delay, to the extent that the assigned party continues to have contingency available under this paragraph C. To the extent any no-fault assigned third-party delay exceeds the party's available contingency under this paragraph C, the resulting delay will be non-compensable. However, an OSHPD delay resulting from a code interpretation substantially different than that upon which the Contract Documents are based and of time duration substantially greater than normally encountered in OSHPD oversight of Bay Area hospital construction projects, shall be an Owner responsibility and compensable to Contractor to the extent of actual added Contractor costs that cannot be funded from the then available Construction Contingency. Any unused grace period by either party will accrue to the time and cost saving benefit of both parties.

D. Damages for Delay Following Grace Period. CM/GC, Owner and Subcontractors (of any tier), shall be entitled to claim or recover "delay damages" (as defined above) against the other, for any "delay damages" that may occur or accrue, or that either may suffer, at any time after the "Grace Period" defined above. For CM/GC and subcontractors, such damages, however, shall be limited to actual, verifiable costs incurred on site at any time after the "Grace Period" defined above, due to extended completion (or lack thereof), with all other delay damages waived as set forth in ARTICLE IV.

E. Liquidated Damages. The parties agree to liquidate their respective damages as follows:

1. Owner liquidated damages shall be \$10,000 per day for first 45 days delay, after grace period, and \$16,000 per day for any further delays up to Substantial Completion and afterward \$10,000 per day to Final Completion.
2. Contractor liquidated damages shall be \$10,000 per day for first 45 days delay, after grace period, and \$16,000 per day for any further delays up to Substantial Completion and afterward \$10,000 per day to Final Completion.

The limitations on delay damages expressed herein shall supersede any expressly inconsistent provisions contained elsewhere in the Contract Documents.

V.02. Responsibility for Delay and Delay Damages. In the event all Grace Periods are used entirely, then responsibility for delay and delay damages shall be determined based upon an equitable apportionment of relative fault for delay, measured on a per-period basis and using the standards set forth in the Contract Documents. (For example, if following the Grace Period Party A causes 30 days' delay and Part B causes 15 days, then Party A is responsible for 30 days of Party B's delay damages and Party B is responsible for 15 days of Party A's delay damages, with the net amount being paid to the Party with the greater amount of delay damages.)

ARTICLE VI, CM/GC'S REPRESENTATIONS

VI.01. In order to induce Owner to enter into this Agreement, CM/GC makes the following representations and warranties:

VI.02. During the Limited Preconstruction Phase, CM/GC will conduct further investigations of the site and existing and local conditions, including making written recommendations to address all observable site conditions during the Limited Preconstruction Phase as provided in Document 00 5251 (Pre-Construction and CM/GC Services) and Document 00 7200 (General Conditions).

VI.03. CM/GC represents and agrees that it will perform in a professional role and responsibility with respect to the Owner in the execution of its responsibilities, as provided in Document 00 5251 (Pre-Construction and CM/GC Services) and this Document 00 5201. For Work performed in the pricing, bidding and procurement of subcontracts and justifications for self-performed work, CM/GC shall owe the Owner the duties of good faith, trust, confidence and candor, and it shall exercise a high standard of care in managing money and property under the Contract Documents. In all time periods, CM/GC will, to its best abilities, act in the best interests of the Owner to secure the timely and economical completion of the Work consistent with all quality standards in the Contract Documents. CM/GC will furnish construction administration and management services and use its best efforts to perform the Work in an expeditious and economical manner consistent with the interests of the Owner. CM/GC's duties herein shall not, however, be construed as limiting the CM/GC's right in good faith to request legitimate increases in its Contract Sum based upon changes in the Work of the Contract Documents.

ARTICLE VII, CONTRACT DOCUMENTS

VII.01. The Contract Documents which comprise the entire agreement between Owner and CM/GC concerning the Work consist of the following documents, including all changes, Addenda, and Modifications thereto as listed on Document 00 0111 Table of Contents:

Document 00 4001	Proposal Form
Document 00 4820	Proposal Certifications
Document 00 5201	Agreement
Document 00 5205	Assignment and Novation Agreement (one for each Trade Subcontract)
Document 00 5220	CM/GC Staffing Plan
Document 00 5251	Pre-Construction and CM/GC Services
Document 00 5501-A	Notice to Proceed for Pre-Construction
Document 00 5501-B	Notice to Proceed for Construction
Document 00 6113.12	Construction Performance Bond
Document 00 6113.18	Construction Labor and Material Payment Bond
Document 00 6301	Guaranty
Document 00 6530	Agreement and Release of Claims
Document 00 6600	Substitution Request Form
Document 00 6801	Escrow Agreement for Security Deposits in Lieu of Retention
Document 00 7200	General Conditions
Document 00 7301	Supplementary General Conditions – CM/GC
Document 00 7310	Certain Other Owner Contracts
Document 00 7311	Supplementary Conditions – Insurance and Indemnification
Document 00 7315	Naturally Occurring Asbestos [If Applicable]

