



November 15, 2024

TO: Legal Counsel

News Media

Salinas Californian

El Sol

Monterey County Herald

Monterey County Weekly

KION-TV

KSBW-TV/ABC Central Coast

KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE of SALINAS VALLEY HEALTH<sup>1</sup>** will be held **MONDAY, NOVEMBER 18, 2024, AT 4:00 P.M., HEART CENTER TELECONFERENCE ROOM, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.**

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

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

Allen Radner, MD

President/Chief Executive Officer

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

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

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

**MONDAY, NOVEMBER 18, 2024, 4:00 P.M.  
HEART CENTER TELECONFERENCE ROOM**

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

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

**AGENDA**

1. Call to Order / Roll Call

2. Public Comment

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

3. Approve Minutes of the Finance Committee Meeting of October 21, 2024 (HERNANDEZ LAGUNA)

- Motion/Second
- Public Comment
- Action by Committee/Roll Call Vote

4. Consider Recommendation for Board Approval of Preliminary Project Budget and Awarding Contract for Design and Engineering Services in conjunction with the Chiller and Lab Air Handling Unit Replacement Projects (MILLER/ZERBE)

- Staff Report
- Committee Questions to Staff
- Public Comment
- Committee Discussion/Deliberation
- Motion/Second
- Action by Committee/Roll Call Vote

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

5. Board Ratification and Approval of Competitive Solicitation and Contract Award for Epic Acute Project Consultant Engagement with Huron Consulting Services, LLC (HYLAND/RIVERA)
    - Staff Report
    - Committee Questions to Staff
    - Public Comment
    - Committee Discussion/Deliberation
    - Motion/Second
    - Action by Committee/Roll Call Vote
  6. Consider Recommendation for Board Approval for the lease of an Intuitive, Da Vinci 5 Surgical Robotics System (HYLAND)
    - Staff Report
    - Committee Questions to Staff
    - Public Comment
    - Committee Discussion/Deliberation
    - Motion/Second
    - Action by Committee/Roll Call Vote
  7. Financial and Statistical Review (LOPEZ)
  8. Review Balanced Scorecard (LOPEZ)
  9. Adjournment
- The next Finance Committee Meeting is scheduled for **Monday, December 16, 2024 at 4:30 p.m.**

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

The Committee packet is available at the Committee Meeting, at <https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2024/>, and in the Human Resources Department of the District located at 611 Abbott Street, 2<sup>nd</sup> Floor, Salinas, California, 93901. All items appearing on the agenda are subject to action by the Committee.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Clerk during regular business hours at 831-759-3050. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

*CALL TO ORDER*  
*ROLL CALL*

*(Chair to call the meeting to order)*

# *PUBLIC COMMENT*

**DRAFT SALINAS VALLEY HEALTH<sup>1</sup>**  
**FINANCE COMMITTEE**  
**COMMITTEE OF THE WHOLE**  
**MEETING MINUTES OCTOBER 21, 2024**

Committee Member Attendance:

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

Voting Members Absent: Augustine Lopez.

Advisory Non-Voting Members Present:

Via teleconference: Sanjeev Tandon, Advisor/Subject Matter Expert, Michelle Childs, CHRO.  
In person: Tim Albert, CCO, Alysha Hyland, CAO, Clement Miller, COO, Gary Ray, CLO.

Other Board Members Present, Constituting Committee of the Whole:

Via teleconference: Catherine Carson

In-Person: Victor Rey.

*Vice-Chair Cabrera arrived at 4:33 p.m.*

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

A quorum was present and Chair Joel Hernandez Laguna, called the meeting to order at 4:30 p.m. in the Heart Center Teleconference Room.

## **2. AGENDA REVISION**

Chair Hernandez Laguna stated a request was made to add a Closed Session to the agenda pursuant to Government Code Section 54954.2(b)(2). This requires approval of two thirds of the members of the Committee and a finding that the matter came to the attention of the Board after the posting of the Committee's Agenda.

*Consideration for the addition of a Closed Session to the Agenda. Item to be discussed:*

*1. Conference with Legal Counsel – Anticipated Litigation (Government Code §54956.9(d)(2))*

**COMMITTEE MEMBER DISCUSSION:** None.

**PUBLIC COMMENT:** None.

### **MOTION:**

Upon motion by Committee Member Dr. Radner, and second by Committee Member Dr. Bajaj, finding that a matter came to the attention of the Committee after the posting of the Committee's Agenda, approve revision of the Agenda to include a Closed Session: Conference with Legal Counsel – Anticipated Litigation (Government Code §54956.9(d)(2)), as presented.

### **ROLL CALL VOTE:**

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

Nays: None;

Abstentions: None;

Absent: Vice-Chair Cabrera, Lopez

**Motion Carried**

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

### **3. PUBLIC COMMENT:**

None.

### **4. MINUTES OF THE FINANCE COMMITTEE AUGUST 19, 2024**

Approve the minutes of the August 19, 2024 Finance Committee meeting. The information was included in the Committee packet.

**COMMITTEE MEMBER DISCUSSION:** None.

**PUBLIC COMMENT:** None.

#### **MOTION:**

Upon motion by Committee Member Dr. Radner, and second by Committee Member Dr. Bajaj, the minutes of the August 19, 2024 Finance Committee were approved as presented.

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

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

Nays: None;

Abstentions: None;

Absent: Lopez

**Motion Carried**

### **5. MINUTES OF THE FINANCE COMMITTEE SEPTEMBER 23, 2024**

Approve the minutes of the September 23, 2024 Finance Committee meeting. The information was included in the Committee packet.

**COMMITTEE MEMBER DISCUSSION:** None.

**PUBLIC COMMENT:** None.

#### **MOTION:**

Upon motion by Committee Member Dr. Radner, and second by Committee Member Dr. Bajaj, the minutes of the September 23, 2024 Finance Committee were approved as presented.

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

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

Nays: None;

Abstentions: None;

Absent: Lopez

**Motion Carried**

### **6. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF STRYKER POWER UPGRADE**

Alysha Hyland, CAO, reported that the current inventory of Stryker power drill sets at Salinas Valley Health has reached the end of its service life. As these drills become irreparable, maintaining adequate functionality in the operating room has become increasingly difficult. To

sustain the high standards of patient care, it is recommended to implement the Stryker Power 9 system. This system has a proven track record with orthopedic and podiatry surgeons, offering durability, ergonomic design to reduce surgeon fatigue, and innovative features such as battery charging through sterile wrap, which minimizes downtime. Upgrading to the Stryker Power 9 will ensure the availability of reliable, high-performance equipment to support surgical services and enhance patient outcomes.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** What is lifetime of the equipment? This is unpredictable.

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee member Dr. Bajaj, and second by Committee member Dr. Radner, the Finance Committee recommends the Board of Directors approve the purchase of the Stryker Power 9 in the amount of \$708,113.00. Capital purchase cost of the Stryker Power 9 is \$550,562.00 with two (2) months prorated service in the amount of \$12,119.00 and a two (2) year service agreement in the amount of \$157,551.00 with ProCare.

**ROLL CALL VOTE:**

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

Nays: None;

Abstentions: None;

Absent: Lopez

**Motion Carried**

**7. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF AMENDMENT NUMBER ONE TO LEASE AGREEMENT WITH LLANO DEVELOPMENT, LLC, FOR EPIC INPATIENT TRAINING SPACE**

Gary Ray, Chief Legal Officer, reported that as part of the multi-year implementation plan for the Epic Inpatient System, SVH requires additional space for Epic Inpatient Analysts. Very recently, an additional 3,058 square feet of office space became available at 928 East Blanco Road in Salinas. This additional space is located on the same floor as the SVH IT and Enterprise Informatics Offices and can be added to one of SVH's existing lease agreements for space in the building.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** The lease would be with the same landlord at the same rates. This provides the opportunity to centralize the IT services and would allow education space. Was this included in the prior Epic budget? Additional space needed for training was approved in Epic budget. This would be only a portion of the allocated space requirements; additional space will be needed later during implementation. This project is currently under budget.

**PUBLIC COMMENT:** None.



**MOTION:**

Upon motion by Committee member Dr. Radner, and second by Committee Member Dr. Bajaj, the Finance Committee recommends the Board of Directors approval of Amendment Number One to Lease Agreement to Expand the Space for Epic Inpatient Training Space at 928 East Blanco Road, Salinas Between SVH and Rancho Llano Development, LLC.

**ROLL CALL VOTE:**

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

Nays: None;

Abstentions: None;

Absent: Lopez

**Motion Carried****8. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE METTEL CARRIER SERVICES CONTRACT FOR THREE YEARS AS SOLE SOURCE JUSTIFICATION AND CONTRACT AWARD**

Alysha Hyland, CAO, and Audrey Parks, CIO reported that Salinas Valley Health receives telecommunications services predominantly from AT&T and Comcast. Due to our existing, large AT&T carrier environment, we found opportunities to move lines from AT&T that do not require premium services to a phone line and services aggregator, MetTel. In addition to lower cost we continue to have improved management and visibility of our AT&T lines through MetTel's proprietary utilization management portal, Bruin. MetTel is a leading wholesale carrier aggregator and a four-time leader in the 2023 Gartner Strategic Quadrant for Managed Services. MetTel's unique contract management software, the Bruin Portal, will reduce overhead costs for the IT Communications team to manage our carrier contracts, track our service tickets, and monitor our expenses. This contract renewal is for our existing telephone and fax lines with MetTel. A savings summary was reviewed.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee member Dr. Bajaj and second by Committee member Dr. Radner, the Finance Committee recommends the Board of Directors approve the MetTel contract in the amount of \$496,800 over a three-year term as sole source and contract award.

**ROLL CALL VOTE:**

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

Nays: None;

Abstentions: None;

Absent: Lopez

**Motion Carried**

## **9. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE ARTIFICIAL INTELLIGENCE EMPOWERED CLINICAL DOCUMENTATION FOR EPIC SOLUTION THROUGH COMPETITIVE SOLICITATION AND CONTRACT AWARD TO ABRIDGE AI, INC.**

Tim Albert, M.D., Chief Clinical Officer, reported that Physician burnout related to documentation time is one of the most pressing issues identified by the American Medical Association (AMA) and the American Medical Informatics Association (AMIA). Recent studies have shown that a generative artificial intelligence (AI) scribe can decrease the amount of time a physician spends at the computer by an average of an hour each day. Generative AI scribing systems can also improve the patient experience. Studies found that using an AI scribe reported more physician and patient face to face conversation time and 71% of patients reported that they spent more time speaking to their physician during their visit.

Abridge is an advanced AI platform for clinical conversations that take place during a patient encounter. Using an application that is embedded within Epic Haiku, Abridge allows physicians to more quickly compose clinical notes. Abridge also provides a complete transcript of the patient encounter within an Epic window and allows the provider to reference the source of information in a clinical note to the conversation with the patient. This provides a superior level of reliability compared to its competitor platforms. Unique to Abridge, conversations can also take place in as many as fourteen (14) languages, with more than one language being used in each patient encounter. This functionality is especially valued given the high number of patients who are Spanish speaking at Salinas Valley Health.

This proposal allows for ten (10) ambulatory physicians to pilot Abridge for three (3) months. During that period, we will be collecting data on their use, time spent in clinical notes and burnout scores.

An Abridge overview was provided including key metrics, SVH survey analysis. 12 clinicians are piloting Abridge; 37,000+ minutes have been saved. Goals include decrease documentation time outside of scheduled work hours, increase work satisfaction, reduce practitioner cognitive load and improve note quality. Survey results indicate physician satisfaction, reduction of outside work hours, improved quality of notes, ability to increase patient encounters, providers more fully present with their patients, patient comprehension of clinical notes and increased clinician wellbeing.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** Abridge is the leader in this technology. The clinics are still in the pilot program The final contract is still under negotiation. Once finalized, SVMC will move forward after the pilot. How are patient privacy and security concerns being handled? Patient consent and awareness is documented prior to using Abridge AI. The highest security level is utilized. There are security limits limiting the amount of time data is kept; 30 days. Physician integration: 8 out of 10 physicians are excited but have questions. The goal is 70-80% participation. There has been success with new grads and providers in their last 5 years of their career with success for both. Additionally, this will help with Physician recruitment, virtually everyone is using it; not implementing will increase difficulty in recruiting. The product is Epic specific and is accessible wherever there is Epic. The contract is tied to number of users in groups of 20 at a time, and one physician can be exchanged for another.

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee member Dr. Bajaj, and second by Vice-Chair Cabrera, the Finance Committee recommends Board of Directors approval of the artificial intelligence empowered clinical documentation for Epic solution through competitive solicitation and contract award to Abridge AI, Inc., in the amount of \$808,000 for a 15-month term.

**ROLL CALL VOTE:**

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

Nays: None;

Abstentions: None;

Absent: Lopez.

**Motion Carried**

**10. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF PRELIMINARY PROJECT BUDGET AND AWARDED CONTRACT FOR DESIGN AND ENGINEERING SERVICES IN CONJUNCTION WITH THE MRI INSTALLATION PROJECT TO TRAINOR.**

Clement Miller, COO, John Kazel, Director Imaging Services, and Stephen Lyon, Bogard Construction, reported that the MRI installation project's objective is to identify and renovate an existing space within the medical center envelope to facilitate the installation of the new MRI scanner. The main medical center campus has a detached building on the corner of East Romie and Wilgart housing a functioning MRI suite with a GE EchoSpeed HD owned and operated by Alliance/Akumin Imaging. The current GE MRI was installed in 2004. Current project planning encompasses renovations of existing conference and office areas to house a complete MRI suite. All planned renovations require plan approval and building permits from California's Department of Health Care Access and Information (HCAI). Facilities management circulated a request for proposal from qualified architectural firms to provide comprehensive design and engineering services necessary to complete construction documents and specifications for securing agency approvals and construction services from general contractors.

The design team shall identify code-required program elements that will be required to be located within the new MRI suite and/or contiguous to the suite. The new MRI suite shall be designed to efficiently process our inpatient and procedural volume in a state-of-the-art environment. The current fee proposal is consistent with industry standards of similar projects of same size and complexity within the San Francisco Bay Area. The fiscal years 2025 through 2028 strategic capital budget allocated funding for planning, design and construction activities required to complete the design and construction process. Following interviews and negotiations with MRI equipment vendors, we will return to the Board for consideration of approval for equipment contract(s). After completion of the construction bidding process, we will return to the Board for consideration of the construction contract award.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None.

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee member Dr. Radner, and second by Vice-Chair Cabrera, the Finance Committee recommends Board of Directors approve the overall preliminary project budget for MRI Installation in the amount of \$8,000,000. In addition, we recommend approving the award of the professional services agreement to Treanor for the design and engineering of the MRI Installation Project, in the amount of \$522,425, as presented.

**ROLL CALL VOTE:**

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

Nays: None;

Abstentions: None;

Absent: Lopez.

**Motion Carried****11. CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF CONSTRUCTION BUDGET TO FURNISH, INSTALL, AND ACTIVATE A TEMPORARY EMERGENCY DEPARTMENT OVERFLOW TRAILER FACILITY TO REPLACE ‘COVID-ERA’ TENTS AT 450 E. ROMIE.**

Clement Miller, COO, reported that in recent years, SVH has utilized temporary facilities to expand emergency department capabilities beyond the existing footprint of the department and has temporarily re-purposed areas within the hospital to accommodate patient load that exceeds the carrying capacity of the existing emergency department. State approved emergency legislative and licensing approvals that allowed operation of temporary overflow facilities during the recent pandemic have expired. SVH has applied for permission to erect a temporary (3-5 year) 2-trailer ‘mobile unit’ overflow facility in accordance with HCAi Policy Intent Notice (PIN) 34. Upon installation and activation, the mobile unit facility will allow removal of the existing ED tent facility and a reduction of overflow ED activities within the hospital outside the department footprint until a permanent ED expansion solution is developed and constructed.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** Approximately \$600,000 of the cost is the lease already approved. The goal is complete before rainy season. The trailers will arrive November 11.

**PUBLIC COMMENT:** None.

**MOTION:**

Upon motion by Committee member Dr. Bajaj, and second by Committee member Dr. Radner, the Finance Committee recommends Board of Directors approval to fund the temporary two-trailer ‘mobile unit’ emergency department facility at 450 E. Romie in an amount Not-To-Exceed \$1,783,683.00.

**ROLL CALL VOTE:**

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

Nays: None;

Abstentions: None;

Absent: Lopez.

**Motion Carried**

## **12. FINANCIAL PERFORMANCE REVIEW**

An update was received from Scott Cleveland, Controller, on the Financial Performance Review for the month of September 2024. Highlights included Income from Operations 3.5M, Net Income \$10.7M, and Days Cash on Hand of 368.

A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None.

## **13. FY25 CAPITAL SPENDING YEAR-TO-DATE SEPTEMBER 30, 2024**

An update was received from Scott Cleveland, Controller, Rolf Norman, Director Financial Planning & Decision, and Stephen Lyon, Bogard Construction provided a presentation on FY25 YTD September Capital Spending,

The report on Active Projects Approved by the Board was reviewed as follows:

- Medical Center campus painting: Just starting.
- Surgery addition plus seismic retrofit: Surgery addition is on pause. Retrofit on schedule.
- Renovations to 559 Abbott Street for Urology Services: Completed
- CT equipment replacement: Completed.
- Nuclear Medicine equipment replacement: Completed.
- Elevator modernization: Completed with close-out issues.
- Bulk oxygen tank replacement: Completed with close-out issues.
- SVH rebranding/signage: On going.
- Cath Lab 3 replacement: Commencing design development.
- Angio Suite replacement: Commencing design development.
- 212 San Jose Street renovation Cardio/Vascular: Complete.
- BD Infusion, IV Pump Replacement: No new activity.
- Epic IP Electronic Health Record (5-Yr Capital Portion): No new activity.
- 559 Abbott Street Imaging Center X-Ray System: Installed equipment package and working well.
- Workday Financial and Supply Chain Software (Capital): Ongoing.
- ED Mobile Units (Capital): On track for delivery week of 11/11.
- X-Ray Rooms 1 & 2: Commencing design development. Start Room 2 first.
- Nuclear Medicine Camera (D-Spect): Awaiting HCAi approval.
- 212 San Jose Street/Endoscopy: Contractor in negotiation with sub-contractors.

All projects have a Board approved amount of \$83,467,218. A full report was included in the packet.

**COMMITTEE MEMBER DISCUSSION:** None.

#### **14. CLOSED SESSION**

Chair Hernandez Laguna announced that item to be discussed in Closed Session is *Conference with Legal Counsel – Anticipated Litigation*. The meeting recessed into Closed Session under the Closed Session Protocol at 5:26 p.m.

#### **15. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION**

The Board reconvened Open Session at 5:36 p.m. Chair Hernandez Laguna announced in Closed Session, the Board discussed *Conference with Legal Counsel – Anticipated Litigation*. No action was taken.

#### **ADJOURNMENT**

There being no other business, the meeting was adjourned at 5:37 p.m. The next Finance Committee Meeting is scheduled for **Monday, November 18, 2024**.

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Joel Hernandez Laguna, Chair

## Board Paper: Finance Committee

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Agenda Item: **Consider Recommendation for Board Approval of Preliminary Project Budget and Awarding Contract for Design and Engineering Services in conjunction with the Chiller and Lab Air Handling Unit Replacement Projects**

Executive Sponsor: Clement Miller, Chief Operating Officer  
Laura Zerbe, Manager of Facilities, Construction and Plant Operations

Date: November 7, 2024

### Executive Summary

There are multiple infrastructure replacement projects Salinas Valley Health Facilities Management Staff has evaluated and prioritized for commencement of design, permitting and construction activities. Currently, the highest priority infrastructure projects are the following: (A) replacement of an existing 200-ton centrifugal chiller, cooling tower and supporting equipment in the medical center's energy yard zone and mechanical room and (B) replacement of an existing air handling unit and various distribution system components primarily servicing the lab and other various critical care areas within the hospital buildings. All planned renovations require plan approval and building permits from California's Department of Health Care Access and Information (HCAI). Facilities management circulated a request for proposal from qualified design and engineering firms to provide comprehensive services necessary to complete construction documents and specifications for securing agency approvals and construction services from general contractors.

### Background/Situation/Rationale

#### Chiller Replacement

The existing 200-ton chiller and corresponding cooling tower in the Energy Yard provides critical cooling functions for chilled water throughout the medical center's mechanical systems. The existing 20+ year old chiller operates continuously due to issues with shutting down and being able to restart. The chiller then becomes the lead chiller at part load conditions, and the more efficient chillers in the Energy Plant are not operated. A new air-cooled chiller has improved efficiency at part load and can operate in parallel with the more efficient chiller in the Energy Plant. Moreover, the smaller 175-ton water cooled chiller could be used more frequently resulting in approximately \$40,000 in annual energy savings to Salinas Valley Health based on current electricity rates.

#### Lab Air Handler Unit Replacement

The existing air handling unit primarily serving the medical center's laboratory department is over 40+ years old and at the end of its useful life. With the age and size of the air handler, the unit is running at full capacity and cannot keep up with the current demands of the various areas to maintain appropriate air balances and pressurization. With the installation of a new custom rooftop air handler to service the lab department and adjacent zones, the existing air handler can be completely replaced with a new efficient air handling unit to adequately serve the lab operations. Notable scope for the installation of the new rooftop air handler unit will include (A) new electrical service and hydronic piping distribution, (B) structural anchorage and service platform, (C) fire alarm integration, variable frequency drives and integrated controls to the medical center's building management system (D) roofing patch back and (E) testing and air balancing at the affected duct distribution systems and (F) demolition of the existing basement unit equipment package.

The capital improvement budget has funding to commence design in the current 2025 fiscal year and commence the construction work in fiscal year 2026. Following solicitation for construction services, Facilities Management will return to the Board for consideration of full project funding to execute the project(s) and recommendation for construction contract award. Current project planning contemplates design, permitting and bidding for both infrastructure projects simultaneously with one general contractor, but under two separate HCAI project permits. There will be two design services work authorizations issued to the design team, controlled by the terms and conditions of the professional services agreement. The design team fees and invoices will be tracked separately for the air handling unit and chiller replacement projects respectively.

During the RFP process, two (2) complete proposals were received by Salinas Valley Health. Each of the proposals were scored utilizing a tiered scoring structure. A core evaluation committee comprised of Salinas Valley Health clinical leadership and facilities management conducted a scoring of the written proposals. The three primary categories utilized in the evaluation process were:

- (a) Qualifications and experience of firm
- (b) Approach to providing services and project management
- (c) Qualifications and experience of key personnel.

After evaluating all proposals in accordance with the criteria set forth in the RFP, the evaluation committee determined that Interface Engineering was the highest-ranking proposer. As part of the response to the RFP and consistent with the Mini-Brooks Act qualification-based selection criteria, the proposers were required to submit a separately sealed cost proposal identifying the proposed fee for the requested scope of services. In accordance with the RFP procedures, Salinas Valley Health opened the cost proposal and negotiated the terms and conditions of the Professional Services Agreement. The current fee proposal is consistent with industry standards of similar projects of same size and complexity within the San Francisco Bay Area.