Document 07 7321	Requirements for OSHPD Reviewed Projects
Document 00 7380	Apprenticeship Program
Document 00 9111	Addenda
Specifications	Divisions 1 through 33
	Drawings, Tables and Schedules to be completed for bidding.

VII.02. Attachment F, Contract Documents, lists the Contract documents and other information provided to Contractor as basis for this Agreement.

VII.03. There are no Contract Documents other than those listed above in this ARTICLE VII. Document 00 3020 Geotechnical Data and Existing Conditions and Document 00 3124 Hazardous Materials Surveys (if included) and the information supplied through those documents, are not Contract Documents and describe conditions of construction only. The Contract Documents may only be amended, modified or supplemented as provided in Document 00 7200 General Conditions.

ARTICLE VIII, ASSIGNMENT AND SUBCONTRACTS

VIII.01. N/A

VIII.02. Owner and CM/GC will agree whether CM/GC will provide performance and payment bonds, corporate guarantee or other security prior to start of construction.

VIII.03. CM/GC shall not assign any portion of the Contract Documents, and may subcontract portions of the Contract Documents only in compliance with the Subcontractor Listing Law, California Public Contract Code §4100 *et seq.*

ARTICLE IX, MISCELLANEOUS

IX.01. Terms and abbreviations used in this Agreement are defined in Document 00 7200 (General Conditions) and Section 01 4200 (References and Definitions) and will have the meaning indicated therein.

IX.02. It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of Owner or acting as an employee, agent, or representative of Owner, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of Owner is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.

IX.03. In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, CM/GC or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time Owner tenders final payment to CM/GC, without further acknowledgment by the parties.

IX.04. Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at Owner's Office,

and shall be made available to any interested party on request. Pursuant to California Labor Code §§ 1860 and 1861, in accordance with the provisions of Section 3700 of the Labor Code, every contractor will be required to secure the payment of compensation to his employees. CM/GC represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and CM/GC shall comply with such provisions before commencing the performance of the Work of the Contract Documents.

IX.05: This Agreement and the Contract Documents shall be deemed to have been entered into in the City of Fremont, County of Alameda, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in the Superior Court for the County of Alameda.

IN WITNESS WHEREOF the parties have executed this Agreement in quadruplicate the day and year first above written.

CM/GC: RUDOLPH AND SLETTEN, INC.

By: _____
(Signature)

Its: _____
Title: President and CEO

By: _____
(Signature)

Its: _____
Title :

OWNER:

WASHINGTON HOSPITAL HEALTHCARE SYSTEM

By: _____
(Signature)

Title: Nancy Farber, CEO

Attest: _____
Secretary

(Print Name)

APPROVED AS TO FORM AND LEGALITY

THIS __ DAY OF _____, 2014

By: _____
Attorney for Owner

(Print Name)

RESOLUTION NO. _____

END OF DOCUMENT

**ASSIGNMENT AND NOVATION AGREEMENT
(CM/GC)**

THIS AGREEMENT is entered this ____ day of _____, 201__, by and among Washington Township Health Care District dba Washington Hospital Healthcare System ("**Owner**") and Hensel Phelps ("**Hensel Phelps**") and _____ ("**Owner's Designee**").

WHEREAS, Owner entered into a Construction Contract with Hensel Phelps, dated the _____ day of _____, 201__, which is incorporated herein by reference ("Construction Contract"); and

Whereas, Hensel Phelps has completed the Construction Contract's Phase 1, Preconstruction Services, and shall be paid its contract sum for such services pursuant to a separately negotiated close out accounting and agreement; and,

WHEREAS, Owner and Hensel Phelps have elected to assign the remaining Work under the Construction Contract by Hensel Phelps to Owner's Designee, along with the assumption by Owner's Designee of Hensel Phelps' obligations therein, so as to substitute Owner's Designee for Hensel Phelps and thus cause a novation of Construction Contract; and

WHEREAS, the parties hereto desire to make the assignment and novation and for Owner to release Hensel Phelps with respect to the Construction Contract in accordance with the terms of this Agreement, such release to become effective upon full execution by Owner and Owner's Designee of this Document 00 5205 Assignment and Novation Agreement (Revised).

NOW, THEREFORE, the parties agree as follows:

3. Assignment of Construction Contract and Liabilities: For good and valuable consideration, the receipt of which is hereby acknowledged, stipulated and agreed, Hensel Phelps hereby grants and assigns to Owner's Designee all its rights, title and interest in and to the Construction Contract and all liabilities, duties and obligations of Hensel Phelps arising out of or relating to the Construction Contract.

Dated: _____ HENSEL PHELPS

By _____

2. Assumption of Assignment, Liabilities and Novation: Owner's Designee accepts the assignment and promises to perform the Work of the Construction Contract, including without limitation, its Plans and Specifications, subject only to the following to (i.) Owner's Designee have no rights against Hensel Phelps or responsibility for the prior work of Hensel Phelps, and (ii.) revisions to the Construction Contract's Agreement Form, Document 00 5201 and supporting documents, as modified and executed by Owner's Designee contemporaneously with execution of this Document 00 5205 Assignment and Novation Agreement (Revised), which shall supercede any prior or inconsistent terms elsewhere in the Construction Contract. Subject to the foregoing, Owner's Designee hereby accepts the foregoing assignment, agrees to assume and perform all duties and obligations to be performed by Hensel Phelps under the Construction Contract to the same extent as if Owner's Designee had been an original party thereto, agrees to assume all liabilities, duties and obligations of Hensel Phelps arising out of or relating to the Construction Contract.

Dated: _____

[HOSPITAL'S DESIGNEE]

By _____
President

By _____
Secretary

3. Consent to Assignment, Assumption and Novation: Owner hereby consents to the foregoing assignment by Hensel Phelps to Owner's Designee of the Construction Contract and Owner's liabilities, duties and obligations thereunder and to Owner's Designee's assumption of the same, agrees to look solely to Owner's Designee for the proper performance of the Construction Contract, agrees to and does release Hensel Phelps from any and all claims, demands, actions, causes of action, suit, proceeding, damages, liabilities and costs and expenses of every kind and nature whatsoever arising out of or relating to the Construction Contract, except with respect to any rights that may ever be asserted in the future by any potential stop notice claimants that may ever be asserted regarding the work of Hensel Phelps (of which the Owner and Hensel Phelps are presently unaware). Owner agrees that pursuant to California Civil Code Section 2179, et seq., the assignment and assumption under this Agreement shall be effective as a substitution of parties and shall constitute a novation pursuant to California Civil Code Section 1531 and shall be final except as provided in Section 1533.

Dated: _____

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT dba
WASHINGTON HOSPITAL HEALTHCARE SYSTEM

By _____

By _____

END OF DOCUMENT



Memorandum

DATE: August 18, 2014

TO: Nancy Farber, Chief Executive Officer

FROM: Edward Fayen, Associate Administrator of System Operations
& Management Support Services

SUBJECT: **Parking Garage Project Final Bid Approval**

On February 27, 2013, the Board of Directors of Washington Hospital Healthcare System approved a budget for the Parking Garage Project and accepted by Minute Motion the low bid by Vance Brown to be the General Contractor for this project through a prequalified, competitive bid process. Watry Design, Inc. completed their design of the Parking Garage in the 4th Quarter of 2013. We then had a design review and approval process through the City of Fremont that took over eight months, resulting in our final Planning Commission approval in July and the building permit and associated documents being approved in August.

Vance Brown put this project out to bid this summer and bids were received on July 28, 2013. The subcontractor bids for this project came in \$3.7 million dollars over the construction budget. A Value Engineering effort ensued, and we have determined that we can cut several hundred thousand dollars out of the cost of the project by going to a poured concrete structure instead of a pre-cast concrete structure.

Even with the Value Engineering effort, our total construction project costs come in at \$23,163,112, an increase of almost \$2,500,000 over the previously approved budget.