**Timeline/Review Process to Date:**

December 2024	Design and Construction Document Preparation
June 2025	Complete Construction Documents/Bid Set
September 2025	Complete Regulatory Agencies Review
October 2025	Bid and Award for Construction Services
November 2025	Start Construction (~6 month project) Chiller Replacement
November 2025	Start Construction (~1 year project) AHU-3 Replacement

*\* Current schedule indicated is preliminary project estimates at a pre-design stage of the project planning process. Following selection of HVAC equipment manufacturer, mechanical and rooftop configurations, an updated project schedule will be presented to the Board in a subsequent meeting for review.*

**Pillar/Goal Alignment:**

☒ Service    ☐ People    ☒ Quality    ☐ Finance    ☒ Growth    ☐ Community

**Financial/Quality/Safety/Regulatory Implications:**

The fiscal years 2025 through 2026 plant operations capital budget allocated funding for planning, design and construction activities required to complete the design and construction process. Following completion of the design documents and bidding for construction services, we will return to the Board for consideration of approval for construction services contract(s). The following summarizes the design and engineering fees for schematic design, design documentation, permitting process, contractor bidding support and construction administration services:

**Total Planned Capital Budget**

**Latest Chiller Replacement Project Forecast**

\$5,159,838 Fiscal Year 2026

**Latest Lab Air Handling Unit Replacement Project Forecast**

\$450,000 over Fiscal Year 2025  
\$2,000,000 over Fiscal Year 2026

*\* Current budget figures indicated are preliminary project estimates at a pre-design stage of the project planning process. Following completion of the design and construction bidding process, an updated project budget will be presented to the Board in a subsequent meeting for review.*



## DESIGN PHASE

Chiller Replacement	
Design Services Fee	\$443,670
<u>Reimbursable Allowance</u>	<u>\$10,250</u>
Total Design Services Fee	<b>\$453,920</b>

Lab Air Handler Unit Replacement	
Design Services Fee	\$328,895
<u>Reimbursable Allowance</u>	<u>\$7,500</u>
Total Design Services Fee	<b>\$336,395</b>

## Recommendation

Consider recommendation to Board of Directors to approve the overall project budgets for Chiller and Air Handling Unit Replacement in the amount of \$7,609,838. In addition, we recommend approving the award of the professional services agreement to Interface Engineering for the design and engineering of the Chiller and Air Handling Unit Replacement projects, in the amount of \$790,315, as presented.

## Attachments

- (A) Professional Services Agreement
- (B) Interface Response prepared October 11, 2024

## AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT IS MADE as of the \_\_\_\_ day of \_\_\_\_\_, 2024, by and between the Salinas Valley Health (hereinafter referred to as "DISTRICT") and \_\_\_\_\_ (hereinafter referred to as "CONSULTANT").

WHEREAS, DISTRICT desires to obtain professional engineering design services in conjunction with the DISTRICT's Infrastructure Equipment Replacement ("Project"), and has issued a Request for Proposals dated \_\_\_\_\_, 2024, attached as **Exhibit A** and incorporated herein by this reference; and

WHEREAS, CONSULTANT has represented that it is experienced and skilled in performing such services and has submitted a proposal dated \_\_\_\_\_, 2024, including a cost proposal dated \_\_\_\_\_, 2024, attached as **Exhibit B** and incorporated herein by this reference,

WHEREAS, on \_\_\_\_\_, 2024, the DISTRICT'S Board of Directors, awarded a Professional Services Agreement (AGREEMENT), to CONSULTANT, for design services related to the Project.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

### 1. RENDITION OF SERVICES

CONSULTANT agrees to provide professional services to DISTRICT in accordance with the terms and conditions of this AGREEMENT. In the performance of its work, CONSULTANT represents that it has and will exercise that degree of professional care, skill, efficiency and judgment ordinarily employed by engineering consultants with expertise in designing hospital infrastructure utility distribution systems; and preparing design plans, technical specifications and engineer's estimates for construction contracts. CONSULTANT further represents and warrants that it holds currently in effect all licenses, registrations, and certifications in good standing that may be required under applicable law or regulations to perform these services and agrees to retain such licenses, registrations, and certifications in active status throughout the duration of this engagement.

### 2. SCOPE OF SERVICES

- 2.1 The scope of services to be provided under this AGREEMENT shall consist of specific Services as generally described in the RFP, **Exhibit A**, and CONSULTANT's Scope of Services and Cost Proposal, attached as **Exhibit B**.
- 2.2 CONSULTANT's final plans and specifications prepared under this AGREEMENT shall be in accordance with the following design standards:
  - 2022 California Electrical Code
  - 2022 California Mechanical Code
  - 2022 California Plumbing Code
  - 2022 California Building Code
  - 2022 California Fire Code
- 2.3 CONSULTANT shall cooperate with representatives of the State of California, and all other DISTRICT consultants working on Project. CONSULTANT shall provide the services for Project in close liaison with DISTRICT. All personnel acting on

- behalf of CONSULTANT shall cooperate with DISTRICT staff during the course of this AGREEMENT. To ensure that CONSULTANT understands the requirements of this AGREEMENT, representatives of DISTRICT and CONSULTANT shall communicate as often as deemed necessary.
- 2.4 Throughout its performance of services under this AGREEMENT, CONSULTANT shall serve as an independent contractor to DISTRICT. Neither CONSULTANT nor any party contracting with CONSULTANT shall be deemed to be an agent or employee of DISTRICT.
- 2.5 CONSULTANT understands and agrees that it is solely responsible for the sufficiency, adequacy and completeness of all plans, specifications, calculations, and estimates prepared by CONSULTANT under this Agreement. CONSULTANT's final plans and specifications shall set forth the requirements for the construction of the Project in a clear, complete and accurate manner. CONSULTANT shall undertake all reasonable quality control measures to review, coordinate, and otherwise check its plans, specifications, calculations, and estimates for sufficiency, adequacy and completeness.
- 2.6 CONSULTANT's plans, specifications, calculations, and estimates shall be subject to DISTRICT's review. CONSULTANT acknowledges that DISTRICT will not be undertaking a detailed or comprehensive quality review of CONSULTANT's work product. DISTRICT will notify CONSULTANT of any errors or omissions that DISTRICT discovers in CONSULTANT's work product, but CONSULTANT shall not depend on DISTRICT to discover any errors or omissions in CONSULTANT's work product. Attention is directed to Section 2.5 of this Agreement.
- 2.7 CONSULTANT and its subconsultants shall not incorporate into the design any materials or equipment of single or sole-source origin without written approval of DISTRICT.
- 2.8 CONSULTANT's personnel shall keep accurate records and document the work as it progresses.
- 2.9 CONSULTANT's personnel shall become knowledgeable of all applicable local, state, and federal laws and regulations, and CONSULTANT's design shall comply therewith.
- 2.10 The Project Manager for CONSULTANT will be \_\_\_\_\_. The Project Manager for DISTRICT will be Bogard Construction Inc. CONSULTANT shall cooperate with and coordinate all of its activities with DISTRICT's Project Manager.

### **3. SCHEDULE AND TIME OF COMPLETION**

- 3.1 The effective date of this AGREEMENT is\_\_\_\_\_, 2024. No work under this AGREEMENT shall begin prior to DISTRICT's issuance of a Notice to Proceed to CONSULTANT.
- 3.2 Time is of the essence in the performance of CONSULTANT's services under this AGREEMENT. All services to be provided pursuant to this AGREEMENT shall

be performed in a timely manner so as not to delay construction of Project. In the event that CONSULTANT incurs delays in completing the services within the aforementioned timeframe for reasons beyond the reasonable control of CONSULTANT, an appropriate extension of time may be granted by DISTRICT, at its sole discretion, following the timely submission of a written request by CONSULTANT

- 3.3 **Exhibit A** includes a schedule for CONSULTANT's performance of activities under this Agreement. CONSULTANT shall endeavor to complete each of the tasks set forth in the schedule in accordance with this schedule. The schedule shall be subject to revision as mutually agreed upon by DISTRICT and CONSULTANT.

#### **4. DELIVERABLES**

**THE DELIVERABLES TO BE PROVIDED UNDER THIS AGREEMENT SHALL CONSIST OF SPECIFIC DELIVERABLES AS GENERALLY DESCRIBED IN THE RFP UNDER THE SUMMARY OF ESTIMATED SCOPE OF WORK.**

##### **4.1 Interim Milestone Deliverables**

During the performance of its services under this Agreement, CONSULTANT shall deliver three (3) sets of documents and electronic files for the following milestone submittals:

###### **A. 35%-Completion Submittal**

CONSULTANT shall submit for DISTRICT's review 35%-completion design plans.

###### **B. 65%-Completion Submittal**

CONSULTANT shall submit for DISTRICT's review 65%-completion design plans and Technical Special Provisions. CONSULTANT shall include in this package a list of responses to DISTRICT comments on the 35% submittal.

###### **C. 95% Completion Submittal**

CONSULTANT shall submit for DISTRICT's review electronic files of the 95%-completion design plans and Technical Special Provisions, list of bid items, construction estimate and bar chart representing estimated construction schedule for all portions of the design in the following formats:

- 95%-completion design plans – Adobe PDF files
- Technical Special Provisions - Adobe PDF and Microsoft Word files
- List of bid items - Adobe PDF and Microsoft Word files
- Bar chart representing estimated construction schedule - Adobe PDF files.

CONSULTANT shall include in this package a list of responses to DISTRICT comments on the 65% submittal.

#### **D. Draft 100% Completion Submittal**

CONSULTANT shall submit for DISTRICT's review electronic files of the 100%-completion unsigned design plans, Technical Special Provisions, list of bid items, construction estimate and bar chart representing construction schedule in the electronic file formats indicated in Section 4.1.C.

CONSULTANT shall include in this package a list of responses to the comments received from DISTRICT on the 95%-completion submittal.

Drawings shall be submitted on 11-inch by 17-inch paper size.

#### **4.2 Final Deliverables**

Prior to completion of its services under AGREEMENT, CONSULTANT shall deliver the following final deliverables to DISTRICT:

- A. One (1) set of final stamped and signed design drawings in non-fading, non-smearing ink on 22-inch by 34-inch reproducible (4-mil) vellum with images in a right-reading format;
- B. Electronic files of design drawings in the format specified below;
- C. One (1) set of half-size (11-inch by 17-inch) final stamped and signed design drawings on vellum of reproducible quality;
- D. One (1) bound set of paper copies and one (1) unbound set of paper copies of reproducible quality of Technical Special Provisions in the format specified below;
- E. An electronic file of Technical Special Provisions in the format specified below;
- F. Two (2) sets of paper copies of the quantity calculations and one (1) set of paper copies of independent check quantity calculations, as set forth below;
- G. Two (2) sets of paper copies of all final design calculations;
- H. One (1) set of paper copies of independent check design calculations;
- I. Two (2) sets of paper copies of the construction cost estimate and one (1) set of all supporting data for the construction cost estimate;
- J. Two (2) sets of paper copies of the estimated construction schedule and one (1) set of all supporting data; and
- K. One (1) set of all other final technical documents produced during the course of this AGREEMENT not listed in Section. 4.2.

#### **4.3 Design Drawings Format**

The format of CONSULTANT's design drawings shall be in accordance with the following :

- A. The design drawings (plans) shall be produced on AutoCAD Release 2011. Any other drafting software or third-party add-on software will not be permitted. If a newer version of AutoCAD is available that differs from the version referenced herein, CONSULTANT shall request a written authorization from DISTRICT prior to using the newer version.

- B. The format of the drawings shall be Text Style Font – Simplex with minimum height of 1/8-inch and layering concept for all entities. All drawings shall have a District's Standard Title Block, which will be provided by DISTRICT. The Title block shall identify the project by name and number, subject matter of the drawing, drawing number, and the sequential sheet number with a revision block that contains the original issue date and date and number of each revision. All drawings shall have a graphic scale or scales and shall bear the signatures and seals of the Engineer of Record.
- C. The final design drawings shall be complete, signed and sealed by CONSULTANT.
- D. CONSULTANT shall furnish to DISTRICT uncompressed electronic files of the final signed design drawings.

#### **4.4 Design and Quantity Calculations**

Design calculations and independent design check calculations shall be prepared for all work indicated in CONSULTANT's design drawings and specifications. The design calculations shall be signed and stamped by the individual responsible for their preparation and who is licensed to practice their professional Engineering services in the State of California. The names of the engineers who prepared the calculations shall be identified on the calculations.

CONSULTANT's quantity calculations and independent check quantity calculations shall be signed by the engineers that prepared the calculations.

All calculations shall be organized and indexed with volumes and pages numbered.

#### **4.5 Special Provisions Format**

CONSULTANT shall furnish Technical Special Provisions, typed single-spaced on white bond paper. CONSULTANT shall also furnish the Technical Special Provisions to DISTRICT on Compact Discs (CDs). The format shall be in Microsoft Word file format with left and right margins of one and one-tenth inches (1.1"), top and bottom margins of one inch (1.0"), Text Style Font: Times Arial 12, tabs set at 0.5".

CONSULTANT shall furnish with the final Technical Specifications a signature page(s) with professional stamps and signatures of each of the professional engineers responsible for preparation of specific engineering field of the specifications, e.g., civil, traffic, mechanical, electrical, etc.

#### **4.6 Other Documents**

CONSULTANT shall obtain DISTRICT's formatting instructions for other documents to be submitted to DISTRICT.

#### **4.7 General Requirements**

- A. When CONSULTANT is required under this AGREEMENT to prepare and submit its studies, reports, plans, specifications, and other documents to

DISTRICT, said documents shall be submitted in a draft form as scheduled, with the opportunity for the DISTRICT to review and comment upon said documents prior to final submission.

- B. The plans, designs, estimates, calculations, reports and other documents furnished under this AGREEMENT shall be of a neat appearance, well-organized, technically and grammatically correct, checked and having the preparer and checker specifically identified. Each submittal to DISTRICT shall bear the approval stamp of CONSULTANT's Project Manager, with said approval representing that he/she has verified that the submittal is complete, clear and legible, and complies with the formatting requirements of this AGREEMENT.
- C. The page that identifies the preparers of engineering reports, the title sheet for specifications and each sheet of plans shall bear the professional seal, certificate number, registration classification, expiration date of the certificate, and signature of the professional Engineers responsible for preparation.
- D. DISTRICT's acceptance of any and all documents submitted by CONSULTANT shall not relieve CONSULTANT of its responsibility for any deficiencies, whether latent or patent, contained in said documents. Similarly, the stamp and signature of the District Engineer on CONSULTANT's plans and specifications shall not relieve CONSULTANT of its responsibility for its design.

## **5. CONSTRUCTION BIDDING PHASE**

CONSULTANT's services will be required during the construction bidding stage of the Project as set forth in Exhibits A and B to provide support to DISTRICT during the bidding of the Project.

## **6. CONSTRUCTION PHASE**

CONSULTANT's services will be required during the construction phase of the Project if a construction contract is awarded. During construction, CONSULTANT shall furnish to DISTRICT all corrected and additional drawings and special provisions required by any errors or omissions of CONSULTANT. Such drawings shall be furnished by CONSULTANT at no additional cost to DISTRICT.

CONSULTANT agrees that it will participate in any dispute resolution proceedings provided under the construction contracts covering the Project and will defend any issues asserted concerning the adequacy of CONSULTANT's design. The forum for resolution of disputes shall be as provided for in the construction contract. Upon exhaustion of those procedures, if the parties are unable to resolve the matter successfully, it shall be referred to the next step as outlined in the construction contract. If the construction contracts provide for submitting disputes to mediation under the then-current Construction Industry Mediation Rules of the American Arbitration Association, no party relinquishes or waives any of its procedural or substantive rights or remedies provided under this Agreement, the construction contracts, or applicable law, and expressly reserves such rights, remedies and contentions.

## **7. OWNERSHIP OF WORK**

- 7.1 All communications, deliverables, and records originated, prepared, and in the process of being prepared, for the services to be performed by CONSULTANT under this AGREEMENT, including, but not limited to, findings, analyses, submittals, conclusions, opinions, engineering drawings, specifications, standards, process sheets, photographs, videos, manuals, technical reports and recommendations with respect to the subject matter of this AGREEMENT and raw and underlying data of such materials, regardless of format or media, including software, reports and other documentation (all of the foregoing, collectively, the “Work Product”), shall be delivered to and become the property of DISTRICT. DISTRICT shall be entitled to access and to copy the Work Product during the progress of the Work. Any Work Product remaining in the hands of CONSULTANT or in the hands of any subconsultant upon completion or termination of the work shall be immediately delivered to DISTRICT and not later than within two (2) weeks of completion or termination of the Work. If any materials are lost, damaged or destroyed before final delivery to DISTRICT, CONSULTANT shall replace them at its own expense, and CONSULTANT assumes all risk of loss, damage or destruction of or to such materials. CONSULTANT may retain a copy of such materials for use in its general business activities, subject to the restrictions of Section 16, RELEASE OF INFORMATION.
- 7.2 Any and all copyright, patent rights, and other intellectual property or proprietary rights to Work Product prepared under this AGREEMENT are hereby assigned to DISTRICT. CONSULTANT agrees to execute any additional documents that may be necessary to evidence such assignment. CONSULTANT agrees not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such Work Product. Except for its own internal use as reasonably necessary for its provision of services and work under this AGREEMENT, CONSULTANT shall not publish or reproduce such Work Product in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of DISTRICT pursuant to Section 16, RELEASE OF INFORMATION, of this AGREEMENT.
- 7.3 Notwithstanding anything herein to the contrary, DISTRICT acknowledges that as part of CONSULTANT’s provision of work hereunder, CONSULTANT may utilize CONSULTANT’s Information. CONSULTANT’s Information is defined as proprietary works of authorship including, without limitation, software, methodologies, tools, specifications, drawings, sketches, models, samples, records and documentation, as well as copyrights, trademarks, service marks, ideas, concepts, know-how, techniques, knowledge or data, that have been originated or developed by CONSULTANT or by third parties before and apart from this AGREEMENT, or which have been purchased by, CONSULTANT for use in the provision of services or work under this AGREEMENT with the DISTRICT’s express written consent; and, copyrights, trademarks, software, methodologies, tools, samples, service marks, ideas, concepts, know-how, techniques, knowledge that have been originated or developed by CONSULTANT or by third parties under AGREEMENT. DISTRICT agrees that CONSULTANT’s Information, as so narrowly defined and identified, is and shall remain the sole property of



CONSULTANT or such third party, except for the exclusions due to provisions of Section 15.7, PATENT RIGHTS, of this AGREEMENT. CONSULTANT agrees that DISTRICT shall be entitled to use CONSULTANT's Information in connection with this AGREEMENT, and shall grant to DISTRICT a perpetual, royalty-free, irrevocable, worldwide, non-exclusive license to use all CONSULTANT's Information and to create and use derivative works of CONSULTANT'S Information in connection with the Project.

- 7.4 CONSULTANT represents and warrants that it has or will have all appropriate licenses, agreements and/or ownership pertaining to all intellectual property, including but not limited to patents and copyrights, used in connection with the performance of its obligations under this AGREEMENT. CONSULTANT further represents and warrants that it will have all necessary rights to patentable and copyrightable materials, equipment, devices or processes not furnished by DISTRICT used on or incorporated in the work and assumes all risks arising from the use of such patentable and copyrightable materials, equipment, devices, or processes.
- 7.5 CONSULTANT shall indemnify, defend and hold harmless DISTRICT, its directors, officers, agents and employees to the maximum extent permitted by law from and against any and all claims, liabilities, losses, damages or expenses (including attorneys' fees and related costs, whether or not litigation has commenced), whether direct or indirect, arising out of, relating to, or in connection with the ownership, possession or use of any materials, equipment, devices, or processes that are protected by intellectual property rights, including patent, copyright and trade secret. In case such materials, equipment, devices or processes are held to constitute an infringement and their use enjoined, CONSULTANT, at CONSULTANT's sole cost and expense, shall: (a) secure for DISTRICT the right to continue using the materials, equipment, devices or processes by suspension of the injunction or by procuring a royalty-free license or licenses, or (b) replace such materials, equipment, devices, or processes with non-infringing materials, equipment, devices or processes that perform the same functions as the infringing item, or (c) modify them so that they become non-infringing or remove the enjoined materials, equipment, devices or processes and refund the sums paid therefore, without prejudice to any other rights of DISTRICT. If the amount of time necessary to proceed with one of these options is deemed excessive by DISTRICT, DISTRICT may direct CONSULTANT to select another option or risk default. The provisions of Section 10, RESPONSIBILITY: INDEMNIFICATION, shall also apply to the matters covered by this Section 6.5, to the maximum extent permitted by law.

## **8. SUBCONTRACTING**

- 8.1 CONSULTANT shall not subcontract any services to be performed by it under this AGREEMENT without the prior written approval of DISTRICT, except for service firms engaged in drawing, reproduction, typing and printing and other firms as herein listed:

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- 8.2 Nothing contained in this Agreement or otherwise, shall create any contractual relation between DISTRICT and any subconsultants/subcontractors, and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. Neither the CONSULTANT nor any party contracting with CONSULTANT shall be deemed an agent or employee of the DISTRICT. CONSULTANT is an independent entity, and the legal relationship of any person performing services for CONSULTANT shall be one solely between that person and CONSULTANT. CONSULTANT agrees to be as fully responsible to DISTRICT for the acts and omissions of its subconsultants/subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT's obligation to pay its subconsultants/subcontractors is an independent obligation from the DISTRICT'S obligation to make payments to CONSULTANT.
- 8.3 Any subcontract entered into as a result of this Agreement, shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants/subcontractors.
- 8.4 CONSULTANT is referred to Section 18 of this Agreement which includes Federal and State requirements for the prompt payment to subconsultants.
- 8.5 Any substitution of subconsultants/subcontractors must be approved in writing by DISTRICT'S Project Manager in advance of assigning work to a substitute subconsultant/subcontractor.
- 8.6 CONSULTANT shall incorporate Sections 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23 into all agreements with its subconsultants that are over \$25,000.

## **9. CONSULTANT'S PERSONNEL**

- 9.1 All individuals identified on the organizational chart in **Exhibit B** are necessary for the successful performance of services under this AGREEMENT due to their unique expertise, depth and breadth of experience, and knowledge of Project. There shall be no change in CONSULTANT's [Project Manager], [Engineers of Record], all other engineers and technical staff of the project team as listed in **Exhibit B** without prior written approval by DISTRICT's Project Manager. CONSULTANT recognizes that the composition of this team was instrumental in DISTRICT's decision to award this AGREEMENT to CONSULTANT and that compelling reasons for substituting these individuals must be demonstrated before DISTRICT's approval may be granted. Any substitutes shall be persons of comparable or superior experience and expertise. Failure to comply with the provisions of this section shall constitute a material breach of CONSULTANT's obligations under this AGREEMENT and shall constitute a basis for termination of this AGREEMENT for cause.

- 9.2 All CONSULTANT staff utilized on Project will be subject to qualification review and approval by DISTRICT. DISTRICT reserves the right to reject proposed personnel that, as determined by DISTRICT at its sole discretion, do not meet any or all of the requirements stated in this AGREEMENT. DISTRICT also reserves the right to obtain references regarding previous assignments of CONSULTANT's and subconsultants' personnel assigned to Project.

Architect of Record – List Designated Individual

Structural Engineer of Record - List Designated Individual

Electrical Engineer of Record – List Designated Individual

Civil Engineer of Record - List Designated Individual

Mechanical Engineer of Record - List Designated Individual

9.3 **CONSULTANT's Project Manager**

CONSULTANT shall provide a Project Manager to coordinate CONSULTANT's operations with DISTRICT's Project Manager. CONSULTANT's Project Manager shall be a licensed Professional Engineer in the State of California and shall demonstrate a proven successful track record in the management of design projects for major hospital projects and the production of plans, specifications and estimates of construction costs. CONSULTANT's Project Manager shall become thoroughly familiar with the Project background and design criteria for the Project.