The following is an outline of the budget estimate for the Parking Garage structure with adjustments made due to the bid results:

Garage

I. Construction	
Construction Estimate (Garage)	\$18,253,504
Construction Estimate (BART Building)	700,000
Construction Estimate (Site)	225,000
Design and Owner Contingency (4%)	319,040
Construction Contingency (8%)	<u>671,200</u>
Sub-Total	\$20,240,744

II. Capital Equipment & Leases	
Furniture, fixtures & equipment	\$ 50,000
Signage	25,000
Telecommunications & Security	100,000
Parking Leases	<u>270,000</u>
Sub-Total	\$ 445,000
III. Consulting Fees	
Design Fees	\$ 1,313,368
Construction Management	750,000
Inspection & Testing	264,000
City of Fremont	<u>150,000</u>
Sub-Total	\$ 2,477,368
IV. Capitalized Interest	\$ 1,100,000
PROJECT TOTAL	\$24,263,112

In accordance with District Laws, Policies and Procedures, I request that the Board of Directors accept by Minute Motion the additional budget for the Parking Garage Construction Project and (Resolution #1128) for an amount not to exceed \$2,489,974 and approve the Vance Brown construction bid of \$18,253,504. The BART Building will be bid at a later date.

EF/mc



Memorandum

DATE: 8/11/14
TO: Nancy Farber, Chief Executive Officer
FROM: Ed Fayen, Sr. Associate Administrator
SUBJECT: Secure File Transfer Project

Physicians and Hospital Staff currently use the hospital's Electronic File Transfer (EFT) infrastructure and other third party websites such as Dropbox to access and transmit data to vendors and business partners. The use of third party personal storage at backup sites as well as our current available EFT infrastructure does not provide a secure solution.

The Information Services department has identified a security risk in the current configuration and software used in the EFT (Electronic File Transfer) infrastructure. Also there is a growing demand from physicians as well as meaningful use requirements for our Epic environment to securely transfer data to other vendors and business partners outside the corporate secure local network and servers. As such, the current infrastructure does not meet security or industry best practices, and is not PCI, HIPAA, and SOX compliant.

To mitigate and eliminate the risk, Information Services has identified a Secure File Transfer product provided by Globalscape that is a multi-layered security solution that implements the highest levels of security for data storage and retrieval, authentication, and firewall transversal. To eliminate the risk the product incorporates end-to-end encrypted sessions that meet PCI/HIPAA/SOX compliance standards.

The project will take approximately 2 months to fully complete and will be performed using internal labor with vendor assistance.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to enter into the necessary contracts and proceed with the purchase of the hardware, software and implementation services, for a total amount not to exceed **\$63,540.32**. This is an approved project in the 2015 Capital budget.



**WASHINGTON HOSPITAL
MONTHLY OPERATING REPORT**

July 2014



**WASHINGTON HOSPITAL
INDEX TO BOARD FINANCIAL STATEMENTS
July 2014**

<u>Schedule Reference</u>	<u>Schedule Name</u>
Board - 1	Statement of Revenues and Expenses
Board - 2	Balance Sheet
Board - 3	Operating Indicators



Memorandum

DATE: September 5, 2014
TO: Board of Directors
FROM: Nancy Farber
SUBJECT: Washington Hospital – July 2014
Operating & Financial Activity

SUMMARY OF OPERATIONS – (Blue Schedules)

1. Utilization – Schedule Board 3

<u>ACUTE INPATIENT:</u>	July <u>Actual</u>	<u>Budget</u>	Current 12 <u>Month Avg.</u>
Average Daily Census	144.6	144.5	156.8
# of Admissions	925	922	957
Patient Days	4,483	4,481	4,768
Discharge ALOS	4.93	4.86	4.95

<u>OUTPATIENT:</u>	July <u>Actual</u>	<u>Budget</u>	Current 12 <u>Month Avg.</u>
OP Visits	7,521	7,540	7,517
ER Visits	4,451	4,362	4,270
Observation Equivalent Days – OP	253	248	251

Comparison of July acute inpatient statistics to those of the budget showed a higher level of admissions and a higher level of patient days. The average length of stay (ALOS) based on discharged days was above budget. Outpatient visits were lower than budget. Emergency Room visits were above budget for the month.

2. Staffing – Schedule Board 3

Total paid FTEs were 6.2 below budget. Total productive FTEs for July were 1,165.8, 9.2 below the budgeted level of 1,175.0. Nonproductive FTEs were 3.0 above budget. Productive FTEs per adjusted occupied bed were 5.67, 0.27 below the budgeted level of 5.94. Total FTEs per adjusted occupied bed were 6.67, 0.29 below the budgeted level of 6.96.

3. Income - Schedule Board 1

For the month of July the Hospital realized a loss of \$306,000 from operations.

Total Gross Patient Service Revenue of \$165,082,000 for July was 4.5% above budget.

Deductions from Revenue of \$126,838,000 represented 76.83% of Total Gross Patient Service Revenue.

Total Operating Revenue of \$38,411,000 was \$612,000 above the budget.

Total Operating Expense in July was \$75,000 (0.2%) above the budgeted amount.

The Total Non-Operating Gain of \$1,163,000 for the month of July includes an unrealized loss on investments of \$425,000 and property tax revenue of \$1,306,000. This property tax revenue will be used to pay the debt service for the general obligation bonds.

The Total Net Gain for July was \$857,000, which was \$82,000 more than the budgeted gain of \$775,000.

The Total Net Loss for July using FASB accounting principles, in which the unrealized loss on investments and property tax revenues are removed from the non-operating income and expense, was \$24,000 compared to budgeted loss of \$530,000.

4. **Balance Sheet – Schedule Board 2**

There were no noteworthy changes in assets and liabilities when compared to the June 2014 amounts.

NANCY FARBER
Chief Executive Officer

NF/CH:cd



WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
STATEMENT OF REVENUES AND EXPENSES
July 2014
GASB FORMAT
(In thousands)

SCHEDULE BOARD 1

	JULY			YEAR TO DATE		
	ACTUAL	BUDGET	% VAR.	ACTUAL	BUDGET	% VAR.
1 OPERATING REVENUE						
2 INPATIENT REVENUE	\$ 116,114	\$ 115,355	0.7%	\$ 116,114	\$ 115,355	0.7%
3 OUTPATIENT REVENUE	48,968	42,636	14.9%	48,968	42,636	14.9%
4 TOTAL PATIENT REVENUE	165,082	157,991	4.5%	165,082	157,991	4.5%
5 CONTRACTUAL ALLOWANCES	(126,838)	(120,380)	-5.4%	(126,838)	(120,380)	-5.4%
6 CONTRACTUAL AS % OF REVENUE	76.83%	76.19%		76.83%	76.19%	
7 NET PATIENT REVENUE	38,244	37,611	1.7%	38,244	37,611	1.7%
8 OTHER OPERATING INCOME	167	188	-11.2%	167	188	-11.2%
9 TOTAL OPERATING REVENUE	38,411	37,799	1.6%	38,411	37,799	1.6%
10 OPERATING EXPENSES						
11 SALARIES & WAGES	14,198	13,951	-1.8%	14,198	13,951	-1.8%
12 EMPLOYEE BENEFITS	5,296	5,566	4.9%	5,296	5,566	4.9%
13 SUPPLIES	3,949	4,090	3.4%	3,949	4,090	3.4%
14 PURCHASED SERVICES & PROF FEES	4,957	4,862	-2.0%	4,957	4,862	-2.0%
15 INSURANCE, UTILITIES & OTHER	1,314	1,381	4.9%	1,314	1,381	4.9%
16 PROVISION FOR DOUBTFUL ACCOUNTS	5,334	5,131	-4.0%	5,334	5,131	-4.0%
17 DEPRECIATION	2,733	2,733	0.0%	2,733	2,733	0.0%
18 INTEREST EXPENSE	936	928	-0.9%	936	928	-0.9%
19 TOTAL OPERATING EXPENSE	38,717	38,642	-0.2%	38,717	38,642	-0.2%
20 OPERATING INCOME (LOSS)	(306)	(843)	63.7%	(306)	(843)	63.7%
21 OPERATING INCOME MARGIN %	-0.80%	-2.23%		-0.80%	-2.23%	
22 NON-OPERATING INCOME & (EXPENSE)						
23 INVESTMENT INCOME	228	223	2.2%	228	223	2.2%
24 REALIZED GAIN/(LOSS) ON INVESTMENTS	(9)	0	0.0%	(9)	0	0.0%
25 RENTAL INCOME, NET	63	90	-30.0%	63	90	-30.0%
26 OTHER NON-OPERATING EXPENSE	0	0	0.0%	0	0	0.0%
27 PROPERTY TAX REVENUE	1,306	1,305	0.1%	1,306	1,305	0.1%
28 UNREALIZED GAIN/(LOSS) ON INVESTMENTS	(425)	0	0.0%	(425)	0	0.0%
29 TOTAL NON-OPERATING INCOME & EXPENSE	1,163	1,618	-28.1%	1,163	1,618	-28.1%
30 NET INCOME (LOSS)	\$ 857	\$ 775	10.6%	\$ 857	\$ 775	10.6%
31 NET INCOME MARGIN %	2.23%	2.05%		2.23%	2.05%	
32 NET INCOME (LOSS) USING GASB PRINCIPLES**	\$ (24)	\$ (530)	95.5%	\$ (24)	\$ (530)	95.5%
33 NET INCOME MARGIN %	-0.06%	-1.40%		-0.06%	-1.40%	