CONSULTANT's Project Manager shall be responsible for the administration and management of CONSULTANT's performance of services under this AGREEMENT, including the assignment and supervision of CONSULTANT's personnel to assure compliance with provisions of this AGREEMENT and the most efficient deployment of resources in view of the fiscal constraints of the Project. He/she shall be responsible for the accuracy and completeness of all submittals to DISTRICT. He/she shall also be responsible for coordination of schedule and efforts between CONSULTANT and its subconsultants to assure the most efficient use of resources. CONSULTANT's Project Manager shall be accessible to DISTRICT's Project Manager at all times during DISTRICT's regular working hours.

9.4 **CONSULTANT'S Project Engineer**

CONSULTANT shall provide a Project Engineer to assist CONSULTANT's Project Manager in coordination of CONSULTANT's operations under this AGREEMENT. CONSULTANT's Project Engineer shall be a licensed Professional Engineer in the State of California and shall demonstrate a proven technical experience with design projects for hospitals, and in the production of plans, specifications and estimates of construction costs. CONSULTANT's Project Engineer shall become thoroughly familiar with the Project background and design

criteria for the Project. CONSULTANT's Project Engineer shall be accessible to DISTRICT's Project Manager at all times during DISTRICT's regular working hours.

#### **9.5 CONSULTANT's Engineers of Record**

- A. As used in this AGREEMENT, the term "Engineer of Record" shall mean the individual licensed to practice engineering in the State of California who will sign and stamp the final plans, specifications, calculations, and other technical work product prepared by CONSULTANT under this AGREEMENT. As required under Business & Professions Code Section 6735, the plans, specifications, calculations, and other technical work product shall have been prepared by, or under the responsible charge of, CONSULTANT's Engineer of Record. Attention is directed to Section 404.1 of Title 16, Division 5 of the California Code of Regulations for the definition of "responsible charge" and the Engineer of Record's obligations regarding same.
- B. Each of CONSULTANT's Engineers of Record shall have sufficient and relevant experience and qualifications to serve in such capacity for the applicable portion of CONSULTANT's work. At a minimum, an Engineer of Record shall meet the following levels of experience and qualifications:
  - 1) The Engineer(s) of Record in charge of the electrical engineering design and whose signatures and stamps appear on the final plans shall be licensed Electrical Engineers in the State of California and shall demonstrate extensive experience and proven successful track records in the design of Hospitals as applicable to their assignments of the project, and in production of plans, specifications and estimates. They shall become thoroughly familiar with the Project background and design criteria for the Project.
  - 2) The Engineer(s) of Record in charge of the Mechanical design, if required, and whose signatures and stamps appear on the final plans shall be licensed Mechanical Engineers in the State of California and shall demonstrate experience and proven successful track records in the design of Hospitals, as applicable to their assignments on the project, and production of plans, specifications and estimates. They shall become thoroughly familiar with the Project background and design criteria for the Project.

#### **9.6 CONSULTANT's Design Engineers**

The engineering staff assigned to the Project shall be experienced in acute care facility design as required by their assignments on the Project. In addition, all engineering staff utilized shall become thoroughly familiar with the project background and design criteria for the Project.

#### **9.7 Consultant's Drafting Staff**

CONSULTANT's drafting staff shall be thoroughly proficient with AutoCAD Release 2011, become thoroughly familiar with project-specific CAD drafting standards and requirements, have experience and a proven successful track record

in contract plan production, and have a good understanding of project final submittal format requirements.

## **10. CHANGES**

- 10.1 DISTRICT may, at any time, by written order, make changes within the general scope of work and services described in this AGREEMENT. If such changes cause an increase to the ceiling price of or the time required for performance of the agreed-upon work or otherwise affect any other terms of this AGREEMENT, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 18, COMPENSATION, or in the time of required performance as set forth in Section 3, SCHEDULE AND TIME OF COMPLETION, or both. In the event that CONSULTANT encounters any unanticipated conditions or contingencies that may affect the scope of work or services and result in an adjustment in the amount of compensation specified herein, CONSULTANT shall so advise DISTRICT immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. This notice shall be given to DISTRICT prior to the time that CONSULTANT performs work or services related to the proposed adjustment in compensation. If approved by DISTRICT, the pertinent changes shall be expressed in a written supplement to this AGREEMENT prior to implementation of such changes.

CONSULTANT's failure to timely supply the written notice specified herein shall constitute a waiver of CONSULTANT's entitlement to an adjustment in compensation and/or time based on the unanticipated condition or contingency.

- 10.2 CONSULTANT shall carefully and regularly monitor the deployment of its resources so that the budgeted levels of effort for each task set forth in the Cost Proposal in **Exhibit B** are not exceeded. CONSULTANT shall not exceed the budget for any task without first obtaining the written approval of DISTRICT. Any and all costs of CONSULTANT that exceed the task amounts set forth in **Exhibit B** will not be paid by DISTRICT unless DISTRICT has first provided written approval of the overage. Such approval, if given, may not in any case authorize exceeding the overall not-to-exceed amount set forth in Section 17, COMPENSATION.

## **11. RESPONSIBILITY: INDEMNIFICATION**

CONSULTANT shall indemnify, defend and hold harmless DISTRICT, its directors, officers, agents, and employees to the maximum extent permitted by law from and against any and all claims, demands, actions, causes of action, damages, liability, obligation, costs and expenses of any kind whatsoever, including (without limitation) those for personal injuries (including, but not limited to death, bodily injury, emotional or mental distress and loss of consortium), property damage or pecuniary, financial or economic loss of any kind whatsoever to the extent that they are caused by any breach of CONSULTANT's obligations under this AGREEMENT, willful misconduct, or the negligent provision or omission of services contemplated by this AGREEMENT by CONSULTANT or its employees, or parties contracting with CONSULTANT or agents. CONSULTANT further agrees to defend any such claims, demands, actions, or causes of actions for any damages,

injuries or losses whatsoever, and pay charges of attorneys and other costs and expenses arising therefrom or incurred in connection therewith; and if any judgment be rendered against DISTRICT or any of the other individuals enumerated above in any such action, CONSULTANT shall, at CONSULTANT's expense, satisfy and discharge the same to the extent that they are covered by the above Agreement to indemnify.

To the extent permitted by Civil Code 2782.8, CONSULTANT's duty to defend shall further apply and be enforced even if it is contended the acts, omissions or failures to act of parties other than CONSULTANT, including DISTRICT and the individuals enumerated above, caused or contributed to the losses, injuries or damages claimed.

For the purposes of this Section, the term "losses" means all amounts paid to settle or satisfy any judgments or awards plus reasonable amounts paid on account of attorneys' fees, court costs and other costs and expenses relating to the investigation, defense, satisfaction and/or settlement of such claims.

This provision is intended to be applied to the fullest extent allowed under the law and, if any portion of it is found to be void or unenforceable, the remainder is to be severable and enforceable.

## **12. INSURANCE PROVISIONS**

**12.1 Types of Insurance** The policies and minimum amount of insurance to be carried by CONSULTANT shall be as follows:

### **A. Workers' Compensation and Employer's Liability Insurance**

- 1) CONSULTANT shall procure and maintain at all times during the performance of such work Workers' Compensation Insurance in conformance with the laws of the State of California and federal laws where applicable. Employer's Liability Insurance shall not be less than One Million Dollars (\$1,000,000) for each accident and One Million Dollars (\$1,000,000) for each disease.
- 2) The policy shall contain a waiver of subrogation in favor of DISTRICT and its officers, directors, employees, volunteers and agents while acting in such capacity and their successors and assignees as they now or as they may hereafter be constituted, singly, jointly or severally.

### **B. Commercial General and Automobile Liability Insurance**

- 1) *Commercial General Liability Insurance.* CONSULTANT shall, at its own cost and expense, also procure and maintain at all times during the performance of this Agreement Commercial General Liability Insurance providing bodily injury and property damage coverage with a combined single limit of at least One Million Dollars (\$1,000,000) each occurrence or claim and a general aggregate limit of at least Two Million Dollars (\$2,000,000). This insurance shall include but not be limited to premises and operations, contractual liability covering the indemnity provisions contained in this Agreement, personal injury, products and completed operations, and broad form property damage, and include a Cross Liability endorsement.

- 2) *Business Automobile Liability.* CONSULTANT shall, at its own cost and expense, procure and maintain at all times during the performance of this Agreement Business Automobile Liability Insurance providing bodily injury and property damage with a combined single limit of at least One Million Dollars (\$1,000,000) per occurrence for all owned, non-owned and hired automobiles. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

C. Professional Liability Insurance. CONSULTANT shall maintain Professional Liability Insurance covering CONSULTANT's performance of services under this Agreement with a limit of liability of at least Five Million Dollars (\$5,000,000) for any one claim and Five Million Dollars (\$5,000,000) annual aggregate. This insurance shall be applicable to claims arising from the work performed under this Agreement and during construction and construction warranty periods. The insurance shall not include any prior acts exclusion.

## 12.2 General Insurance Requirements

A. Evidence of Insurance. Prior to commencing work or entering onto the property, CONSULTANT shall file a Certificate of Insurance with DISTRICT evidencing the foregoing coverages with respect to the insurance, including the following endorsements:

- 1) That the insurance company(ies) issuing such policy(ies) shall give written notice to DISTRICT of any material alteration or reduction in aggregate limits, if such limits apply, and provide at least thirty (30) days' notice of cancellation or nonrenewal.
- 2) That the policy(ies) is(are) Primary Insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim that CONSULTANT is liable for under this section, up to and including the total limit of liability, without right of contribution from any other insurance effected or which may be effected by the DISTRICT.
- 3) That, with respect to coverages described in Section 12.1.A and B above, such insurance shall include as additional insured the DISTRICT and its respective directors, officers, employees and agents while acting in such capacity, and their successors or assignees, as they now or as they may hereafter be constituted, singly, jointly or severally.
- 4) That, with respect to coverages described in Section 12.1.A and B above, the policies shall also contain either a cross liability endorsement or severability of interests clause and stipulate that inclusion of the DISTRICT as additional named insured shall not in any way affect its rights either as respects any claim, demand, suit or judgment made, brought or recovered against CONSULTANT. Said policy shall protect CONSULTANT and DISTRICT in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance

company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

- B. Acceptable Insurance. All policies shall be issued by insurers acceptable to DISTRICT. This insurance shall be issued by an insurance company or companies authorized to do business in the State of California with minimum "Best's" rating of B+ and with minimum policyholder surplus of Twenty Five Million (\$25,000,000) or a company acceptable to District in its sole discretion. All policies shall be issued in a form satisfactory to the General Manager of DISTRICT and shall be issued specifically as primary insurance.
- C. Failure to Procure or Maintain Insurance. The failure to procure or maintain required insurance and/or an adequately funded self-insurance program acceptable to DISTRICT will constitute a material breach of this AGREEMENT.
- D. Terms of Policies. All insurance specified above shall remain in force until all work to be performed is satisfactorily completed unless as indicated otherwise in this AGREEMENT.
- E. CONSULTANT shall not violate or permit to be violated any conditions or provisions of said policies of insurance, and at all times shall satisfy requirements of the insurer for the purpose of maintaining said insurance in effect.
- F. If any claim is made by any third person against CONSULTANT on account of any incident, CONSULTANT shall promptly report the fact in writing to DISTRICT, giving full details of the claim.
- G. CONSULTANT shall promptly notify DISTRICT of all professional liability claims asserted against CONSULTANT that have an estimated settlement value in excess of the policy. If the amount of professional liability insurance is reduced by other claims, CONSULTANT shall procure such additional insurance to restate the limits as required under this AGREEMENT.
- H. Claims-Made Insurance. If any insurance specified in Section 11.1 is provided on a claims-made basis, then in addition to the specified coverage requirements, such policy shall provide that:
- 1) Policy retroactive date coincides with or precedes CONSULTANT's start of work (including subsequent policies purchased as renewals or replacements).
  - 2) CONSULTANT will make every effort to maintain similar insurance for at least three (3) years following project completion, including any applicable requirement of including all additional insureds.
  - 3) If insurance is terminated for any reason, CONSULTANT agrees to purchase an extended reporting provision of at least three (3) years to report claims arising from work performed in connection with this AGREEMENT.



- 4) Policy allows for reporting of circumstances or incidents that might give rise to future claims.

### **13. CONFLICT OF INTEREST**

CONSULTANT shall not undertake any work under construction or construction management and inspection support contracts for the Infrastructure Equipment Replacement Project.

CONSULTANT shall comply with the Code of Professional Conduct for Professional Engineers set forth at California Code of Regulations, Title 16, Division 5, Section 475, as said Code may be amended from time to time.

CONSULTANT represents and warrants that it presently has no interest and agrees that it will not acquire any interest that would present a conflict of interest under California Government Code §§ 1090 *et seq.* or §§ 87100 *et seq.* during the performance of services under this AGREEMENT. CONSULTANT shall promptly disclose any actual or potential conflict of interest to DISTRICT as soon as CONSULTANT becomes aware of such conflict. CONSULTANT further covenants that it will not knowingly employ any person having such an interest in the performance of this AGREEMENT. Violation of this provision may result in this AGREEMENT being deemed void and unenforceable.

Depending on the nature of the work performed, CONSULTANT may be required to publicly disclose financial interests under DISTRICT's Conflict of Interest Code. CONSULTANT agrees to promptly submit a Statement of Economic Interest on the form provided by DISTRICT upon receipt.

No person previously in the position of Director, Officer, employee or agent of DISTRICT may act as an agent or attorney for, or otherwise represent, CONSULTANT by making any formal or informal appearance, or any oral or written communication, before DISTRICT or any Officer or employee of DISTRICT for a period of 12 months after leaving office or employment with DISTRICT if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award or revocation of a permit, license, grant or contract.

### **14. CIVIL RIGHTS REQUIREMENTS**

In addition to other nondiscrimination requirements included in this AGREEMENT, CONSULTANT agrees to comply with the following:

#### **14.1 Nondiscrimination**

In accordance with Title VI of the Civil Rights Act, as amended, 42 USC §2000 (d), Section 303 of the Age Discrimination Act of 1975, as amended; 42 USC §6102, Section 202 of the Americans with Disabilities Act of 1990; 42 USC §12132; and 49 USC §5332, CONSULTANT agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, CONSULTANT agrees to comply with applicable federal implementing regulations and other implementing requirements the Federal Highway Administration (FHWA) may issue.

During performance of this agreement, CONSULTANT and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), medical history, age (over 40), genetic information, marital status, gender, gender identity, gender expression, and denial of family care leave. CONSULTANT and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 Title 2 of the California Code of Regulations, are incorporated into this AGREEMENT by reference and made a part hereof as set forth in full. CONSULTANT and its subconsultants shall give written notice of their obligations under this section to labor organizations with which they have a collective bargaining or other agreement. In addition, CONSULTANT agrees to comply with applicable federal implementing regulations and other implementing requirements the Federal Highway Administration (FHWA) may issue.

CONSULTANT shall include the nondiscrimination and compliance provisions of this section in all subcontracts to perform work under this AGREEMENT.

#### **14.2 Equal Employment Opportunity**

The following equal employment opportunity requirements apply to this AGREEMENT:

A. Race, Color, Creed, National Origin, Sex. In accordance with Title VII of the Civil Rights Act, as amended, 42 USC §2000(e), CONSULTANT agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, *Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor*, 41 CFR Parts 60 et seq. (which implement Executive Order No. 11246, *Equal Employment Opportunity*, as amended by Executive Order No. 113 75, *Amending Executive Order 11246 Relating to Equal Employment Opportunity*, 42 USC §2000 (e) note), and with any applicable federal statutes, executive orders, regulations, and federal policies that may in the future affect construction activities undertaken in the course of the Project.

During the performance of this AGREEMENT, CONSULTANT agrees as follows:

- 1) CONSULTANT will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. CONSULTANT will take affirmative actions to ensure that applicants are employed and that employees are treated during their employment without regard to their race, religion, color, sex, or national origin. Such actions shall include, but not be limited

to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

- 2) CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of CONSULTANT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) CONSULTANT will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of CONSULTANT's commitments under this section, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.

## **15. RELEASE OF INFORMATION**

- 15.1 All financial, statistical, personal, technical, or other data and information relative to DISTRICT's operations, and specifically, the improvements contemplated by this AGREEMENT and made available to CONSULTANT in order to carry out this AGREEMENT, shall be protected by CONSULTANT from unauthorized use and disclosure, and shall not be disclosed to any third parties without DISTRICT's express written permission.
- 15.2 Permission by DISTRICT to disclose information on one occasion relating to this AGREEMENT shall not authorize CONSULTANT to further disclose such information or disseminate the same on any other occasion.
- 15.3 CONSULTANT shall not comment publicly to third parties, including the press or any other media, regarding this AGREEMENT or DISTRICT's actions on the same, except to DISTRICT's staff, CONSULTANT's own personnel involved in the performance of this AGREEMENT, at public hearings, or in response to questions from a Legislative committee.

DISTRICT's Public Information Director is the authorized spokesperson for all media inquiries concerning DISTRICT. CONSULTANT shall refer any inquiry of the news media to the Public Information Director. CONSULTANT shall not communicate regarding DISTRICT, the Project and this AGREEMENT with any representatives of the media, including, but not limited to, journalists, reporters, technical writers, and freelance writers, without the prior written authorization of DISTRICT, as exercised in DISTRICT's sole discretion.

It is expressly understood and agreed that the above provisions equally pertain to all subconsultants to CONSULTANT with respect to their receipt of any inquiries from the media pertaining to DISTRICT, the Project or this AGREEMENT.

- 15.4 CONSULTANT shall not refer to DISTRICT, the Project or this AGREEMENT in any advertising or promotional materials without DISTRICT's prior written consent. CONSULTANT shall obtain DISTRICT's written consent prior to the publication of any materials prepared by CONSULTANT or any of its employees and agents pertaining to DISTRICT, the Project, or this AGREEMENT. CONSULTANT agrees that published information regarding such topics shall be factual only and in no way shall imply that DISTRICT endorses CONSULTANT's firm, service or product.

CONSULTANT and its employees and agents shall not use any images of DISTRICT, including its Work, with respect to this AGREEMENT in any current and future media format, including, but not limited to, promotional or business development photographs or videos, website postings, CD-ROMs, and any other form of publication (magazines, annual reports, etc.) without DISTRICT's prior written consent, as exercised in DISTRICT's sole discretion. If consent is granted, CONSULTANT shall comply with all requirements of DISTRICT regarding filming and still photography.

CONSULTANT and its employees and agents shall not make any speeches or presentations that mention Project or include images of Project without DISTRICT's prior written consent.

CONSULTANT and its employees and agents shall not author any technical papers or reports for publication or distribution that discuss the project without DISTRICT's prior written consent.

It is expressly understood and agreed that the above provisions pertain equally to all subconsultants and suppliers to CONSULTANT with respect to DISTRICT, the Project and this AGREEMENT.

- 15.5 All information related to the construction estimate is confidential and shall not be disclosed by CONSULTANT to any entity other than DISTRICT.
- 15.6 Any subcontract entered into as a result of this AGREEMENT shall contain all the provisions of this Section 15.

## **16. INSPECTION OF WORK**

CONSULTANT and any subconsultant shall permit DISTRICT and its representatives to review and inspect the project activities at all reasonable times during the performance period of this AGREEMENT.

## **17. COMPENSATION**

- 17.1 The payment for services under this AGREEMENT will be based on time and materials with a not-to-exceed amount. The CONSULTANT agrees to perform all of the services included in Section 2 for a total all inclusive sum not-to-exceed amount of seven hundred seventy-two thousand five hundred sixty-five dollars (\$772,565.00), in accordance with Exhibits A and B. The total all inclusive sum shall include all labor, materials, taxes, profit, overhead, insurance, subcontractor costs and all other costs and expenses incurred by the Consultant. The not-to-exceed amount is not guaranteed. Rather, payment will be for time actually

worked. The hourly rate by personnel category shall be as set forth in Exhibit B. The DISTRICT will pay the CONSULTANT in accordance with Section 18.

- 17.2 CONSULTANT shall be reimbursed for actual allowable travel expenses incurred in the performance of this work upon submittal of receipts. Only coach class airfare will be reimbursed. Private cars shall be reimbursed at the current reimbursement mileage rate published by the U.S. Internal Revenue Service or, if a rental car is used, at the mid-range rental car rate while traveling away from CONSULTANT's headquarters, which are hereby designated as office locations listed in **Exhibit B**.

Lodging, meal and incidental expense costs shall not exceed the maximum reimbursable allowances published by U.S. General Services Administration (GSA) for each Federal Fiscal Year beginning October 1. The maximum reimbursable allowances published by GSA can be found at <http://www.gsa.gov>.

- 17.3 Total expenses reimbursed made under this AGREEMENT shall not exceed the sum of Seventeen Thousand, Seven Hundred and Fifty Dollars and zero Cents (\$17,750).
- 17.4 CONSULTANT's attention is directed to Section 9, CHANGES, of this AGREEMENT regarding CONSULTANT's obligations with respect to any adjustment of the not-to-exceed maximum with regard to CONSULTANT's compensation for the Project.

## **18. MANNER OF PAYMENT**

- 18.1 By the tenth (10<sup>th</sup>) working day of the following month, CONSULTANT shall submit invoices and receipts to DISTRICT for services performed and reimbursable expenses incurred during the previous month. DISTRICT shall render payment for all undisputed invoices within thirty (30) days following receipt of approved invoices.

Invoices shall describe in detail the services rendered by CONSULTANT and state the number of hours, and applicable hourly rate of each person. Hourly rates per personnel category shall be in accordance with the CONSULTANT's Cost Proposal in **Exhibit B**. The hourly labor rates set forth in **Exhibit B**, including those of CONSULTANT and subconsultants, shall remain in effect for the duration of this AGREEMENT.

For CONSULTANT's personnel assigned to the project, DISTRICT and CONSULTANT will jointly review, on an annual basis, proposed salary increases. CONSULTANT and its subconsultants shall submit to DISTRICT written justification supporting any proposed labor rate increases and shall obtain DISTRICT approval of such increases prior to billing them in CONSULTANT invoices under this AGREEMENT. Under this AGREEMENT, labor rate increases for CONSULTANT's personnel assigned to the Project, if any, may be made no more frequently than once a year.

- 18.2 Not Applicable.
- 18.3 In the event that DISTRICT disputes an invoice, it will pay only the undisputed amount and will notify CONSULTANT within ten days of receipt of invoice of any

dispute. CONSULTANT must continue work during the pendency of any dispute over an invoice. The parties' Project Managers will meet and confer and attempt to resolve amicably any dispute over an invoice. If they are unable to resolve such a dispute, the matter will be elevated to management. DISTRICT management's determination over a disputed invoice will be final and additional dispute will be resolved pursuant to Section 25.

## **19. ORDER OF PRECEDENCE**

In the event of an inconsistency among the components of this AGREEMENT, the following order of precedence shall apply:

1. Duly executed amendments to this AGREEMENT;
2. This AGREEMENT;
3. Exhibit A, the RFP;
4. Exhibit B, CONSULTANT's Proposal.

## **20. ASSIGNMENT**

CONSULTANT shall not assign any rights or transfer any obligations under this AGREEMENT without the prior written consent of DISTRICT.

## **21. MAINTENANCE, AUDIT AND INSPECTION OF RECORDS**

All CONSULTANT and subconsultant costs incurred in the performance of this AGREEMENT will be subject to audit. CONSULTANT and its subconsultants shall permit DISTRICT, the State Auditor, or their authorized representatives, to inspect, examine, make excerpts from, transcribe, and copy CONSULTANT's books, work, documents, papers, materials, payrolls records, accounts, and any and all data relevant to this AGREEMENT at any reasonable time, and to audit and verify statements, invoices or bills submitted by CONSULTANT pursuant to this AGREEMENT. CONSULTANT shall also provide such assistance as may be required in the course of such audit.