**NET INCOME (FASB FORMAT) EXCLUDES PROPERTY TAX INCOME AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
BALANCE SHEET



July 2014
(in thousands)

ASSETS		JULY 2014	UNAUDITED JUNE 2014	LIABILITIES AND NET ASSETS		JULY 2014	UNAUDITED JUNE 2014
CURRENT ASSETS							
1	CASH & CASH EQUIVALENTS	\$ 11,710	\$ 13,995	1	CURRENT MATURITIES OF LT OBLIG	\$ 10,245	\$ 10,010
2	ACCOUNTS REC NET OF ALLOWANCES	55,547	54,447	2	ACCOUNTS PAYABLE	14,068	20,804
3	OTHER CURRENT ASSETS	8,906	8,189	3	OTHER ACCRUED LIABILITIES	49,048	44,982
4	TOTAL CURRENT ASSETS	76,163	76,631	4	INTEREST	6,038	10,119
				5	TOTAL CURRENT LIABILITIES	79,399	85,915
ASSETS LIMITED AS TO USE							
6	BOARD DESIGNATED FOR CAPITAL AND OTHER	171,945	165,678	6	REVENUE BONDS AND OTHER	208,584	213,386
7	GENERAL OBLIGATION BOND FUNDS	136,993	136,916	7	GENERAL OBLIGATION BONDS	198,670	198,703
8	REVENUE BOND FUNDS	10,388	10,388				
9	BOND DEBT SERVICE FUNDS	16,498	26,248				
10	OTHER ASSETS LIMITED AS TO USE	15,071	15,030				
11	TOTAL ASSETS LIMITED AS TO USE	350,895	354,260				
OTHER ASSETS							
14	OTHER ASSETS	114,490	113,193	12	NET PENSION LIABILITY	53,792	52,900
				13	WORKERS' COMP	8,632	8,418
				14	SUPPLEMENTAL MEDICAL RETIREMENT	34,656	34,466
				15	DEFERRED INFLOWS	10,967	11,075
NET PROPERTY, PLANT & EQUIPMENT							
16	NET PROPERTY, PLANT & EQUIPMENT	394,582	401,352	16	NET ASSETS	341,430	340,573
TOTAL ASSETS							
17	TOTAL ASSETS	\$ 936,130	\$ 945,436	17	TOTAL LIABILITIES & NET ASSETS	\$ 936,130	\$ 945,436



WASHINGTON TOWNSHIP HEALTH CARE DISTRICT OPERATING INDICATORS

July 2014

SCHEDULE BOARD 3

12 MONTH AVERAGE	JULY			YEAR TO DATE			
	ACTUAL	BUDGET	FAV (UNFAV) VAR	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
	<u>PATIENTS IN HOSPITAL</u>						
156.8	144.6	144.5	0.1	144.6	144.5	0.1	0%
8.3	8.2	8.0	0.2	8.2	8.0	0.2	2%
10.2	8.9	9.4	(0.5)	8.9	9.4	(0.5)	-5%
175.3	161.7	161.9	(0.2)	161.7	161.9	(0.2)	0%
4,768	4,483	4,481	2	4,483	4,481	2	0%
957	925	922	3	925	922	3	0%
4.95	4.93	4.86	0.07	4.93	4.86	0.07	1%
1,526	1,452	1,525	(0.073)	1,452	1,525	(0.073)	-5%
	<u>OTHER KEY UTILIZATION STATISTICS</u>						
114	95	101	(6)	95	101	(6)	-6%
25	28	25	3	28	25	3	12%
9	8	9	(1)	8	9	(1)	-11%
68	48	56	(8)	48	56	(8)	-14%
347	336	334	2	336	334	2	1%
579	557	559	(2)	557	559	(2)	0%
145	136	140	(4)	136	140	(4)	-3%
7,517	7,521	7,540	(19)	7,521	7,540	(19)	0%
4,270	4,451	4,362	89	4,451	4,362	89	2%
1,238.8	1,165.8	1,175.0	9.2	1,165.8	1,175.0	9.2	1%
191.8	205.7	202.7	(3.0)	205.7	202.7	(3.0)	-1%
1,430.6	1,371.5	1,377.7	6.2	1,371.5	1,377.7	6.2	0%
	<u>LABOR INDICATORS</u>						
5.88	5.67	5.94	0.27	5.67	5.94	0.27	5%
6.79	6.67	6.96	0.29	6.67	6.96	0.29	4%