For the purpose of determining compliance with Public Contract Code 10115, et seq., and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the contract pursuant to Government Code 8546.7; CONSULTANT, subconsultants and DISTRICT shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of services under this AGREEMENT, including but not limited to, the costs of administering AGREEMENT. All parties shall make such materials available at their respective offices at all reasonable times during the AGREEMENT period and for four (4) years from the date of final payment under AGREEMENT.

If, as a result of the audit, it is determined by DISTRICT that reimbursement of any costs including profit or fee under this AGREEMENT was in excess of that represented and relied upon during price negotiations or represented as a basis for payment, CONSULTANT agrees to reimburse DISTRICT for those costs within sixty (60) days of written notification by DISTRICT.

## **22. DISTRICT WARRANTIES**

DISTRICT makes no warranties, representations, or agreements, either express or implied, beyond such as are explicitly stated herein.

## **23. SUSPENSION AND TERMINATION**

DISTRICT shall have the right to suspend or to terminate this AGREEMENT at any time by giving written notice to CONSULTANT. In the event of suspension or termination for any reason other than the fault of CONSULTANT, CONSULTANT shall be compensated in accordance with the provisions of Section 19, MANNER OF PAYMENT, for the services performed to date of such suspension or termination, plus any reasonable costs and expenses resulting from such suspension or termination. If, in the event of suspension, the project is resumed after being suspended for more than three months, CONSULTANT's compensation shall be subject to renegotiation. If the project is resumed within the period of three months following notification of suspension, there shall be no change in CONSULTANT's compensation.

In the event of termination for reason of CONSULTANT's breach or default in the performance of any of CONSULTANT's obligations under this AGREEMENT, CONSULTANT shall be compensated in accordance with the provisions of Section 18, COMPENSATION, only for those services already performed and expenses incurred in full accordance with the requirements of this AGREEMENT up to the effective date of termination, less an estimate reasonably made by DISTRICT of the amount of damages DISTRICT has or will suffer as a result of CONSULTANT's breach or default.

Whether terminated for convenience or breach, the DISTRICT shall not in any manner be liable for the CONSULTANT's actual or projected lost profits had the CONSULTANT completed the services required by this Agreement.

## **24. NOTICES**

All communications relating to the day-to-day activities of the Project shall be exchanged between DISTRICT's Project Manager, David Sullivan, and CONSULTANT's Project Manager, \_\_\_\_\_.

All notices and communications regarding interpretation of the terms of this AGREEMENT and changes thereto shall be in writing and may be given by personal delivery to a representative of the parties or by mailing the same, postage prepaid, addressed as follows:

If to DISTRICT: \_\_\_\_\_

If to CONSULTANT: \_\_\_\_\_

The address to which mailings are to be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

## **25. DISPUTE RESOLUTION**

In the event of a dispute between DISTRICT and CONSULTANT concerning any question of fact in connection with the work performed under this AGREEMENT, the parties shall meet and confer and make good faith efforts to resolve the dispute before resorting to any legal action. CONSULTANT must file a Government Claim Form prior to initiating any legal action.

## **26. ATTORNEYS' FEES**

If any legal proceeding should be instituted by either of the parties hereto to enforce the terms of this AGREEMENT or to determine the rights of the parties thereunder, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable attorneys' fees.

## **27. BINDING ON SUCCESSORS**

All of the terms, provisions, and conditions of this AGREEMENT shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

## **28. APPLICABLE LAW**

This AGREEMENT, its interpretation, and all work performed thereunder shall be governed by the laws of the State of California.

## **29. WAIVER**

Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

## **30. SEVERABILITY**

If any provision of this Agreement shall be deemed invalid or unenforceable, that provision shall be reformed and/or construed consistently with applicable law as nearly as possible to reflect the original intentions of this Agreement; and in any event, the remaining provisions of this Agreement shall remain in full force and effect.

## **31. NO THIRD PARTY BENEFICIARIES**

This Agreement is not for the benefit of any person or entity other than the parties.

## **32. ENTIRE AGREEMENT; MODIFICATION**

This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any prior understanding or agreement, oral or written, with respect to such subject matter. It may not be amended or modified except by a written amendment executed by authorized representatives by both parties.



IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT by their duly authorized officers as of the day and year first above written.

DISTRICT:  
**SALINAS VALLEY HEALTH**

CONSULTANT:

\_\_\_\_\_

By: \_\_\_\_\_

President, Board of Directors

By\*: \_\_\_\_\_

By\*: \_\_\_\_\_

:

By: \_\_\_\_\_

SALINAS VALLEY HEALTH, Chief Executive Officer

*\* If CONSULTANT is a corporation, this AGREEMENT must be executed by two corporate officers, consisting of: (1) the President, Vice President or Chair of the Board, and (2) the Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer.*

*In the alternative, this AGREEMENT may be executed by a single officer or a person other than an officer provided that evidence satisfactory to District is provided demonstrating that such individual is authorized to bind the corporation (e.g., a copy of a certified resolution from the corporation's board or a copy of the corporation's bylaws).*

# Salinas Valley Health Medical Center

**INFRASTRUCTURE EQUIPMENT REPLACEMENT**

**OCTOBER 11, 2024**

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**RICK RUSSELL** PE, LEED AP, CXA

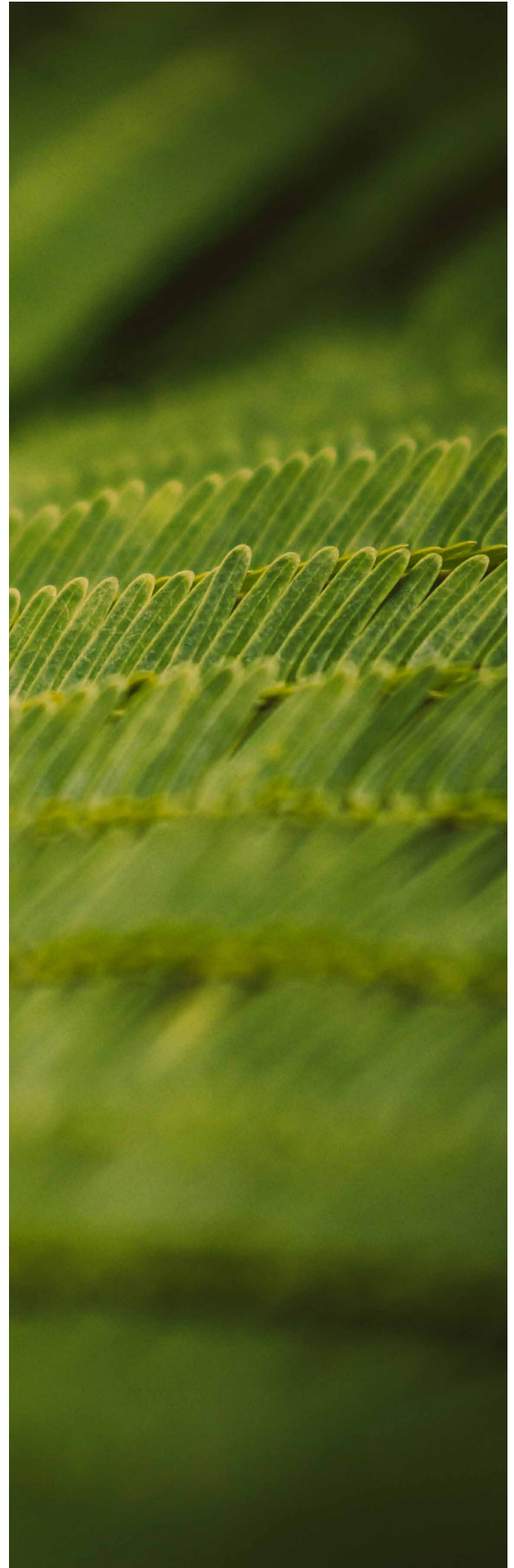
Principal

[rickr@interfaceeng.com](mailto:rickr@interfaceeng.com)

49 Stevenson Street, Suite 660

San Francisco, CA 94105

[www.interfaceengineering.com](http://www.interfaceengineering.com)





**Interface Engineering Inc**  
1999 Harrison Street, Suite 550  
Oakland, CA 94612  
**TEL** 415.489.7240  
[www.interfaceengineering.com](http://www.interfaceengineering.com)

October 10, 2024

Dave Sullivan  
Bogard Construction, Inc.  
535 E Romie, Suite 6  
Salinas, CA 93901

Re: Salinas Valley Health – Infrastructure Equipment Replacement

Dear Dave:

Interface Engineering is very pleased to submit our Statement of Qualifications for Salinas Valley Health's Infrastructure Equipment Replacement. We've earned a reputation for creative thinking and deep expertise in mechanical and electrical engineering, and we offer a diverse range of capabilities for almost any MEP engineering project imaginable. To build on that reputation, we invest heavily in professional development and technology, allowing us to remain on the leading edge of design.

Interface Engineering has been in business since 1969 with offices in San Francisco, Oakland, Los Angeles, Honolulu, Portland, Washington DC, Chicago, Denver, San Antonio, and New York City. Interface Engineering is accustomed to acting as the prime consultant on MEP projects. We organize, schedule the stakeholders and its subconsultants. The project team consists of the following:

**Prime**

- Interface Engineering, Inc. (MEP Engineering)

**Sub-Consultants**

- Smith-Karng Architecture (Architectural)
- Estructure (Structural)

Interface Engineering is bound to the Scope of Services and cost proposal for 90 calendar days.

Interface Engineering accepts the terms and conditions of the Sample Agreement.

There are **no** conflicts of interest that would limit Interface Engineering's ability to provide the requested services.

Interface Engineering acknowledges the receipt of Addendum A that was issued on September 23, 2024.

Thank you for the opportunity to present our qualifications. We believe the combination of our experience, ability to assemble a cohesive team, broad capabilities, and commitment to sustainable building practices ensures that Salinas Valley Health and Bogard Construction will be well served by choosing Interface Engineering.



If you have any questions, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "RR", with a long, sweeping horizontal line extending to the right.

Rick Russell, PE, LEED AP, CxA  
Principal  
415.489.7248  
rickr@interfaceeng.com



# 02

## Firm Profile

**Interface Engineering** is a multidiscipline mechanical and electrical engineering firm known for innovative resource use, visionary sustainable design and breakthrough engineering solutions for new and existing buildings. Our work demonstrates how integrated design and creative collaboration can produce outstanding results — for our clients, our community and our environment.

From four employees in 1969, our practice has grown into a nationally recognized consultancy with over 250 professionals in ten offices. We focus on high-performance, pragmatic design, and to date have completed several hundred LEED certified projects and Net-Zero buildings. Our diverse market sector activity has allowed us to grow and we consistently

rank high in industry surveys. Today, we are at the forefront of an evolving industry, transforming the concept of what the built environment can be.

With a focus on creative design, Interface Engineering is a model for the mechanical and electrical engineering firm of the future. Our culture is collaborative with a passion for resource sensitivity. We are seasoned engineering consultants who add long-term value as design partners. To serve our clients and our community, we use integrated design to create sustainable solutions that not only perform beyond expectation, but also lead and inspire. **Our mission is simple: to help build optimal environments for life.**

### Our Offices

100 SW Main Street  
Suite 1600  
Portland, OR 97204

100 S Wacker Drive  
Suite 1140  
Chicago, IL 60606

2000 M Street NW  
Suite 270  
Washington, DC 20036

1003 Bishop Street  
Suite 750  
Honolulu, HI 96813

601 S Figueroa Street  
Suite 2750  
Los Angeles, CA 90017

49 Stevenson Street  
Suite 660  
San Francisco, CA 94105

1999 Harrison Street  
Suite 550  
Oakland, CA 94612

13423 Blanco Road  
Suite 599  
San Antonio, TX 78216

2000 S. Colorado Blvd.  
Tower One, Suite 2000  
Denver, CO 80222

### Interface NYC

17 State Street  
Suite 4000  
New York, NY 10004



Interface  
Washington, DC Office

## Our Services

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### MECHANICAL + ELECTRICAL

Since our founding in 1969, Interface Engineering has earned a reputation for creative thinking and deep expertise in mechanical and electrical engineering, and we offer a diverse range of expertise for almost any MEP project imaginable. To build on that reputation, we invest heavily in professional development and technology, allowing us to remain on the leading edge of design.



### LIGHTING + DAYLIGHTING

Architectural lighting extends far beyond the placing of luminaires in a space—light gives form. Our lighting professionals employ creative and functional design elements to express clients' architectural vision. Their diverse experience results in imaginative lighting solutions. Sustainable design plays a major role in our work. We balance innovative design with life cycle cost and efficiency. Using the latest modeling tools, including Diva, Rhino, and AGI32, our designers can convey lighting design intention as well as energy usage. This collaborative process allows us to make faster, integrated design decisions.



### BUILDING TECHNOLOGIES SYSTEMS DESIGN

Technology continuously evolves and changes our work and personal lives. Information and Communications Technology incorporates telecommunications, security, and audiovisual design. These are specialized systems and require specialized designers. Vision, innovation and seamless integration are all elements of our comprehensive designs. Your decision to partner with our technology team is a smart and future-focused choice.



### FIRE/LIFE SAFETY

The protection of buildings and their occupants is our fire/life safety team's primary focus. From full design services to design/build specification and review, they provide expertise for many critical issues—alarm and sprinkler system design, life-safety code compliance, flow testing, gases suppression and foam system design—and create the right system for each building's unique needs.



### ENERGY SERVICES + MODELING

In order to identify appropriate energy and cost saving strategies to inform your design decisions, our energy engineers help design teams create efficient, healthy buildings by developing strategies based on payback, life cycle cost and impact to LEED energy credits. By using modeling tools early in the design process, clients and owners are able to understand the real impact of design decisions through visualization and animation.



### COMMISSIONING

Commissioning involves achieving, verifying and documenting the design intent of building systems, assuring owners that systems are functioning at or above required levels. Because of Interface's in-house resources—mechanical, electrical, and energy engineers, lighting designers and thermal imaging services—Interface has a solid foundation for performing primary and third-party commissioning.

## Sustainable Design

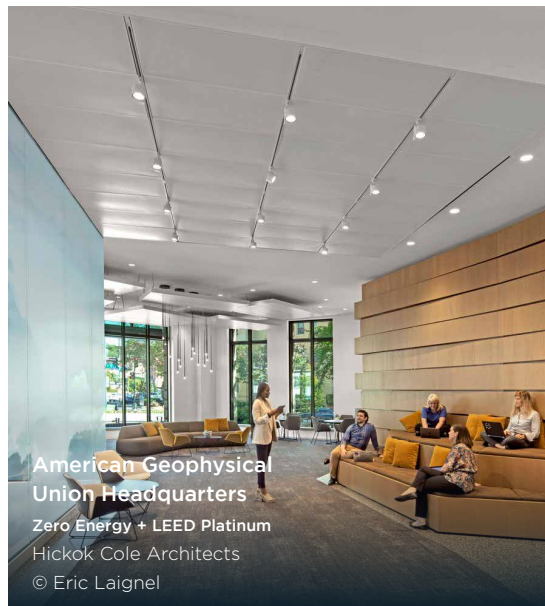
### From Zero Energy to Carbon Neutral and beyond.

At Interface, sustainability isn't a buzzword. It's fundamental to our engineering practice and culture. Consulting on overall integrated design, we help reduce demand on natural resources and find sustainable, efficient solutions. Net result: long-term cost savings and less impact on the environment.

Since our first LEED project in 1996, we've designed over **260 LEED buildings** around the world. We participated in US Green Building Council Pilot programs and have experience with multiple sustainability certification programs. Some of the first LEED healthcare, multifamily, and retail projects are part of our portfolio. We are proud that, in 2015, the International Living Future Institute recognized two of our education projects — Hood River Middle School Music & Science Building and Sacred Heart Lower and Middle Schools' Stevens Library — as the **first zero energy certified school facilities in the country**.

#### Featured Services

Very High Efficiency  
HVAC Retrofits  
Building Electrification  
Passive Design  
Strategies  
Rainwater Harvesting  
Water Treatment System  
Design  
Computation Fluid  
Dynamics Modeling  
Building Integrated  
PV Design  
Building Information  
Modeling (BIM)  
Building Performance  
Simulations  
Post-Occupancy Studies  
Advanced Building  
Technologies  
LEED Commissioning



**OUR PORTFOLIO** of sustainably designed projects in design, under construction, ready, or built.

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LEED, ALL LEVELS

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LEED PLATINUM

# 85

ZERO (ENERGY OR WATER)  
PROJECTS

# 17

LIVING BUILDINGS

# 4

CARBON NEUTRAL  
BUILDINGS

# 5

WELL BUILDINGS

# 5

GREEN GLOBES  
PROJECTS



# Industry Firsts

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**Interface Engineering** is known for innovative, high performance design, and has proudly contributed to multiple engineering firsts in the building industry.

**Sonoma Academy Janet Durgin Build and Commons / Zero Carbon & Petal Certified**

SONOMA, CALIFORNIA

First project to achieve both Zero Carbon and Petal Certification

First Zero Carbon Certified project in California

**University of California, Merced / LEED Platinum**

MERCED, CALIFORNIA

First U.S. public research campus to achieve carbon neutrality with all buildings LEED Platinum certified

**American Geophysical Union Headquarters / LEED Platinum and Net-Zero Energy Goals**

WASHINGTON, DC

First Net-Zero energy existing commercial building in Washington, DC

First municipal waste heat recovery system in the US

Highest rated LEED-NC Project in Washington, DC

**The Falk School of Sustainability at Eden Hall Campus at Chatham University / LEED Platinum, Zero Energy Goal**

RICHLAND TOWNSHIP, PENNSYLVANIA

First student housing project in the United States to use drywall as a radiant heating and cooling system

**Hood River Middle School Music & Science Building / LEED Platinum, NZEB Certified**

HOOD RIVER, OREGON

First Net-Zero energy certified public elementary school building in the country

**Sacred Heart Lower and Middle School Stevens Library / LEED Platinum, NZEB Certified**

ATHERTON, CALIFORNIA

First Net-Zero energy certified library in the country

First Net-Zero school in California

**Desert Rain / Living Building**

BEND, OREGON

Country's first residential Living Building

**San Diego County ARCC / LEED v4 Gold and Net-Zero Energy**

SAN DIEGO, CALIFORNIA

Country's first LEED Gold, Net-Zero Energy Archive project

**Jean Vollum Natural Capital Center / LEED Gold**

PORTLAND, OREGON

First LEED Gold Certified project on the West Coast

**178 Townsend / LEED Gold**

SAN FRANCISCO, CALIFORNIA

First LEED for Homes mid-rise project

**OHSU Center for Health & Healing / LEED Platinum**

PORTLAND, OREGON

First LEED Platinum healthcare project of its size and complexity

**San Ysidro US Land Port of Entry / Design Excellence,  
LEED Platinum, Net Zero Energy Ready**

Miller Hull Partnership, LLP

© Magnusson Klemencic Associates



**San Ysidro U.S. Land Port  
of Entry / LEED Platinum  
and Net-Zero Goals**

SAN YSIDRO, CALIFORNIA

Designed innovative systems  
that puts vehicles and sunshine  
to work for buildings

**University of Oregon John  
E. Jaqua Academic Center  
for Student Athletes**

EUGENE, OREGON

First double skin, 100% glazed wall  
commercial building approved by  
the Oregon Department of Energy

**White Hall Middle School**

FAIRFAX, CALIFORNIA

First variable refrigerant volume heat  
pump radiant slab system in the country

**University of California, Davis  
Teaching and Research Winery,  
Brewery and Food Science  
Laboratory / LEED Platinum**

DAVIS, CALIFORNIA

First LEED Platinum winery,  
brewery, food processing pilot  
plant, and milk-processing lab

**Edgewood Tahoe**

LAKE TAHOE, NEVADA

First hotel to use the municipal water  
supply for 100% of the cooling

**California State University Monterey  
Bay Joel & Dena Gambord  
Business & Information Technology  
Building / LEED Platinum**

SEASIDE, CALIFORNIA

First building to incorporate  
radiant heating and cooling  
combined with natural ventilation  
and dedicated outside air

**Community and Student Services  
Center at Chabot Community  
College / LEED Platinum**

HAYWARD, CALIFORNIA

Largest switchable glass installation  
in the Country at the time

First radiant slab cooling for  
a community college

**City College of San Francisco  
Multi-Use Building / LEED Gold**

SAN FRANCISCO, CALIFORNIA

Designed a breathing building, using  
a central atrium as the lungs for  
circulation and natural ventilation

**Platinum Center / LEED Platinum**

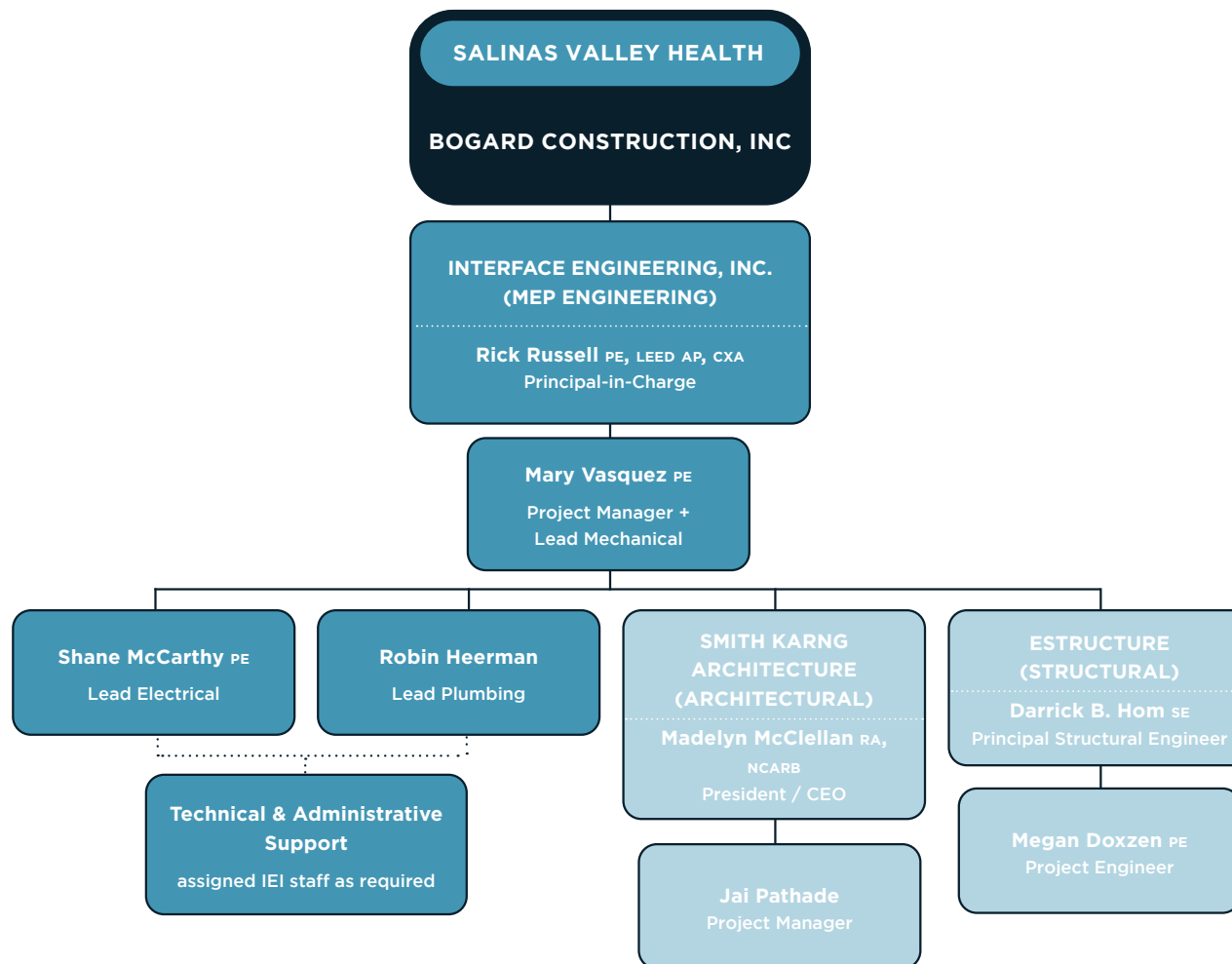
SHANGHAI, CHINA

First project in Shanghai to use  
rainwater for flushing fixtures

# Organizational Chart

**Our dedicated team** has the expertise, background, and knowledge to provide engineering services for Salinas Valley Health.

For all our projects, the Project Manager is directly responsible for managing the project, client communication, and multi-disciplinary staff member resources. This Interface structure ensures proactive and consistent project delivery as well as an extraordinary level of vision and innovation through the participation of our Principal leaders, who are afforded the opportunity to influence every project, as a direct result of developing the supporting technical team and expert team structure.



## Key Staff Members

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**RICK RUSSELL** PE, LEED AP, CxA | **PRINCIPAL** | INTERFACE ENGINEERING, INC.

**ROLE:** PRINCIPAL-IN-CHARGE

**PERCENTAGE OF COMMITMENT:** 10%

As MEP Principal-in-Charge of the project, Rick will review and coordinate contracts as well as monitor the team's performance and project delivery. This includes review and coordination of the design effort, staffing allocation and contracts as well as monitoring the team's performance and project delivery.



**MARY VASQUEZ** PE | **ASSOCIATE** | INTERFACE ENGINEERING, INC.

**ROLE:** PROJECT MANAGER + LEAD MECHANICAL

**PERCENTAGE OF COMMITMENT:** 25%

As Project Manager, Mary will handle all communications between team members and ensure the team is meeting deadlines and deliverables; her role includes the coordination of the design effort and staffing allocation. She will attend all meetings and conference calls and pass information to the relevant team members. She will also manage contracts and billings for the team of LEED, CHPS (Collaborative for High-Performance Schools), and net positive buildings. Also as Lead Mechanical Engineer, Mary is responsible for the day-to-day mechanical design and engineering on the project. She is responsible for the concept development and quality control for all mechanical systems implemented on the project.



**SHANE MCCARTHY** PE | **ASSOCIATE PRINCIPAL** | INTERFACE ENGINEERING, INC.

**ROLE:** LEAD ELECTRICAL

**PERCENTAGE OF COMMITMENT:** 25%

As the Lead Electrical Engineer on the project, Shane is responsible for the day-to-day electrical design and engineering and is also responsible for the concept development and quality control for all electric systems implemented on the project.



**ROBIN HEERMAN** | **PLUMBING DESIGNER** | INTERFACE ENGINEERING, INC.

**ROLE:** LEAD PLUMBING

**PERCENTAGE OF COMMITMENT:** 25%

As Lead Plumbing Designer, Robin is responsible for the day-to-day plumbing design and engineering for the project. Robin's role will lead design on plumbing and piping systems that fit the existing building, matching the overall architectural design and improving the plumbing elements.



**MADELYN MCCLELLAN RA, NCARB | PRINCIPAL, CEO | SMITH-KARNG ARCHITECTURE**

**ROLE: PRINCIPAL**

**PERCENTAGE OF COMMITMENT: 5%**

Madelyn will be providing heavy guidance on the initial scoping and phasing of the project throughout the entirety of Schematic Design and into Design Development. Throughout the remainder of the project, she will be providing direct architectural oversight and quality control of the design documents and overall project direction.



**JAI PATHADE RA | SENIOR PROJECT MANAGER | SMITH-KARNG ARCHITECTURE**

**ROLE: SENIOR PROJECT MANAGER**

**PERCENTAGE OF COMMITMENT: 30%**

Jai will be managing the project for the architectural team and assisting Interface Engineering and SVMH with the success of the project. She will be developing the design documents for each phase and stewarding the project through HCAI review and Construction Administration. In Construction Administration, Jai will be responsible for RFI and Submittal responses as well as NMA and ACD development, review/approval, and distribution.



**DARRICK HOM SE, | STRUCTURAL ENGINEER | ESTRUCTURE**

**ROLE: PRINCIPAL STRUCTURAL ENGINEER**

**PERCENTAGE OF COMMITMENT: 10%**

As the Principal Structural Engineer, Darrick Hom will work closely with the design team in the development of a complete conceptual design that identifies project challenges and opportunities. As the design progresses, Darrick will continue to provide hands-on structural design in addition to supervising other team members.



**MEGAN DOXZEN PE | DESIGN ENGINEER | ESTRUCTURE**

**ROLE: PROJECT ENGINEER**

**PERCENTAGE OF COMMITMENT: 25%**

As the Project Engineer, Megan Doxzen will work together with design team members to coordinate all aspects of the project and translate the coordination into clear, constructible details. Megan will work with all disciplines to address plan review comments in an efficient manner. During construction, Megan will provide a timely response on all submittals and questions that may arise in the field.



**ATTACHMENT B**  
**STATEMENT OF QUALIFICATIONS**  
**INFRASTRUCTURE EQUIPMENT REPLACEMENT PROJECT**

1. Firm name: Interface Engineering, Inc.

2. Business Address: 49 Stevenson Street, Suite 660, San Francisco, CA 94105

3. Firm Established (year): 1969 Telephone: 415.489.7240  
 Fax: N/A  
 Email: \_\_\_\_\_  
 Website: https://interfaceengineering.com/

4. Type of Organization: (check one) Sole Proprietorship (        )  
 Partnership (        )  
 Corporation (   X   )  
 Joint Venture (        )

5. Key Personnel

Name	Title	Degree or Certification	Institution	Registration
Rick Russell	Principal	Master of Science, Mechanical Engineering	CSU Sacramento	Mechanical Engineer: CA - 31923
		Bachelor of Science, Marine Engineering Technology,	CSU Maritime Academy	
Mary Vasquez	Associate	Bachelor of Science, Mechanical Engineering	San Diego State University	Mechanical Engineer: CA - M39720
Shane McCarthy	Associate Principal	Bachelor of Engineering, Electrical Engineering,	University College Cork, Ireland	Electrical Engineer: CA - 23849
Robin Heerman	Plumbing Designer	Associate of Science, Computer-Aided Drafting	ITT Technical Institute	

6. Average staff employed in your home office (average of past 5 years):

Architects:	_____
Structural Engineers:	_____
Mechanical Engineers:	12
Electrical Engineers:	3
Civil Engineers:	_____
Drafting Technicians:	_____
Clerical:	7 (Admin + Marketing)
Other:	28 (Designers)

7. Provide at least three (3) references that SALINAS VALLEY HEALTH may contact:

Derek Bogaard (Sr. Project Manager) @ Bogard Construction Inc.  
 831.426.8191, derek@bogardconstruction.com

Mellisa Cherry (Infrastructure Programs Renewal Manager) @ University of California San Francisco  
 415.297.9724, Melissa.Cherry@ucsf.edu

Edward To (Senior Project Manager Facilities Projects) @ University of California San Francisco  
 415.297.0314, Edward.To@ucsf.edu

8. Provide at least three (3) contractor references that SALINAS VALLEY HEALTH may contact:

Sean Truesdale (Co-Founder / Principal) @ Truebeck Construction  
650.227.1957 X7218, Sean.Truesdale@truebeck.com

Tim Cadenasso @ Dome Construction  
415.500.1868, tcadenasso@domebuilds.com

Joe Cabral @ Matrix HG Inc.  
925.459.9200, jcabral@matrixhginc.com

Signature:  \_\_\_\_\_

Date: October 11, 2024

Printed Name: Rick Russell

Title: Principal

**ATTACHMENT B (CONT.)**  
**PROJECT INFORMATION SHEET**  
**INFRASTRUCTURE EQUIPMENT REPLACEMENT PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

**Project:** University of California, San Francisco Mt. Zion Cancer Research Center Chiller + Cooling Tower Replacement **Completion Date:** 8/2024  
**Location:** San Francisco **Gross Sq. Feet:** N/A  
**Owner:** University of California, San Francisco **Number of Spaces:** N/A  
**Owner's Representative:** Bernadette Jimenez **Construction Cost:** Undisclosed

**Description:** Convert existing chillers and chilled water pumps to variable flow system. Replace the existing cooling tower and to provide a design to add a water economizer heat exchanger to the project to accommodate low load conditions.

**Owner/Representative Phone Number:** 415.502.0795  
**Contract Method (lump sum, negotiated, design build, multiple-prime, other):**  
Lump sum

**General Contractor:** Peacock Construction

**Project Manager:** Michael Sandoval **Superintendent:** \_\_\_\_\_

**Architect:** Suarez-Kuehne Architecture

**Principal:** John Suarez **Project Manager:** \_\_\_\_\_

**Structural Engineer:** Estructure Inc.

**Principal:** Maryann Phipps **Project Manager:** Alix Kottke

**Mechanical Engineer:** Interface Engineering, Inc.

**Principal:** Rick Russell **Project Manager:** Eunice Yoon

**Electrical Engineer:** Interface Engineering, Inc.

**Principal:** Rick Russell **Project Manager:** Eunice Yoon

**Other (as appropriate):** \_\_\_\_\_

**Principal:** \_\_\_\_\_ **Project Manager:** \_\_\_\_\_  
(provide additional sheets if necessary)



**ATTACHMENT B (CONT.)**  
**PROJECT INFORMATION SHEET**  
**INFRASTRUCTURE EQUIPMENT REPLACEMENT PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

<b>Project:</b> <u>University of California, San Francisco Mt. Zion Cancer Research Center VAV Upgrade</u>	<b>Completion Date:</b> <u>On-Going</u>
<b>Location:</b> <u>San Francisco</u>	<b>Gross Sq. Feet:</b> <u>N/A</u>
<b>Owner:</b> <u>University of California, San Francisco</u>	<b>Number of Spaces:</b> <u>N/A</u>
<b>Owner's Representative:</b> <u>Bernadette Jimenez</u>	<b>Construction Cost:</b> <u>Undisclosed</u>

**Description:** Convert the 4-story plus basement laboratory building from a constant volume system to a variable air volume (VAV) system by adding zone-level VAV terminal units and upgrading all controls for the building. The building is to be partially occupied and operational during the construction.

**Owner/Representative Phone Number:** 415.502.0795

**Contract Method (lump sum, negotiated, design build, multiple-prime, other):**  
Lump sum

**General Contractor:** Peacock Construction

**Project Manager:** Will M. Haynes      **Superintendent:** \_\_\_\_\_

**Architect:** Suarez-Kuehne Architecture

**Principal:** John Suarez      **Project Manager:** \_\_\_\_\_

**Structural Engineer:** Estructure Inc.

**Principal:** Maryann Phipps      **Project Manager:** Alix Kottke

**Mechanical Engineer:** Interface Engineering, Inc.

**Principal:** Rick Russell      **Project Manager:** Eunice Yoon

**Electrical Engineer:** Interface Engineering, Inc.

**Principal:** Rick Russell      **Project Manager:** Eunice Yoon

**Other (as appropriate):** \_\_\_\_\_

**Principal:** \_\_\_\_\_      **Project Manager:** \_\_\_\_\_

(provide additional sheets if necessary)

**ATTACHMENT B (CONT.)**  
**PROJECT INFORMATION SHEET**  
**INFRASTRUCTURE EQUIPMENT REPLACEMENT PROJECT**

Please complete a Project Information Sheet for each project listed in the Statement of Qualifications. If construction is not complete, give project status instead of completion date.

<b>Project:</b>	<u>University of California, San Francisco Rare Books Vault + Chilled Water System Upgrade</u>	<b>Completion Date:</b>	<u>11/2024</u>
<b>Location:</b>	<u>San Francisco</u>	<b>Gross Sq. Feet:</b>	<u>8,000 sf</u>
<b>Owner:</b>	<u>University of California, San Francisco</u>	<b>Number of Spaces:</b>	<u>N/A</u>
<b>Owner's Representative:</b>	<u>Bernadette Jimenez</u>	<b>Construction Cost:</b>	<u>\$3.5 million</u>

**Description:** Relocation of the archival and rare books rooms to the 8,000 sf first floor area where the current high-density storage is located. New water-cooled pony chiller on Level E for the library chilled water system.

**Owner/Representative Phone Number:** 415.502.0795

**Contract Method (lump sum, negotiated, design build, multiple-prime, other):**  
Lump sum

**General Contractor:** BCCI Construction

**Project Manager:** Jaclyn Wong      **Superintendent:** \_\_\_\_\_

**Architect:** Taylor Design

**Principal:** Kevin Hinrichs      **Project Manager:** Tad Costerison

**Structural Engineer:** Estructure Inc.

**Principal:** Maryann Phipps      **Project Manager:** Alix Kottke

**Mechanical Engineer:** Interface Engineering, Inc.

**Principal:** Rick Russell      **Project Manager:** Eunice Yoon

**Electrical Engineer:** Interface Engineering, Inc.

**Principal:** Rick Russell      **Project Manager:** Eunice Yoon

**Other (as appropriate):** \_\_\_\_\_

**Principal:** \_\_\_\_\_      **Project Manager:** \_\_\_\_\_  
(provide additional sheets if necessary)

# Santa Cruz / Monterey Bay Area Experience (Last 5 Years)

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## INTERFACE ENGINEERING

### **Salinas Valley Health Medical Center**

**SALINAS, CALIFORNIA**

- » Angio Equipment Replacement
- » Bulk O2 Temp System
- » Bulk O2 Permanent Replacement System
- » Cath Lab Equipment Replacement

### **Kaiser Santa Cruz 110 Cooper Primary Care Tenant Improvement / LEED Gold Goal**

**SANTA CRUZ, CALIFORNIA**

### **Kaiser Scotts Valley**

**SCOTTS VALLEY, CALIFORNIA**

- » Primary Care Expansion
- » Behavioral Health Center Tenant Improvement

### **University of California Santa Cruz**

**SANTA CRUZ, CALIFORNIA**

- » Hagar Family Student Housing
- » Rachel Carson Dining / LEED Silver Goal
- » Porter Dining
- » Westside Research Park Social Documentation Lab
- » Science Hill Lighting
- » Oakes Academic Generator Replacement
- » Solar PV One Lines

### **California State University Monterey Bay College of Arts, Humanities, and Social Sciences Building / LEED Gold Goal**

**SEASIDE, CALIFORNIA**

## SMITH KARNG ARCHITECTURE

- » Cath Lab #1
- » PBX Relocation
- » Omnicell Replacement
- » SPD Wall Repair & Remodel
- » Tower Reroofing
- » Nurse Call Replacement
- » EndoWasher Replacement
- » CCTV
- » Centrak/Telemetry
- » MTCAP Program
- » Blanket Warmer Installation
- » Heart Center AHU Installation
- » AHU 15
- » AHU 2011
- » Virtuo Block Bank
- » Lab Analyzers Replacement
- » Cesarean Delivery Conversion
- » Elevator Modernization
- » Bulk Oxygen Replacement & Emergency Projects
- » Donor Walls
- » SOC Drawings updates

# SALINAS VALLEY HEALTH MEDICAL CENTER

SALINAS VALLEY HEALTH  
Salinas, California

## ADDENDUM A TO THE RFP FOR INFRASTRUCTURE EQUIPMENT REPLACEMENT

ISSUED: September 23, 2024

This Addendum A must be signed by the proposer and included in the response documents submitted for this Project. Salinas Valley Health reserves the right to disregard any proposal, which does not include this Addendum. Salinas Valley Health may waive this requirement at its sole discretion.

### **SEE ATTACHED ADDENDUM ITEM**

Prepared By:

\_\_\_\_\_  
David Sullivan  
Owner's Designated Representative

#### PROPOSER'S CERTIFICATION

I acknowledge receipt of this Addendum A and accept all conditions contained herein.

  
\_\_\_\_\_  
Proposer's Signature

October 8, 2024  
\_\_\_\_\_  
Date

Interface Engineering, Inc.  
\_\_\_\_\_  
Name of Company

**Please return this signed page to Dave Sullivan at SVH as soon as possible to confirm receipt of this addendum. Please email as a PDF to [dsullivan@bogardconstruction.com](mailto:dsullivan@bogardconstruction.com).**

ISSUED  
9/23/2024

ADDENDUM A  
INFRASTRUCTURE EQUIPMENT REPLACEMENT

SVH

## Resumes

## Rick Russell PE, LEED AP, CXA

## PRINCIPAL-IN-CHARGE

## Education

Master of Science,  
Mechanical Engineering,  
California State University  
Sacramento

Bachelor of Science, Marine  
Engineering Technology,  
California Maritime Academy

## Registration

Mechanical Engineer:  
California - 31923  
Hawaii - 16006

LEED Accredited  
Professional, US Green  
Building Council

Certified Energy Manager  
(CEM)

Green Building Engineer  
(GBE)

ACG, AABC Commissioning  
Group, Certified  
Commissioning Authority  
(CxA)

## Professional Affiliations

ASHRAE

Association of Energy  
Engineers

International Society for  
Pharmaceutical Engineering

## Employment History

Interface Engineering, Inc.  
2008 - Present  
Principal

ACCO Engineered Systems,  
2002 - 2008  
Project Manager, Project  
Engineer, Design Engineer

Mazzetti and Associates  
1998 - 2002  
Mechanical Engineer



Rick is a Principal with 27 years of operation, design and construction experience. Rick's project experience includes healthcare projects such as hospitals, medical

office buildings, clinics, behavioral health, laboratories and research centers for both new and renovation construction projects. He has engaged in design of sustainable engineering systems such as natural ventilation, radiant heating and cooling, vivarium system design, vav laboratories, lab heat decoupling, lab heat recovery, displacement ventilation, underfloor air distribution and chilled beams. He has also incorporated computational fluid dynamics (CFD) into his design in an effort to use the latest engineering tools to create highly sustainable buildings. Rick combines his knowledge of energy consumption, systems and costs to create designs that exceed client's expectations for performance and efficiency.

## PROJECT EXPERIENCE

## Salinas Valley Health Medical Center

SALINAS, CALIFORNIA

- » Angio Equipment Replacement
- » Bulk O2 Temp System
- » Bulk O2 Permanent Replacement System
- » Cath Lab Equipment Replacement

University of California, San Francisco  
(100+ Projects)

SAN FRANCISCO, CALIFORNIA

- » Rare Books Vault + Chilled Water System Upgrade
- » Mt. Zion Cancer Research Center VAV Upgrade

- » Mt. Zion Cancer Research Center Chiller + Cooling Tower Replacement

## Kaiser Mapunapuna

HONOLULU, HAWAII

- » Chilled & Hot Water Systems
- » AHU-1 & AHU-2 Replacement
- » AHU-3 & AHU-4 Replacement
- » AHU-5 Replacement

## Kaiser (50+ Projects)

VARIOUS LOCATIONS

- » AHU-5 Cooling Coil Replacement; South San Francisco, California
- » Air Cooled Chiller Addition; South San Francisco, California
- » Cooling Tower Replacement; South San Francisco, California
- » Temporary Chilled Water Capacity Augmentation; South San Francisco, California
- » Cooling for 2nd Floor Cup; South San Francisco, California

## Sonoma Valley Hospital (9 Projects)

SONOMA, CALIFORNIA

- » MRI Chiller Relocation
- » East Wing AHUs Replacement Study

## Queen of the Valley (24 Projects)

NAPA, CALIFORNIA

- » OSPC Chiller
- » Administration Wing

## Alameda Hospital

ALAMEDA, CALIFORNIA

- » Chiller/Boiler Pump, ET, AS
- » Boiler & Chiller Plant Contingency Plan Development
- » Boiler & Chiller Plant Assessment
- » Boiler Chiller Plant Make Ready

# Mary Vasquez PE

## ASSOCIATE | PROJECT MANAGER + LEAD MECHANICAL

### Education

Bachelor of Science,  
Mechanical Engineering, San  
Diego State University

### Registration

Mechanical Engineer:  
California - M39720

### Employment History

Interface Engineering, Inc.  
Associate  
Nov 2021 - Present

Tesla  
Senior Mechanical Engineer  
Jul 2021 - Nov 2021

Interface Engineering, Inc.  
Senior Mechanical Engineer  
Jan 2018 - Jul 2021

CRB  
Mechanical Engineer, LEED  
GA  
Jun 2016 - Dec 2017



Mary Vasquez has 7 years of professional experience in mechanical engineering. Mary has worked on a wide variety of project types.

In addition to her engineering design experience, she has strong coordination and problem solving skills, as well as project management experience.

### PROJECT EXPERIENCE

#### Salinas Valley Health Medical Center Bulk O2 Permanent Replacement System Design

SALINAS, CALIFORNIA

#### University of California San Francisco

SAN FRANCISCO, CALIFORNIA

- » Renewal Program Parnassus Kalmanovitz Library Chilled Water System Renewal
- » RNEW PHTS Campus Library Rare Books & FLS Pony Chiller Test
- » Renewal Program Parnassus Kalmanovitz Library AHU Study
- » Renewal Program Mount Zion Cancer Research Center VAV
- » Nancy Friend Pritzker Psychiatry Building / LEED Platinum Goal

#### Contra Costa Regional Medical Center Cooling Tower

MARTINEZ, CALIFORNIA

#### Kaiser Mapunapuna Chilled & Hot Water Systems

HONOLULU, HAWAII

#### California State University East Bay Concord Campus DMI Chiller, Expansion Tank Replacement

CONCORD, CALIFORNIA

#### Castilleja School New Classroom Building & Pool Existing Cooling Tower & Boiler Phasing and Relocation

PALO ALTO, CALIFORNIA

#### Radiative Sky Cooling-Enabled Efficiency Improvements on Commercial Cooling Systems

VARIOUS, CALIFORNIA

#### Kaiser South San Francisco Cooling Tower Replacement Condenser Piping Redesign

SOUTH SAN FRANCISCO, CALIFORNIA

#### Kaiser Daly City Elevator Room Cooling

DALY CITY, CALIFORNIA

#### Kaiser Pleasanton

PLEASANTON, CALIFORNIA

- » B4 & C4
- » Building A Elevator Modernization Due Diligence Study
- » Building B Elevator Modernization Due Diligence Study
- » Building B3
- » Building C3
- » Building D1 Executive Conference Center
- » Building E Whitebox
- » D1 Garfield
- » E1 Command Center Scoping Study
- » Lab Study
- » Cafe Renovation
- » Technology Campus Building A2 Second Floor
- » Technology Campus Building D2 Second Floor

# Shane McCarthy PE

## ASSOCIATE PRINCIPAL | LEAD ELECTRICAL

### Education

Bachelor of Engineering,  
Electrical Engineering,  
University College Cork,  
Ireland

National Diploma in  
Electrical Engineering, Cork  
Institute of Technology,  
Ireland

### Registration

Electrical Engineer:  
California - 23849

### Employment History

Interface Engineering, Inc.  
Associate Principal/Senior  
Electrical Engineer  
Mar 2020 - Present

Cammissa & Wipf Consulting  
Engineers  
Senior Associate, Electrical  
Project Engineer  
Feb 2002 - Mar 2020

MPLC Manufacturing Ltd.  
Electrical & Instrumentations  
Contractors - Cork, Ireland  
Electrical Engineer  
Jun 1998 - Jun 2001



Shane is an Associate Principal and has over 20 years of experience in electrical engineering design and project management. Shane's has

extensive experience working on healthcare projects ranging from design of a new 116 bed hospital to remodels within existing active hospitals and medical office buildings. Shane focuses on a high level of coordination with the entire design team and client representatives throughout the design and construction process to ensure the clients ends up with a quality, reliable, and maintainable electrical system at the completion of the project. In addition to his engineering design experience, he has very strong team leadership and problem-solving skills.

### PROJECT EXPERIENCE

#### Salinas Valley Health Medical Center Bulk O2 Permanent Replacement System

SALINAS, CALIFORNIA

#### University of California San Francisco Renewal Program Parnassus Kalmanovitz Library Chilled Water System Renewal

SAN FRANCISCO, CALIFORNIA

#### California State University, East Bay Concord Campus DMI Chiller

CONCORD, CALIFORNIA

#### San Jose City College Career Education Building B200 Facade and HVAC Cooling and Exhaust Improvements

SAN JOSE, CALIFORNIA

#### University of California San Francisco

SAN FRANCISCO, CALIFORNIA

- » RNWL PHTS Library Rare Books
- » Renewal Program Parnassus Kalmanovitz Library Chilled Water System Renewal
- » Moffitt Long Hospital M15 Acute Care Nursing Unit
- » Moffitt-Long Hospital M1230 Cath Lab Equipment Replacement

#### Kaiser Pleasanton

PLEASANTON, CALIFORNIA

- » Building B2 Full Renovation
- » Building C2 Full Renovation
- » Building C3 Full Renovation
- » Building D1 Executive Conference Center
- » Building E5 Office Renovation
- » E1 Training Classroom to Boardroom
- » D1 Garfield
- » Via Monte Lab B1
- » Via Monte Lab C1

#### Santa Clara County O'Connor Hospital

SAN JOSE, CALIFORNIA

- » Nuclear Medicine 1 Imaging Equipment Replacement
- » Nuclear Medicine 2 Imaging Equipment Replacement
- » Cath Lab 1 Imaging Equipment Replacement
- » Cath Lab 2 Imaging Equipment Replacement
- » Radiology Room 6 Imaging Equipment Replacement
- » Radiology Room 8 Imaging Equipment Replacement
- » MRI 2 Imaging Equipment Replacement

#### Marshall Medical Center Nurse Call Upgrade

PLACERVILLE, CALIFORNIA

# Robin Heerman

## LEAD PLUMBING

### Education

Coursework, HVAC & Plumbing Design, University of California, Los Angeles

Associate of Science, Computer-Aided Drafting, ITT Technical Institute

### Employment History

Interface Engineering, Inc.  
2023 - Present

AMPAM Parks Mechanical  
2011 - 2023

Coffman Engineers  
2009 - 2011

Antieri & Associates  
Consulting Engineers, Inc.  
2005 - 2009

Mazzetti & Associates Inc.  
2002 - 2005



Robin is a senior Plumbing Designer with over 20 years of experience. She has been involved in all phases of design, from concept through construction, for

mixed-use residential, office buildings, campuses, high-rise buildings, senior living facilities, hospitals, and hotels. She has comprehensive knowledge of California's design codes, as well as PG&E rules and processes and has worked on several sustainable building designs with recycled water systems and LEED certified buildings. Robin is also highly skilled in project management and coordination and works closely with the project team to meet deadlines and budgets while providing high quality sustainable solutions.

## PROJECT EXPERIENCE

### Salinas Valley Health Medical Center

SALINAS, CALIFORNIA

- » Angio Equipment Replacement
- » Cath Lab & Angio Equipment Replacement

### Kaiser Pleasanton

PLEASANTON, CALIFORNIA

- » Building E5 Office Renovation
- » D1 Garfield
- » F1 Media Studio - Studio A / Sound Booth

### AHS Highland Hospital K3 Outpatient Pharmacy

OAKLAND, CALIFORNIA

### California Pacific Medical Center Van Ness NICU Ice Machine

SAN FRANCISCO, CALIFORNIA

### University of California San Francisco

SAN FRANCISCO, CALIFORNIA

- » Parnassus Central Campus Site Improvements (PCCSI)
- » Parnassus Medical Sciences Building Rooms 310 318 334 Admin Renovation
- » PH Library 115 Skills and MSB S645 S657 Lab Renovations
- » 675 18th Street

### Kaiser Moanalua Oncology Clinic

HONOLULU, HAWAII

### VHC Morgan Hill Children's Advocacy Center

MORGAN HILL, CALIFORNIA

### 5959 Horton Suite 450 Lab

EMERYVILLE, CALIFORNIA

### Meta-Facebook Building NEW0102 Tenant Improvements

NEWARK, CALIFORNIA

### San Mateo Medical Center Link Building

SAN MATEO, CALIFORNIA

### Chabot College Building 3000 Maintenance Operations Warehouse & Garage

HAYWARD, CALIFORNIA

### City of Mountain View 1st Floor TI

MOUNTAIN VIEW, CALIFORNIA

### Judicial Council California Sixth Appellate Courthouse Sunnyvale

SUNNYVALE, CALIFORNIA



**MADELYN McCLELLAN, RA, NCARB**  
Principal, CEO



Madelyn McClellan began her career in carpentry and construction and is now a registered Architect in the State of California and Illinois.

Madelyn's prior experience spans across institutional, residential, and commercial and now focuses on Healthcare Architecture and Infrastructure, working at SKA since 2015. Madelyn's approaches architecture with an emphasis on creative solutions to technical problems. As the Principal of SKA since 2020, her role has focused on client stewardship, medical planning, and facility upgrade strategies. She also has a wealth of knowledge in Accessibility and Code compliance.

She has completed project with UCSF, County of San Mateo DPW, CPMC (Sutter Health), Marin Health Medical Center, UCSF, Alameda Health Systems, and Salinas Valley Memorial Hospital many of which required HCAI approval.

### NOTEWORTHY PROJECTS

**Sutter Alta Bates, Berkley, CA**

Cooling Towers Replacement

**Salinas Valley Medical Hospital, Salinas Valley, CA**

Elevator VABR and Modernization

Heart Center AHU Replacement

Bulk Oxygen Replacement

**Alameda Health System**

Infrastructure Multi-Phase Masterplan

Boiler-Chiller Replacement Make-Ready

Pumps, Expansion Tanks, Air Separators Replacement

**California Pacific Medical Center (Sutter Health) San Francisco, CA**

North Tower HVAC Upgrades

**SKA**  
SMITH-KARNG  
ARCHITECTURE

### EDUCATION

Masters of Architecture,  
SUNY University of Buffalo, NY

Bachelor of Science,  
University of Illinois, Urbana-Champaign

### REGISTRATION

Registered Architect, C37097

### CERTIFICATIONS

NCARB

### EXERTISE

Facility Infrastructure Upgrades

ADA Compliance

Master Planning & Upgrade Strategy

Medical Labs

Renovations

Hospitals, MOBs

360 Pine Street, Suite 300  
San Francisco, CA 94104  
415.376.2568

## WORK HISTORY

### SMITH-KARNG ARCHITECTURE (2015 – present)

- President and CEO (2020-present)
- Architect (2015-2020)

### BRUNKOW FELLOW (2013-2015)

- Editor-in-chief of Intersight
  - The annual journal of the School of Architecture and Planning.

### CHANTREUIL JENSON STARK ARCHITECTS (2011-2013)

- Intern Architect

## EDUCATION

- University of Buffalo – Masters of Architecture (2013-2015)
- University of Illinois Urbana-Champaign – Bachelors of Science in Architectural Studies (2006-2010)

## JAI PATHADE

Project Manager

Jai is a project manager at Smith-Karng Architecture, specializing in healthcare projects. With four years of experience in healthcare architecture, working at SKA and a master's degree in architecture, Jai focuses on small to medium-scale initiatives, successfully managing hospital renovations and infrastructure upgrades.

Jai excels in code analysis and crafting innovative design solutions tailored to healthcare facilities. Her unique blend of technical expertise and leadership ensures quality, safety, and innovation in every project. Jai developed design solutions and expertly handled HCAI processes for prominent institutions such as Sutter Health, Marshall Medical Center, Alameda Health Systems, and Salinas Valley Health Medical Center.

### NOTEWORTHY PROJECTS

#### **Salinas Valley Health Medical Center, Salinas, CA**

Bulk Oxygen Replacement and Emergency Project  
Elevators Modernization  
Omnicell Replacement  
OB Cesarean Conversion  
Lab Analyzers Replacement

#### **Marshall Medical Center, Placerville, CA**

Lab Analyzers Replacement  
UPS Replacement  
Generator Breaker Replacement

#### **Alameda Health System, San Leandro, CA**

Temporary Generator Installation, John George Psychiatric Hospital  
Transformer Replacement, Fairmont Hospital  
CT Scan Equipment Replacement, San Leandro Hospital

### EDUCATION

Masters of Architecture,  
SUNY University of Buffalo, NY

Bachelor of Architecture,  
University of Pune, India.

### EXERTISE

Facility Infrastructure Upgrades  
CBC Code Compliance  
NFPA Code Compliance  
ADA Code Compliance  
Hospital Renovations

## WORK HISTORY

### SMITH-KARNG ARCHITECTURE (2020 – present)

- Project Manager (2023-present)
- Job Captain (2022-2023)
- Architectural Designer (October 2020-2022)

### AU DESIGN STUDIO LLC (July 2020 – October 2020)

- Volunteer Intern Architect

## EDUCATION

- University of the Cumberland – Masters of Business (MBA), Project Management (2023-present)
- University of Buffalo – Masters of Architecture (2018-2022)
- Maharshi Karve stree Shikshan Sanstha's Dr. Bhanuben Nanavati College of Architecture for Women – Bachelors of Science in Architectural Studies (2012-2017)



**Darrick B. Hom, S.E.**  
Structural Engineer

dbhom@estruc.com  
(510) 982-5006

Darrick Hom has over 26 years of structural engineering experience in seismic evaluation, analysis, design, bracing of nonstructural components and code development. He has worked on numerous infrastructure improvements projects throughout the Bay Area and many UC campuses. Before starting at Estructure in 2014, 2003-2013 Darrick was self-employed under the name Structural Vision. Before that, Darrick worked at Degenkolb Engineers from 1994-2003. He served as technical editor of *ASCE 31-03; Seismic Evaluation of Buildings*. He currently participates on the American Society of Civil Engineers Seismic Rehabilitation Standards committee as a member of the nonstructural elements subcommittee. He has served the Structural Engineers Association of Northern California Board of Directors as President.

#### Education

B.S. University of California, Berkeley, 1993  
M. Eng. University of California, Berkeley, 1994

#### Registration

Civil Engineer	California, 1996 – License No. 55661
Structural Engineer	California, 2000 – License No. 4460
Civil and Structural Engineer	Oregon, 2005 – License No. 76750
Structural Engineering Certification Board,	2005 – Certification No. 1224-0705

#### Selected Professional Memberships and Affiliations

Structural Engineers Association of Northern California, President, 2014-2015  
Structural Engineers Association of California, Fellow  
American Society of Civil Engineers – Structural Engineering Institute  
Engineers Alliance for the Arts – Director – 2010-2016

#### Selected Relevant Experience

- Salinas Valley Memorial Hospital Heart Center Rooftop AHU
- Salinas Valley Memorial Hospital High Speed Elevator Modernization
- Salinas Valley Memorial Hospital AHU Fan Replacement
- Salinas Valley Memorial Hospital Sewer Pipe Repair
- UCSF Long Hospital AHU Replacement
- UCSF Moffitt/Long Hospital Phase 1 & 2 Chiller Replacement
- Kaiser Isolation Rooms HVAC Upgrade
- Lucile Packard Children's Hospital Medical Air and Vacuum System Replacement
- LPCH Electrical Room HVAC
- Crystal Ridge Care Center HVAC Replacement
- UCSF Parnassus Dental Clinics Building HVAC Upgrade
- Alameda Health Fairmont Hospital Nourish/Med HVAC Upgrades Scoping Study



**Megan Doxzen, P.E.**

Design Engineer

mdoxzen@estruc.com

(510) 982-5011

Megan joined Estructure in 2016 after receiving a master's degree from the University of California, Berkeley. She brings over 10 years of experience in construction management and structural design and readily collaborates with clients to produce effective designs. Megan has experience on multiple assignments with UCSF, John Muir Health, Kaiser and other clients which has included designing for hospital projects under HCAI jurisdiction. In 2015 she worked for Tarantino Engineering Consultants (TED), Fulton, MD. From 2009 to 2012 she was a construction and maintenance engineer for ExxonMobil, Fairfax, VA. Megan is actively involved with Engineers Alliance of the Arts, a program that engages high school students in both the technical and creative aspects of structural engineering.

#### Education

B.S. Civil Engineering	University of Maryland, 2009
M.S. Civil Engineering (Structural)	University of California, Berkeley, 2016

#### Registration

Civil Engineer	California, 2017 – Registration No. 87797
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#### Selected Professional Memberships and Affiliations

Structural Engineer Association of Northern California, Member, 2017-Present  
Engineers' Alliance for the Arts, Engineering Assistant, 2017-Present

#### Selected Relevant Experience

- Kaiser San Leandro Electrical Panels
- Kaiser San Jose Security Cameras
- UCSF Koret Vision Center Domestic Water Heater Replacement
- UCSF HSIR Supply Fan Motor Replacements
- UCSF Medical Sciences Building AC Replacement
- John Muir BayHealth Third Floor Imaging Suite
- John Muir BayHealth Outpatient Center ASC
- John Muir Brentwood Outpatient Center
- John Muir Concord Hoffman 5<sup>th</sup> Fl Buildout
- UCSF Moffitt/Long BMT Lab Remodel
- UCSF Moffitt Chemo Hazardous Compounding Pharmacy Renovation
- UCSF Moffitt/Long Room 316 MRI and PET/CT Suite
- Dignity Health Sequoia Hospital Radiology Room
- CPMC Davies ASU Recovery Unit and Hand Therapy Relocation

# 04

## Response to Selection Criteria Form (Attachment A)

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### 1. QUALIFICATIONS AND EXPERIENCE OF FIRM

#### Items for Consideration:

- **Experience in the design of Hospital Energy Plants and supporting infrastructure.**

Interface Engineering has been trusted with the design of many central plant projects in operational facilities. A few examples would be Kaiser Permanente which has trusted us with the replacement of its heating hot water plant, steam plant, central AHU system serving the operating rooms as well as the replacement of its cooling tower serving the chilled water plant. Alameda Health System has trusted Interface with the replacement of its chiller plants at the Alameda and San Leandro campuses. The Alameda campus central boiler plant replacement is currently being designed by Interface. The bulk liquid oxygen tank replacement at Salinas Valley Health was designed by Interface Engineering as well. At Marshall Medical Center, Interface has been trusted with the design of the OR booster chiller after supplanting the previous design team. New AHUs are also being designed to serve the functioning operating rooms. In all cases, temporary systems and phasing were considered to allow the facility to remain functional. Careful planning occurred to minimize issues during construction such as site visits and documenting existing conditions as well as interviewing key stake holders with the facility to obtain any anecdotal information that would affect the design and construction.

- **Demonstrated design expertise working within an operating facility.**

Most of our healthcare facility renovation and remodel projects involve phase construction schedules due to the 24/7 operation of the facilities. We have a great deal of experience planning for this kind of challenge in engineering design and construction administration. We provide the engineering and design support necessary to the client, building users and facility engineers so that space programming can be properly scheduled and construction properly phased. This allows for continued operation during construction with minimal disruptions to the facility. We understand the importance that all parties involved in the project communicate effectively during the design phase and prior to implementation for a successful phased project.

- **Experience with projects of similar program, magnitude, and scope, in particular within the same geographical areas, Monterey and San Francisco Bay areas.**

Interface Engineering has experience throughout the Monterey and San Francisco Bay areas with chillers, cooling towers, AHUs, and other HVAC systems and infrastructure including central utility plants. In addition to the projects listed in Attachment B, other select projects include:

- » El Camino Hospital Cooling Tower Replacement; Mountain View, California
- » Alameda Health System (AHS) San Leandro Chiller #1 and #2 Replacement; San Leandro, California
- » Queen of the Valley OSPC Chiller; Napa, California
- » AHS San Leandro Chiller Replacement; San Leandro, California
- » AHS Fairmont Building B Chiller Replacement; San Leandro, California
- » AHS San Leandro Cooling Tower Replacement; San Leandro, California
- » Marshall Medical Center 1st Floor New Air Handling Units; Placerville, California

- » San Francisco Federal Reserve Bank Chiller and AHU S-6; San Francisco, California
- » Sonoma Valley Hospital East Wing AHUs Replacement Study; Sonoma, California

#### • Experience with HCAI Level I.

Interface Engineering has a long history of working with leading healthcare organizations in the development of new facilities and the upgrades needed over time at existing locations. Our engineers are equipped with the skills needed to design for the systems specific to healthcare facilities. We have extensive HCAI experience and have successfully engineered various healthcare projects, clinics and facilities ranging from small remodeling to large renovations and backfill projects. We also have created relationships with HCAI plan reviewers, ACOs and IORs that have allowed the team to work together collaboratively to successfully complete projects. Select [HCAI Level I](#) projects include [El Camino Health Integrated Medical Sobrato Pavilion \(LEED Gold\)](#) and [Behavioral Health Services Taube Pavilion \(LEED Gold for Healthcare\)](#) in Mountain View, California.

#### • Experience during construction and contract administration phases of projects.

The construction administration phase will include internal detailed tracking of field questions and product submittals in order to assure the quick and timely turn around of this information. One part that differentiates Interface from others is that we set our own standard for Construction Administration responsiveness in lieu of letting the client tell us. We have a very strict turnaround standard of five days for submittals. We have always felt that being responsive and timely with the contractor assists in developing a strong working relationship as well as trust in our partnership to build a great project for our clients.

It is critical to ensure that the contractor is providing a quality installation that is compliant with the construction drawings and specifications. To that end, Interface is a local firm that is able to provide thorough and timely site visits during construction. We are also available to come to the field to address issues that may be inefficient and ineffective to address through remote tools.

## 2. APPROACH TO PROVIDING SERVICES AND PROJECT MANAGEMENT

### Items for Consideration:

#### • Summary of approach to work.

The proposed team for this project is highly experienced in leading infrastructure initiatives and is currently overseeing multiple projects for Salinas Valley Health (SVH) under the guidance of Derek Bogaard from Bogard Construction. Our management team is accustomed to coordinating the efforts of the owner and the consultants to Interface Engineering.

Interface will work collaboratively with SVH to schedule appropriate meetings, maintain meeting minutes, and develop and update the project schedule as required. The team will first start by leading a kickoff meeting to discuss the scope as described in the RFQ and also take this opportunity to glean any anecdotal information from the various stakeholders, which includes the facility engineering team.

Afterward, the Interface team will review as-built drawings and any available air and hydronic balance and electrical reports. When it is fully understood the areas that are affected by the project, then Interface will refine the cursory concept outlined in the RFQ and develop a strategy to replace the air handling unit (AHU-3), 200-ton chiller, and cooling tower. A schematic narrative with sketches and a presentation will be developed and presented to the various stakeholders, including the department heads to receive initial input on phasing timelines that will help inform the design process. As part of the schematic design process, existing conditions such as locations, routings, structural feasibility, and adjacencies to sound-sensitive spaces will be reviewed. The project will then proceed to construction documents, permits, and issued for construction drawings.

When replacing a fan system in an HCAI facility, it is important to know what airflows are required per the current code, since it is likely that the work in the RFQ will trigger the system to be balanced to the current code. Duct sizes and pressure relationships must be reviewed to provide the proper design. Remedial work to correct any known deficiencies will need to occur to execute a successful project. Pre-air balance readings will need to be taken of the airflows and pressures in the current project areas as well as adjacent areas to set a baseline for the design. Meetings with the users of the adjacent areas will occur to understand any anecdotal issues with airflow, temperature, humidity, and pressure. If it is a problem, then this will be discussed with the SVH project manager of this project to discuss whether areas outside of the



project will be included and how this affects the project budget. Electrical meter readings will also be taken, reviewed, analyzed, and discussed with SVH.

Interface will lead the design team with weekly or bi-weekly meetings, maintaining meeting minutes and tracking progress to ensure deadlines are met. We will establish clear milestones and hold team members accountable. Key milestones will include page-turn reviews with SVH, followed by Bluebeam sessions for comments. Interface will verify that all feedback is incorporated into the design. Interface has also had a good longstanding relationship with HCAI and will work with SVH to include the IOR, ACO, and HCAI Sacramento review staff. This will reduce the amount of backchecks and will avoid any surprise comments during construction.

Additionally, Interface has implemented a Risk Mitigation Matrix, a dynamic tool reviewed at every meeting to identify potential risks to functionality, budget, and schedule. Each risk is evaluated for impact, and mitigation strategies are proposed, with decisions made in collaboration with SVH.

This team is accustomed to being the primary consultant on projects such as these and has the skill set to actively lead the effort to a successful conclusion.

- **Understanding the opportunities and constraints of the SALINAS VALLEY HEALTH site.**

Interface Engineering has an in-depth understanding of both the opportunities and constraints unique to Salinas Valley Health (SVH), due to its involvement in multiple ongoing projects across the hospital. This firsthand experience gives the team valuable insights into SVH's long-term vision, allowing them to anticipate potential challenges and align designs accordingly. The team will be proactive in addressing construction phase concerns by thinking ahead and integrating knowledge gained from current and past projects. Additionally, the team will conduct thorough reviews of existing as-builts and perform comprehensive site visits to fully grasp the installed conditions, ensuring that the designs are tailored to the real environment. This approach not only minimizes surprises during construction but also enhances the overall efficiency and success of the project by ensuring that every design decision is grounded in practical site realities.

- **Identification of particular challenges involved in this project and approach to addressing them.**

One of the key challenges in this project is maintaining the full operational functionality of all equipment during the construction phases. For the replacement of AHU-3, complicating matters is the unit's location within a congested mechanical room that features a hot deck and cold deck duct design. To address this, we will explore relocating the new AHU-3 to avoid placing it in the same overcrowded location, ensuring the existing unit can remain operational during installation. We will also review opportunities to consolidate and clean up the hot deck/cold deck system, freeing up mechanical space and optimizing efficiency. For the replacement of the chiller and cooling tower, the challenge will be to maintain continuous cooling for the hospital at the required capacity. To meet this requirement, a temporary chilled water system will be installed near the chilled water system site. In collaboration with SVH, this temporary system will be strategically located to ensure seamless cooling throughout construction, preventing any system downtime.

- **Approach to working in partnership with Hospital's staff and their consultants, during both design and construction.**

We are well versed in collaborating with large teams. Our anticipation is to not work with the team but work as part of the team. We do not see ourselves separately from the Owner's Users, Design, Construction, and Maintenance Teams. We look at ourselves as an extension of the Owner and we will be active participants of all meetings and assignments. We will take ownership of the project. We practice a team approach to problem solving and work with you to come up with innovative, cost-conscious solutions to design, construction and permitting issues. Mechanical and electrical design team members work together on many projects, making collaboration and coordination easier.

- **Demonstrated experience in conducting and participating in meetings and work sessions with diverse groups of consultants, SALINAS VALLEY HEALTH Board of Directors, and administrative staff.**

We understand that open and responsive communication is one of the most important services we can provide to our clients. To this end, each project is assigned a Project Manager that is responsible for overseeing all aspects of delivery of our projects. This ensures that our clients have a single point of contact for project updates and questions. At the same time, our clients have direct access to the vast knowledge our engineers possess, by being able to call them at any time.

We are experienced working on large project teams with many stakeholders. We value the input of each stakeholder and are experienced presenting to and receiving information from various parties. We understand that the needs of Facilities,

Planning, and Operational groups can be different and sometimes in tension, but we work to make sure the needs of all groups are met and properly balanced.

Our meetings are tailored for specific the audiences. The granularity of the meetings are appropriate for the attendees. They will be more high level for the board of directors and very granular for the facility engineers. IEI prides itself on translating E-speak.

- **Capabilities to undertake appropriate project management efforts, and anticipate and resolve problems specific to the needs of the project under consideration.**

Interface Engineering has had a strong working relationship with clients, owners and consultants for over 50 years. We are experienced in providing the MEP support necessary to the client, architect teams and other consultants so that utility spaces can be properly sized, and construction properly phased to allow for continued operation during construction and minimal interruptions to utilities where required. We have an internal QA/QC process which allows us to coordinate more effectively with other consultants.

Interface's design approach is based in the philosophy of integrated design. Effective communication between all team members is essential in this philosophy. The integrated design process used, in which goal setting for design challenges starts early in the process, during programming and conceptual design and involves the entire design team and allows the most of the innovated strategies to develop when it is the most economical to integrate them into the building design. Interface Engineering has been very effective in fulfilling its clients' goals by using the integrated design process.

#### **Availability**

Interface works for a variety of public and private sector clients. We understand the need for some projects to move more quickly, on accelerated schedules, and the need to have our project managers available on short notice. Interface is committed to bringing Salinas Valley Health a quality team that is responsive and sensitive to the facilities desires.

#### **Budget & Schedule Control**

We pride ourselves on our lengthy track record of excellent client satisfaction. A satisfied client is not only one who approves of the quality of our work, but has experienced our sensitivity to budget constraints. We understand that project parameters must change at times, and we accommodate. Our first goal for each project is to meet the goals for timely completion, functionality and budget. Budget control is achieved through:

- » Focus on reducing material consumption throughout the design, from placing electrical rooms to shorten feeder runs to giving lighting control options that reduce wiring while not sacrificing function, and "real" sizing rather than "over" sizing equipment; Creating a living Basis of Design Document with Value Engineering incorporated at the Schematic Design Phase;
- » Utilizing an integrated design philosophy;
- » Incorporating additive and deductive alternates into the project's Construction and Bid Documents;
- » Avoiding costly change orders through our QC program;
- » Avoiding costly delays through our Construction Administration protocols.

### **3. QUALIFICATIONS AND EXPERIENCE OF KEY PERSONNEL**

#### **Items for Consideration:**

- **Proposed staffing level for this project.**

Interface Engineer's staffing of the project can accommodate the schedule given our current projected workload. The teams meet twice a week to discuss workload and upcoming deadlines, so we can anticipate upcoming spikes and either work share amongst our 250 employees or hire one of the candidates that we have in our continuous interviewing pool, should the increased projected workload be more than just a short term blip.

- **Qualifications and experience of proposed team in the design of similar projects.**

Interface Engineering has worked on projects at [Salinas Valley Health Medical Center with Bogard Construction](#) and our proposed subconsultants, Smith-Karrig Architecture and Estructure, were also part of the project team. The projects include:

- » Angio Equipment Replacement
- » Bulk O2 Permanent Replacement System
- » Bulk O2 Temp System
- » Cath Lab Equipment Replacement

# Request for Supplemental Information: Claims (Attachment C)

## ATTACHMENT C REQUEST FOR SUPPLEMENTAL INFORMATION - CLAIMS INFRASTRUCTURE EQUIPMENT REPLACEMENT PROJECT

Please submit the following information. Failure to respond may affect consideration of your firm for this project. If the firm has more than one office or division, please provide this information for the office proposed for this project. Responses may be listed on separate pages.

1. Separately list each pending unresolved claim for construction disputes and each current arbitration(s), mediation or litigation in which construction disputes or breach of contract is alleged or indemnity is being sought (because of such alleged disputes or breach of contract) using the following claimant categories:

- a. SALINAS VALLEY HEALTH against your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

None

- b. Any Owner, person or entity against your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

Please refer to list on subsequent pages.

- c. SALINAS VALLEY HEALTH against any of your proposed consultant (i.e. structural, mechanical, electrical, and any other consultant). If none, indicate none.

None

- d. Any Owner, person or entity against any of your proposed consultants (indicate project, location and Owner). If none, indicate none.

None

2. Separately list each resolved (settled, arbitrated, and litigated) claim for professional negligence or breach of professional services agreement or for indemnity (because of such alleged negligence or breach of contract) during the last five (5) years using the following categories:

- a. SALINAS VALLEY HEALTH and your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

None

- b. Any Owner, person, or entity, and your firm or any principal of your firm (indicate project, location and Owner). If none, indicate none.

Please refer to list on subsequent page.

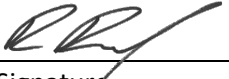
**DECLARATION:**

The undersigned declares under penalty of perjury that all of the information submitted is true and correct, and that this declaration was executed in

San Francisco County, California, on October 9, 2024.  
(County) (Date)

Rick Russell, Principal

Name and Title –Printed or Typed

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Firm Name –if a joint venture,  
state name of joint venture entity

49 Stevenson Street, Suite 660  
\_\_\_\_\_  
Address

San Francisco, CA 94105  
\_\_\_\_\_  
City, State and Zip Code

415.489.7240  
\_\_\_\_\_  
Telephone Number

N/A  
\_\_\_\_\_  
Facsimile Telephone Number

# Claims or Litigation

Interface is not aware of current or impending judgments that would affect our ability to perform work for Salinas Valley Health and Bogard Construction. In the normal course of business, Interface has claims that we have paid through our insurer, and we have been involved in arbitration, as have companies of any size which work in the construction industry. According to insurance standards, Interface's percentage of errors and omissions claims is well below the industry average. Because of this, we are considered a low-risk firm.

## LEGAL ACTIONS LAST 5 YEARS

### 2020

Project: Edith Green Wendell Wyatt building  
Client: SERA Architects PC  
Location: Portland, Oregon  
Closed: No payout for claim but legal costs were incurred.

Project: Forest Theatre Renovation SD E&O

Client: Cody Anderson Wasney Architects  
Location: Carmel, California  
Closed: \$25,000 Paid

Project: Prestige Carson City ALF 213220

Client: LRS Architects  
Location: Carson City, Nevada  
Closed: \$57,508.19 Paid

Project: Bethany Silver Lake Skilled Nursing

Client: Shoemsmith Cix Architects  
Location: Everett, Washington  
Closed: \$11,085 Paid

Project: Kaiser Pleasanton - Café Renovation

Client: Huntsman Architectural Group  
Location: Pleasanton, California  
Closed: \$20,000 Paid

Project: 320 Florida Avenue

Client: Eric Colbert & Associates PC  
Location: Washington, DC  
Closed: \$50,000 Paid

Project: ZOM Maizon Bethesda

Client: SKI + I Architecture  
Location: Washington, DC  
Closed: \$173,000 Paid

Project: 711 Van Ness Surgery Center

Client: Boulder Associates  
Location: San Francisco, California  
Closed: \$177,881 Paid

### 2021

Project: San Mateo Med Center

Client: Meeks, Coates + Eaton Architects, Inc.  
Location: San Mateo, California  
Closed: \$100,993.48 Paid

Project: University of Oregon HUCTC Expansion & Renovation

Client: Clark Kjos Architects  
Location: Eugene, Oregon  
Closed: \$27,500 Paid

Project: CCPUD Rock Island

Client: TCF Architecture  
Location: Wenatchee, Washington  
Closed: \$27,518 Paid

### 2022

Project: Peninsula Surgery Center

Client: Hawley Peterson  
Location: Redwood City, California  
Closed: \$81,044 Paid

Project: Scotia Bank Headquarters

Client: Jamaica Property Company Limited  
Location: Kingston, Jamaica  
Closed: \$30,139 Paid

Project: US Riverside Dundee-Glasgow

Client: Solomon Cordwell Buenz  
Location: Riverside, California  
Closed: Paid \$48,349.33

Project: Ward Block I Koula Residential Tower

Client: Studio Gang

Location: Honolulu, Hawaii

Status: In Discovery

Project: Land Bay "D" East

Client: Davis Carter Scott  
Location: Arlington, Virginia  
Status: In Discovery

Project: ACS Processing Facility

Client: C2K Architecture  
Location: Bridgewater, Massachusetts  
Status: In Discovery

### 2023

Project: Chehalem Aquatic Center

Client: Scott/Edward Architecture  
Location: Newberg, Oregon  
Closed: \$50,000 Paid

Project: Astoria VA CBOC

Client: Astoria VA, LLC  
Location: Astoria, Oregon  
Status: In Discovery

# 06

## Acceptance of Terms and Conditions (Attachment D)

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Interface Engineering, Inc. and its subconsultants accept the terms and conditions set in the RFP and sample Agreement for Services.



## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/27/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER JD Fulwiler & Co., Insurance 5727 S Macadam Ave Portland OR 97239	CONTACT NAME: Jennifer Abernethy PHONE (A/C, No, Ext): 503-977-5617 FAX (A/C, No): 503-977-5617 E-MAIL ADDRESS: jabernethy@jdfulwiler.com
INSURED Interface Engineering PLLC 17 State Street, Suite 4000 New York ny 10004	INSURER(S) AFFORDING COVERAGE INSURER A : Hartford Underwriters Insurance Company INSURER B : Pacific Insurance Company INSURER C : INSURER D : INSURER E : INSURER F :

## COVERAGES

CERTIFICATE NUMBER: 1146335603

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			52SBMBC1D8K	10/1/2024	10/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			52SBMBC1D8K	10/1/2024	10/1/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			52SBMBC1D8K	10/1/2024	10/1/2025	EACH OCCURRENCE \$ 8,000,000 AGGREGATE \$ 8,000,000 GL & AL Only \$ PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	Prof Liability w/Pollution Claims-Made			52OH056295124	10/1/2024	10/1/2025	Per Claim Aggregate Deductible/Retention 5,000,000 5,000,000 200,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

WE WILL ADD REQUIRED ADDITIONAL WORDING ONCE AWARDED THE PROJECT. All operations of the named insured subject to policy terms, conditions, and exclusions.

## CERTIFICATE HOLDER

## CANCELLATION

~Sample Certificate~ USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Nicole Lovette</i>

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# Cost Proposal: Chiller & Cooling Tower Replacement



**Interface Engineering, Inc**  
49 Stevenson Street, Suite 660  
San Francisco, CA 94105  
TEL 415.489.7240  
[www.interfaceengineering.com](http://www.interfaceengineering.com)

October 10, 2024

Dave Sullivan  
Bogard Construction, Inc.  
350-A Coral Street  
Santa Cruz, CA 95060

Re: Salinas Valley Health - Existing 200 Ton Chiller & Cooling Tower Replacement  
Professional Services Proposal

Dear Dave:

Thank you for the opportunity to provide you with our proposal for the referenced project.

This proposal is based on our Standard Provisions of Agreement for Professional Services, which is attached and incorporated by this reference.

## PROJECT DESCRIPTION

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### Project Owner

Salina Valley Health

### Project Location

450 E Romie Lane, Salinas, California 93901

### Project Description

The scope of the project is to replace the existing 200-ton centrifugal chiller, CH-1, and cooling tower in the medical center's energy yard electrical and mechanical room. The chilled water services to the hospital must be operational during the construction phase. The project team will coordinate with the Facility, Clinical team, and owner's representative for possible temporary chiller/cooling tower location options for the construction phase.

The project will be designed in accordance with the 2022 California Code under the jurisdiction of HCAI.

### Sustainable Design Requirements

Project is not anticipated to pursue LEED® certification or any other third-party green building certifications/incentive programs. We will include energy efficiency designs where feasible and cost effective.

## INFORMATION SOURCE

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Based on RFP/email from Dave Sullivan dated August 30, 2024.

## ASSUMPTIONS

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Based on our conversation and information received, we understand that this project:

- Will have a single bid/construction packet.
- Will have a single document/construction phase.
- Existing EP/FLS systems are adequate to serve the project area.
- Project will not be a LEED® project.



- **Project Funding:** We have assumed and understand that funding for this project has been secured or will be in place when project design starts. We have not assumed that payment for services will be held or delayed due to any funding delays or issues.

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**PROJECT SCHEDULE**

- December 2024      Design and Construction Document Preparation
- June 2025            Complete Construction Document/Bid Set
- September 2025    Complete Regulatory Agencies Review
- October 2025        Bid and Award for Construction Services
- November 2025     Start Construction on (180 day project) Chiller Replacement

Note: Dates listed above are approximate based on information provided. However, substantial changes to the schedule above, and start/stops to project progress may result in additional services and fees.

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**MEETINGS AND DESIGN SITE VISITS**

- Virtual meetings and conference calls as required.
- Up to two (2) In person meetings with design team, Owner representative, and construction team during design and documentation for coordination.
- Up to two (2) Site Visits during design.

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**DESIGN SUBMITTALS**

- Schematic Design (Basis of Design Narrative, PDF Concept Sketches, and MEP cutsheets for major equipment as required)
- 50 Percent Construction Documents, (CD Drawings and Specifications)
- 90 Percent Construction Documents/Permit (CD Drawings, Specifications and Code Forms)
- Final Construction Documents (CD Drawings and Specifications)

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**CONSTRUCTION COSTS**

Total Construction Cost: \$3.4 Millions

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**ENGINEERING SERVICES DESCRIPTION**

Our scope of services is limited to the following. Services not included are additional services.

**Mechanical Engineering Services****Heating, Ventilating, and Air Conditioning Systems**

1. New chiller and cooling tower replacement mechanical design. It is assumed that the new chiller and cooling tower will be replaced in the current location. A temporary system location will be near the current location and will be designated during design.
2. Performance specifications for temperature control or building energy management system.
3. State Energy Code calculations for building mechanical systems.

**Mechanical Investigation**

1. Review of the existing building mechanical and plumbing systems to determine adequacy and feasibility of reuse and needs for system improvement.
2. We understand that record drawings may be available for this existing facility. We will review the existing mechanical and plumbing systems, to the extent visible, so that we may complete our design.

**Mechanical Demolition**

Demolition drawings will be provided in a schematic format only with demolition notes. We will review available drawings and observe existing conditions to note major demolition items and areas.

**Electrical Engineering Services****Electrical Utilities Coordination**

We have assumed existing electrical service has adequate capacity and we have not assumed new service and coordination with utility.

**Building Power Distribution**

1. Design for connection of mechanical systems.
2. PIN 70 required coordination study for level 1 and level 2 breakers in the emergency panels being utilized for new homerun circuits. Our assumption is that field investigation of existing breaker type and settings shall be performed by electrical contractor and furnished to Interface for use in compiling the selective coordination study.

**Electrical Investigation**

1. Review of the existing building electrical system to determine adequacy and feasibility of reuse and needs for system improvement.
2. We understand that record drawings may be available for this existing facility. We will review the existing electrical system so that we may complete our design.

**Electrical Demolition**

Demolition drawings will be provided in a schematic format only with demolition notes. We will review available drawings and observe existing conditions to note major demolition items and areas.

**Architectural Services**

1. Field survey of project site to verify existing conditions shown in drawings provided to us. Document existing conditions not included in the CAD drawing provided to us.
2. Evaluate project related information provided to us.
3. Attend a Project Kick-off meeting with Stakeholder to ensure a common understanding of the project. (1 meeting)
4. Request preliminary information and coordinate with equipment vendors as needed.
5. Prepare SD design and documents for Stakeholder review, comment, and approval: 100% SD. (1 submittal)
6. Conduct 100% SD review meeting and collaborate design with Stakeholders. (1 meeting)

7. Revise selected SD design based on Stakeholder feedback for Stakeholder approval to proceed.
8. Request and attend pre-application meeting with AHJ to review proposed work and seeking official interpretation on code related issues, if needed.
9. Prepare design documents for Stakeholder review and approval.
10. Prepare construction drawings based on approved Schematic Design documents.
11. Prepare project manual and technical specifications.
12. Prepare and submit CD for Stakeholder review: 50% CD. (1 submittal)
13. Conduct 50% CD review meeting with Stakeholders. (1 meeting)
14. Prepare and submit CD for Stakeholder review: 100% CD. (1 submittal)
15. Conduct 100% CD review meeting with Stakeholders. (1 meeting)
16. Revise construction documents based on Stakeholder review comments.
17. Prepare plan review submittal drawings and documents.

### Structural Services

1. Review available existing drawings and equipment cutsheets.
2. Conduct a site visit to observe existing conditions.
3. Prepare written report describing the scope and nature of structural work required to replace the equipment.
4. Review and comment on AMEP drawings and coordinate required detailing.
5. Prepare structural drawings showing support and bracing for new equipment, piping, and conduit.
6. Complete design of equipment support and anchorage.
7. Prepare structural specifications in the form of general notes to be included on the structural drawings.
8. Participate in web-based project design meetings as required.
9. Prepare structural calculations as required by HCAI.

### BIDDING/NEGOTIATIONS AND PERMITTING

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1. Answer questions during bidding phase.
2. Issue (1) addenda as may be required under the original design scope during the bidding phase.
3. Review of substitution requests. Maximum of two reviews per vendor.
4. Respond to jurisdiction permit comments and issue addenda as required to address comments. Maximum of two responses and addenda issuances. Meetings with code officials can be provided as a supplemental service.
5. Prepare required post-approval paperwork (Building Permit, TIO field review, Notice of Start of Construction).

### CONSTRUCTION ADMINISTRATION

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1. Two reviews of the submittals for each Division are included; additional reviews will be billed at our hourly rates with prior written approval. Fee is based on submittals being provided per Interface standard specifications.
2. Answer RFIs, DCVRs, and construction questions.
3. Construction observation site visits:
  - a. Up to two (2) site visits (includes final punch) during construction.
4. Issue of ASIs, change orders, plan revisions, etc. generated by others is not included. Additional fees will be submitted for prior approval for these services.

5. Review of change order costs initiated by others is not included.
6. Coordinate and conduct HCAI off site construction kick-off meeting. (1 meeting)
7. Attend Owner-Architect-Contractor virtual meetings once per week during the construction period. (45 virtual meetings)
8. Conduct milestone walk-through and review; prepare compliance verify reports as required for HCAI sign-off at milestones. (8 milestones)
  - a. Temporary Chiller Trailer
  - b. New chiller installation
  - c. Miscellaneous electrical tie-in for chiller
  - d. Temporary Cooling Tower Trailer
  - e. New cooling tower installation
  - f. Miscellaneous electrical tie-in for cooling tower
  - g. Miscellaneous utility sign-off
  - h. Substantial Compliance
9. Review of testing and Special Inspection reports.
10. Attendance at prebid and preconstruction meetings.
11. Preparation of Final Verified Reports.
12. Coordinate efforts with stakeholders and the contractor for HCAI sign-off of project.

#### **EXCLUSIONS AND CLARIFICATIONS**

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1. It is assumed that final bidding of the project will not be done until receipt of permit and issuance of 100 Percent CD. Bidding prior to the completion of the documents is done at the Owner's risk.
2. Substantial cost reduction requiring redesign after 50% Construction Document is not included.
3. Redesign work associated with substantial floor plan changes after 50% Construction Document is not included.
4. Preparation of construction record drawings from contractor's field drawings is not included.
5. Assumes the existing utility pipe and conduit routing will be acceptable and a new route will not be required.
6. Building as-built drawing, including Fire and Life Safety (FLS) drawing and building accessibility information, in PDF and CAD format will be provided to us. Time to prepare FLS and accessibility drawing for agency review based on CAD provided is included. Time to survey or draw up existing FLS and accessibility conditions is not included.
7. The Authority of Jurisdiction (AHJ) on this project is HCAI. This project will be submitted as a regular project submission. Review by Local Fire Department for the temporary trailers is. Additional review by other agencies or community groups are not included and will be submitted as additional services as required.
8. No service interruption/shut-down is included. Preparation and seeking approval of Facility Impact Study (FIS's) will be performed under additional services.
9. Building accessibility upgrade work is not included. The project is expected to fall under Chapter 11B-202.4, Exception 7.
10. Signage/Way Finding is not included.
11. Replacement of the existing wood fencing in the Energy Yard is not included.
12. Detailed analysis of Civil engineering and site planning issues are not included.
13. Changes to the MEP design related to change orders initiated by others, supply chain issues, ASIs, and/or value engineering are not included.

14. Fee assumes that the existing systems are adequate to serve the project area.
15. We assumed the chiller and cooling tower being replaced is currently fed from emergency power. Otherwise, PIN 70 compliance is not required for equipment on normal power. Our assumption is that field investigation of existing breaker type and settings shall be performed by electrical contractor and furnished to Interface for use in compiling the selective coordination study.
16. Construction cost estimates will be by construction cost estimator. We will review cost estimator's pricing and provide comments.
17. Life cycle cost analysis for mechanical/electrical systems are not included.
18. Shop drawings, fabrication drawings, and construction coordination drawings are not included.
19. Design of temporary power for construction will be performed by the contractor or by others.
20. Design of building footing drainage and/or sub-slab groundwater drainage will be performed by others.
21. Acoustical analysis, design of noise attenuation requirements, and special vibration isolation requirements for mechanical systems will be performed by others. We will include modifications to our systems per your acoustical consultants' recommendations within our base fee.
22. Determination/interpretation of egress lighting paths with local officials is not included (based on egress plan as provided by Architect).
23. Commissioning of systems is not included unless proposed and accepted.
24. Commissioning participation unless proposed and accepted.
25. Project related services associated with LEED and/or other third-party Green Building Certification.
26. Project related services associated with utility incentives, including energy modeling for custom track incentives, charrettes and incentive documentation are not included unless proposed and accepted.
27. Lighting and low voltage design is not included.
28. There will be no new architectural features or modifications to existing architectural features such as cladding, canopies, screens or covered walkways requiring structural design.
29. The existing structure is sufficient to support all new loads, and will not require seismic retrofit or strengthening to accommodate the scope of work.
30. Detailed analysis or testing of potential hazardous materials are not included.
31. Development of as-built or record drawings after construction is not included.

## FEE

### Hourly to a Maximum

#### Base Services

Project Phase	Mechanical Engineering	Electrical Engineering	Architectural Services	Structural Services	Phase Totals
Schematic Design	\$23,634	\$5,170	\$14,420	\$14,000	<b>\$57,224</b>
Construction Documents	\$84,392	\$13,510	\$42,760	\$84,000	<b>\$224,662</b>
Bid/Negotiation and Permit	\$11,585	\$2,650	\$11,875	\$14,000	<b>\$40,110</b>
Construction Administration	\$33,094	\$6,510	\$54,070	\$28,000	<b>\$121,674</b>
<b>Discipline Totals</b>	<b>\$152,705</b>	<b>\$27,840</b>	<b>\$123,125</b>	<b>\$140,000</b>	<b>\$443,670</b>

**Total Fee: \$443,670**

\*Plus reimbursable expenses noted below.

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**OPTIONAL SERVICES (ADDITIVE)**

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**Commissioning Services (Cx) | \$15,000**

1. Lead, review and oversee the completion of all commissioning process activities.
2. Prepare commissioning specifications to incorporate in the construction documents (Divisions 01, 22, 23, and 26).
3. Perform a review of the Owners Project Requirements (OPR) and the engineers Basis of Design (BOD).
4. Perform a review of the design documents at 50% CD submission.
5. Coordinate and lead commissioning meetings as part of the commissioning process.
6. Assist construction manager and contractors with interpreting and achieving intent of commissioning activities specified in the contract documents.
7. Develop a Commissioning Plan
8. Develop Pre-Functional Checklists
9. Develop Functional Performance Tests
10. Perform periodic site visits throughout the construction phase to review the Contractor's installation, pressure testing, flushing, startup, and testing of systems.
11. Perform Functional Performance testing of mechanical, electrical and plumbing systems with cooperation of the Contractor to verify systems perform in accordance with the design intent, Owners Project Requirements, and Basis of Design.
12. Submit weekly issues/resolution log to the design and construction team.
13. Confirm factory testing and observe field testing of specified equipment.
14. Prepare a final commissioning report that includes the OPR, BOD, Executive Summary, Cx Plan, startup reports, construction checklists, functional performance tests, submittals, design review log, and issues/resolutions log.
15. Develop a Current Facility Requirements and Operations Plan and Maintenance Plan that provides future operating staff information needed to understand and optimally operate the commissioned systems.

**Systems to be Commissioned**

1. New Chiller and Cooling Tower Equipment
2. New Chiller and Cooling Tower Controls

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**PAYMENT TERMS**

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Standard reimbursable expenses include, but are not limited to: final plots, project mileage to jobsite or meeting locations, parking, shipping, and messenger services.

Fixed Fee: \$10,250

We will bill fees and reimbursable expenses monthly as services are performed. Payment is due within 60 days of receipt of invoice. Finance charges may be added after that time at a rate of 1.5 percent per month (annual rate of 18 percent). Finance charges will be applied to delayed payments resulting from lack of project funding. Upon aging of fees and reimbursable expenses beyond 90 days, Interface reserves the right to meet with Architect and holder of Prime Contract to determine resolution prior to continuation of services.

This proposal is valid for 90 days from the date first written above. Interface Engineering, Inc (Interface) reserves the right to modify or update this proposal after that date.

### **ADDITIONAL SERVICES**

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Services requested beyond those included in this proposal will be considered extra services and will be billed either at hourly rates listed below or will be estimated on a lump sum basis. Interface may decline to perform additional work until authorization is received in writing.

Additional services will be billed at our standard hourly rates at the time the work is performed\*. Our current standard hourly rates (2024) are:

Senior Principal:	\$375/Hour
Principal:	\$325/Hour
Associate Principal:	\$265/Hour
Associate/Project Manager:	\$250/Hour
Sr. Engineer-Designer:	\$220/Hour
Engineer-Designer:	\$175/Hour
Project Designer-Drafter:	\$155/Hour
Administrative:	\$125/Hour

\*Annual rate changes are expected to be 4% per year.

### **DESIGN-BUILD SERVICES**

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If design-build services are provided, Client acknowledges that Interface will provide performance specifications. In the event that drawings are provided, they will be conceptual drawings only. Conceptual drawings and performance specifications are intended as guidelines for the design of system(s) by the design-build contractor. Conceptual drawings and performance specifications are not intended for use to obtain a building permit or as bid documents. The design-build contractor is responsible for complete design, engineering, permit documents, construction documents, and coordination with architectural, all trades and utilities, and governing jurisdictions and licensing agencies. The design-build contractor is responsible for system quantities, capacities, routing, and installation adequate for its intended use. All detailing by design builder. Client agrees that Interface is not responsible for the design and will indemnify and hold harmless Interface for any and all claims, damages, allegations, and costs, including attorneys' fees at trial, arbitration and on appeal, arising out of the design and installation of design-build systems.

Client acknowledges that Interface's review of submittals by design-build contractor is for the limited purpose of checking for conformance with the performance concept expressed in the contract documents. Interface's review does not constitute approval of safety precautions, means and methods, approval of an assembly, or approval of a component.

Attached is our Standard Provisions of Agreement for Professional Services. If this Proposal and the Standard Provisions of Agreement meet with your approval, please sign below, initial the Standard Provisions, and return to us. By your signature, you acknowledge that you have read the Standard Provisions of Agreement and that you read and agree to the Limitation of Liability paragraph. We will not proceed with the work until this signed Agreement is returned to us. In addition, you represent that you



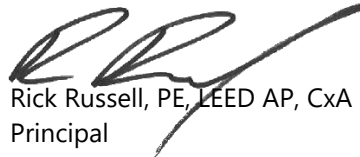
Interface Engineering, Inc  
Salinas Valley Health - Existing 200 Ton Chiller  
& Cooling Tower Replacement  
October 10, 2024

have authority to bind Bogard Construction, Inc.. If you have modified this proposal, we will review your modifications. This Agreement shall not be in effect until we sign, accepting your modifications.

If you have any questions, please contact this office.

Sincerely,

  
Eunice Yoon  
Principal

  
Rick Russell, PE, LEED AP, CxA  
Principal

EY:shc

Enclosures: Standard Provisions;

COMPANY: Bogard Construction, Inc.

CONTACT: \_\_\_\_\_  
Dave Sullivan, Executive Vice President      Date

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**STANDARD PROVISIONS OF AGREEMENT FOR PROFESSIONAL SERVICES**

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1. **Standard of Care:** The services provided by Interface Engineering, Inc (Interface) under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Interface makes no other representations or warranties, whether express or implied, with respect to the services rendered hereunder.
2. **Indemnity:** Client shall, to the fullest extent permitted by law, indemnify and hold harmless Interface, its officers, directors, employees, agents and subconsultants from and against all damages, liability and costs, including reasonable attorneys' fees and costs, at trial, arbitration and on appeal, arising out of or in any way connected with the performance of Client and Interface pursuant to this Agreement, excepting only those damages, liabilities, or costs attributable to the sole negligence or willful misconduct of Interface.
3. **Non-Responsibility:** Interface shall not be responsible for damages and shall not be held in default by reason of events or circumstances beyond Interface's reasonable control; or for delays caused by failure of Client or Client's agents to furnish information or to approve or disapprove Interface's work promptly, or due to late or slow or faulty performance by Client, Client's consultants, contractors, or governmental agencies, in the performance of acts which are precedent to or concurrent with the performance of Interface's services.
4. **Client Information:** Client shall provide all criteria and full information as to Client's requirements for the Project; designate a person to act with authority on Client's behalf in respect of all aspects of the Project; examine Interface's submissions; and respond promptly to Interface; and give prompt written notice to Interface whenever Client observes or otherwise becomes aware of any defect in the work. Interface has a right to rely on the accuracy and completeness of information provided by Client.
5. **Payment:** Fees and reimbursable expenses will be billed monthly as services are performed. Invoices shall be due upon receipt and shall be delinquent if not paid within 60 days of receipt of invoice. Delinquent invoices shall bear interest at the rate of 1.5 percent per month (but not exceeding the maximum amount allowable by law) until paid. Finance charges will be applied to delayed payments resulting from lack of project funding. Upon aging of reimbursable expenses beyond 90 days, Interface reserves the right to meet with Architect and holder of Prime Contract to determine resolution prior to continuation of services. Payments received shall be first applied to interest and then to the unpaid principal balance. Client shall pay Interface's reasonable costs, including staff time, attorneys' fees and costs, incurred in collecting any delinquent amount regardless of whether litigation or arbitration has been filed.
6. **Fees:** Client shall pay the cost of checking and inspection fees, zoning and annexation application fees, assessment fees, soils and engineering fees, soils testing fees, aerial topography fees and all other fees, permits, bond premiums, title company charges, document reproduction costs, and other charges not specifically covered by the terms of this Agreement. Any such fees paid by Interface on behalf of Client shall be reimbursed, along with other reimbursable expenses, as invoiced.
7. **Site Control:** Interface and its personnel shall have no authority or responsibility to exercise any control over any construction contractor or other entity in connection with their work or any health or safety precautions associated with the Project. Client agrees that its contractor shall be solely responsible for job site safety, means and methods, and warrants that this intent shall be made

evident in Client's agreement with its contractor. Client also agrees that Client, Interface, and Interface's consultants shall be indemnified and shall be made additional insureds under the Contractor's General Liability Insurance Policy and Builder's Risk Policy.

8. Document Ownership: All reports, plans, specifications, field data and notes, and other documents including all documents on electronic media, prepared by Interface as instruments of service shall remain the property of Interface. Client may make and retain copies for information and reference in connection with the use and occupancy of the Project; however, such documents are not intended or represented to be suitable for reuse by any person for extension of the Project or for any other project. Any reuse or modification to the documents, without the prior written authorization of Interface shall be at Client's sole risk and without liability to Interface, its independent professional associates or consultants. Client agrees, to the fullest extent permitted by law, to indemnify, defend, and hold Interface harmless from any claim, cause of action, liability, or cost (including reasonable attorneys' fees and defense costs at trial, arbitration and on appeal) arising out or allegedly arising out of any unauthorized reuse or modification of the documents by Client or any person or entity that acquires or obtains the documents from or through Client without Interface's written authorization.
9. Cost Estimates: In providing opinions of probable construction costs, Client understands that Interface has no control over cost or the price of labor, equipment, or materials or over any contractor's method of pricing, and the opinions of probable construction costs provided by Interface are to be made on the basis of Interface's qualifications and experience. Interface makes no warranty, express or implied, as to the accuracy of such opinions as compared to bids or actual costs of the work estimated.
10. Hazardous Materials: Client acknowledges that Interface's scope of services does not include any services related to asbestos, hazardous or toxic materials. In the event Interface, or any other party, encounters these materials at a job site, or it should become known that any such materials may be present at a job site or in adjacent areas which may affect Interface's performance of services, Interface may, at its option and without liability for consequential or any other damages, suspend performance of services on the project until Client retains appropriate specialist(s), consultant(s) or contractor(s) to identify, abate and/or remove the asbestos, hazardous or toxic materials, and warrant that the job site is in full compliance with applicable laws and regulations. Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless Interface, its officers, directors, employees, agents, and subconsultants, from and against any and all claims, allegations, suits, liabilities, damages, and costs, including reasonable attorneys' fees and costs, at trial, arbitration or appeal, arising out of, or in any way connected with the detection, presence or handling, removing, abatement, or disposal of any asbestos, hazardous or toxic substances, products and materials that exist on, about, or adjacent to the job site.
11. Termination - Suspension: Failure by Client to pay any invoice before it becomes delinquent shall constitute a material breach of this Agreement and shall entitle Interface to suspend performance of services until such delinquency is cured or, so long as such delinquency persists, Interface may terminate this Agreement upon five days' written notice without liability. This Agreement may otherwise be terminated by either party upon 30 days' written notice to the other in the event of a material breach by the other. In the event that Client becomes bankrupt or insolvent, Interface may terminate this contract without liability for direct, consequential or any other type of damages. In the event of termination of this Agreement, Client shall promptly pay Interface for all services rendered

and all costs incurred up to the date of termination, in accordance with the compensation provision of this agreement.

12. Third-Party Beneficiary: Nothing in this Agreement shall create a contractual relationship with, nor a cause of action in favor of any third party against, either Client or Interface. Interface's services under this Agreement are performed solely for Client's benefit, and no other entity shall have any claim against Interface because of this Agreement or the performance or non-performance of services hereunder.
13. Mediation: Should any dispute arise between Client and Interface under this Agreement, it is agreed that such dispute will be submitted to a mediator, agreed to and compensated equally by the parties, prior to commencement of litigation. Mediation will be conducted in San Francisco, CA. Both parties agree to exercise their best efforts and good faith to resolve all disputes in mediation.
14. California Law: This Agreement is to be governed by and interpreted under the law of the state of California. Should any provision of this Agreement be found or deemed to be invalid, this Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect.
15. Assignment: Neither Client nor Interface shall assign its interest in this Agreement without the prior written consent of the other.
16. Warranties: Interface has made no warranties or guaranties except as expressly written within the Agreement.
17. ADA and Regulatory Compliance: The American with Disabilities Act ("ADA") requires the removal of architectural barriers. Client acknowledges that requirements of the ADA will be subject to various, and possibly contradictory, interpretations. Client also acknowledges that other laws, codes, rules, ordinances, and regulations may also be subject to contradictory interpretation. Interface will use reasonable professional efforts and judgment to interpret typical ADA requirements, and other federal, state and local laws, rules, codes, ordinances, and regulations, as they apply to the project. Interface cannot and does not warrant or guarantee that Client's project will comply with all interpretations of the ADA requirements, and/or the requirements of other federal, state and local laws, rules, codes, ordinances, and regulations, as they apply to the project. Client agrees that Interface is not obligated for additional costs incurred due to changed interpretations, providing Interface used reasonable professional effort and judgment.
18. Integration: This Agreement contains the entire Agreement between Client and Interface, and no other oral or written inducement or promise has been made to or extended from either party as a part of this Agreement.
19. Waiver: The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision.
20. Limitation of Liability: Professional and Nonprofessional Liability: To the maximum extent permitted by law, and in recognition of the risks and rewards to Client and Interface, Client agrees to limit Interface's liability for Client's damages arising from Interface's errors and omissions associated with work performed under this Agreement to Interface's fee paid to date. As to all non-professional liability claims, Client Agrees to limit Interface's liability to Interface's available insurance. These limitations shall apply regardless of the cause of action or legal theory pleaded or asserted, including, but not limited to negligence, breach of contract, negligent misrepresentation, and strict liability. Client may negotiate higher limitations of liability for an additional fee.

21. Limitation of Liability - Consequential Damages: Neither Interface nor Interface's directors, agents, employees, representatives, or subconsultants, shall be liable to Client for any indirect, special, incidental, consequential, or exemplary damages arising out of, or in connection with, the performance of services under this Agreement, whether in an action based upon contract, delay, negligence, strict liability, negligent misrepresentation, reckless misrepresentation, or otherwise.
22. Statutes of Limitation: Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than either the date of substantial completion or the date of issuance of the final certificate for payment for acts or failures to act occurring after substantial completion. In no event shall such statutes of limitations commence to run any later than the date when Interface's services are substantially completed.
23. LEED: If the project pursues LEED certification or other similar guidelines, the following applies: The LEED Green Building Rating System and other similar environmental guidelines (collectively "LEED") utilizes certain design and usability recommendations on a project in order to promote an environmentally friendly and energy efficient facility. In addressing these guidelines, Interface shall perform its services in accordance with that degree of skill and care ordinarily exercised by similarly situated members of the same profession involved in the design of similar projects in the same locale as the Project. Client acknowledges and understands, however, that LEED is subject to various and possibly contradictory interpretations. Furthermore, compliance may involve factors beyond the control of Interface including, but not limited to, Client's use and operation of the completed project. Interface does not warrant or represent that the Project will actually achieve LEED certification. Interface shall use reasonable care consistent with the foregoing standard in interpreting and designing in accordance with LEED. Interface shall not be responsible for Contractor's failure to adhere to the Contract Documents and any applicable laws, codes and regulations incorporated therein, nor for any changes to the design made by Client without the direct participation and written approval of Interface. Likewise, Interface shall not be responsible for any environmental or energy issue arising out of Client's use and operation of the completed project.

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Client Initials

# Cost Proposal: Air Handling Unit Replacement



**Interface Engineering, Inc**  
49 Stevenson Street, Suite 660  
San Francisco, CA 94105  
TEL 415.489.7240  
[www.interfaceengineering.com](http://www.interfaceengineering.com)

October 10, 2024

Dave Sullivan  
Bogard Construction, Inc.  
350-A Coral Street  
Santa Cruz, CA 95060

Re: Salina Valley Health - Existing Air Handling Unit 003 Replacement  
Professional Services Proposal

Dear Dave:

Thank you for the opportunity to provide you with our proposal for the referenced project.

This proposal is based on our Standard Provisions of Agreement for Professional Services, which is attached and incorporated by this reference.

## PROJECT DESCRIPTION

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### Project Owner

Salina Valley Health

### Project Location

450 E Romie Lane, Salinas, California 93901

### Project Description

The scope of the project is to replace the existing air handling unit AHU-3 located in the ground floor mechanical room within the Courtyard. The AHU serves various critical care areas within the hospital and will require to be operational during the construction phase. The project team will review possible AHU replacement location options and coordinate with the Facility, Clinical team, and owner's representative to select the final new AHU-3 location. We understand that existing Mechanical Room housing the AHU-3 is very congested with little access to the existing ductwork.

The project will be designed in accordance with the 2022 California Code under the jurisdiction of HCAI.

### Sustainable Design Requirements

Project is not anticipated to pursue LEED® certification or any other third-party green building certifications/incentive programs. We will include energy efficiency designs where feasible and cost effective.

## INFORMATION SOURCE

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Based on RFP/email from Dave Sullivan dated August 30, 2024.

## ASSUMPTIONS

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Based on our conversation and information received, we understand that this project:

- Will have a single bid/construction packet.
- Will have a single document/construction phase.
- Existing EP/FLS systems are adequate to serve the project area.
- Project will not be a LEED® project.

- **Project Funding:** We have assumed and understand that funding for this project has been secured or will be in place when project design starts. We have not assumed that payment for services will be held or delayed due to any funding delays or issues.

#### **PROJECT SCHEDULE**

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- December 2024      Design and Construction Document Preparation
- June 2025            Complete Construction Document/Bid Set
- September 2025    Complete Regulatory Agencies Review
- October 2025        Bid and Award for Construction Services
- November 2025     Start Construction on (225 day project) AHU-3 Replacement

Note: Dates listed above are approximate based on information provided. However, substantial changes to the schedule above, and start/stops to project progress may result in additional services and fees.

#### **MEETINGS AND DESIGN SITE VISITS**

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- Virtual meetings and conference calls as required.
- Up to two (2) In person meetings with design team, Owner representative, and construction team during design and documentation for coordination.
- Up to two (2) Site Visits during design.

#### **DESIGN SUBMITTALS**

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- Schematic Design (Basis of Design Narrative, PDF Concept Sketches, and MEP cutsheets for major equipment as required)
- 50 Percent Construction Documents, (CD Drawings and Specifications)
- 90 Percent Construction Documents/Permit (CD Drawings, Specifications and Code Forms)
- Final Construction Documents (CD Drawings and Specifications)

#### **CONSTRUCTION COSTS**

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Total Construction Cost: \$1.5 Millions

#### **SERVICES DESCRIPTION**

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Our scope of services is limited to the following. Services not included are additional services.

##### **Mechanical Engineering Services**

##### **Heating, Ventilating, and Air Conditioning Systems**

1. New AHU-3 replacement mechanical design.
2. Performance specifications for temperature control or building energy management system.
3. State Energy Code calculations for building mechanical systems.
4. Condensate piping from the new AHU-3.

##### **Mechanical Investigation**

1. Review of the existing building mechanical and plumbing systems to determine adequacy and feasibility of reuse and needs for system improvement.
2. We understand that record drawings may be available for this existing facility. We will review the existing mechanical and plumbing systems, to the extent visible, so that we may complete our design.

## **Mechanical Demolition**

Demolition drawings will be provided in a schematic format only with demolition notes. We will review available drawings and observe existing conditions to note major demolition items and areas.

## **Electrical Engineering Services**

### **Electrical Utilities Coordination**

We have assumed existing electrical service has adequate capacity and we have not assumed new service and coordination with utility.

### **Building Power Distribution**

1. Design for connection of a new AHU-3.
2. PIN 70 required coordination study for level 1 and level 2 breakers in the emergency panels being utilized for new homerun circuits. Our assumption is that field investigation of existing breaker type and settings shall be performed by electrical contractor and furnished to Interface for use in compiling the selective coordination study.

### **Electrical Investigation**

1. Review of the existing building electrical system to determine adequacy and feasibility of reuse and needs for system improvement.
2. We understand that record drawings may be available for this existing facility. We will review the existing electrical system so that we may complete our design.

### **Electrical Demolition**

Demolition drawings will be provided in a schematic format only with demolition notes. We will review available drawings and observe existing conditions to note major demolition items and areas.

## **Architectural Services**

1. Field survey of project site to verify existing conditions shown in drawings provided to us. Document existing conditions not included in the CAD drawing provided to us.
2. Evaluate project related information provided to us.
3. Attend a Project Kick-off meeting with Stakeholder to ensure a common understanding of the project. (1 meeting)
4. Request preliminary information and coordinate with equipment vendors as needed.
5. Prepare SD design and documents for Stakeholder review, comment, and approval: 100% SD. (1 submittal)
6. Conduct 100% SD review meeting and collaborate design with Stakeholders. (1 meeting)
7. Revise selected SD design based on Stakeholder feedback for Stakeholder approval to proceed.
8. Request and attend pre-application meeting with AHJ to review proposed work and seeking official interpretation on code related issues, if needed.
9. Prepare design documents for Stakeholder review and approval.
10. Prepare construction drawings based on approved Schematic Design documents.
11. Prepare project manual and technical specifications.



12. Prepare and submit CD for Stakeholder review: 50% CD. (1 submittal)
13. Conduct 50% CD review meeting with Stakeholders. (1 meeting)
14. Prepare and submit CD for Stakeholder review: 100% CD. (1 submittal)
15. Conduct 100% CD review meeting with Stakeholders. (1 meeting)
16. Revise construction documents based on Stakeholder review comments.
17. Prepare plan review submittal drawings and documents.

### **Structural Services**

1. Review available existing drawings and equipment cutsheets.
2. Conduct a site visit to observe existing conditions.
3. Evaluate feasibility of relocating equipment to the roof of the 1975 Dietary Addition building.
4. Prepare written report describing the scope and nature of structural work required to replace the air handling unit.
5. Review and comment on AMEP drawings and coordinate required detailing.
6. Prepare structural drawings showing support and bracing for new equipment, piping, and conduit.
7. Complete design of air handling unit support and anchorage.
8. Prepare structural specifications in the form of general notes to be included on the structural drawings.
9. Participate in web-based project design meetings as required.
10. Prepare structural calculations as required by HCAI.

### **BIDDING/NEGOTIATIONS AND PERMITTING**

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1. Answer questions during bidding phase.
2. Issue (1) addenda as may be required under the original design scope during the bidding phase.
3. Review of substitution requests. Maximum of two reviews per vendor.
4. Respond to jurisdiction permit comments and issue addenda as required to address comments. Maximum of two responses and addenda issuances. Meetings with code officials can be provided as a supplemental service.
5. Prepare required post-approval paperwork (Building Permit, TIO field review, Notice of Start of Construction).

### **CONSTRUCTION ADMINISTRATION**

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1. Two reviews of the submittals for each Division are included; additional reviews will be billed at our hourly rates with prior written approval. Fee is based on submittals being provided per Interface standard specifications.
2. Answer RFIs, DCVRs, and construction questions.
3. Construction observation site visits:
  - a. Up to two (2) site visits (includes final punch) during construction.
4. Issue of ASIs, change orders, plan revisions, etc. generated by others is not included. Additional fees will be submitted for prior approval for these services.
5. Review of change order costs initiated by others is not included.
6. Coordinate and conduct HCAI off site construction kick-off meeting. (1 meeting)
7. Attend Owner-Architect-Contractor virtual meetings once per week during the construction period. (45 virtual meetings)



8. Conduct milestone walk-through and review; prepare compliance verify reports as required for HCAI sign-off at milestones. (5 milestones)
  - a. New AHU Structural Signoff
  - b. New AHU Tie-in and AHU-3 shutdown
  - c. Miscellaneous Electrical tie-in
  - d. Miscellaneous utility sign-off
  - e. Substantial Compliance
9. Review of testing and Special Inspection reports for structural.
10. Attendance at prebid and preconstruction meetings.
11. Preparation of Final Verified Reports.
12. Coordinate efforts with stakeholders and the contractor for HCAI sign-off of project.

#### **EXCLUSIONS AND CLARIFICATIONS**

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1. It is assumed that final bidding of the project will not be done until receipt of permit and issuance of 100 Percent CD. Bidding prior to the completion of the documents is done at the Owner's risk.
2. Substantial cost reduction requiring redesign after 50% Construction Document is not included.
3. Redesign work associated with substantial floor plan changes after 50% Construction Document is not included.
4. Preparation of construction record drawings from contractor's field drawings is not included.
5. Detailed analysis or testing of potential hazardous materials.
6. Changes to the MEP design related to change orders initiated by others, supply chain issues, ASIs, and/or value engineering are not included.
7. Fee assumes that the existing systems are adequate to serve the project area.
8. We assumed the AHU-3 is currently fed from emergency power. Otherwise, PIN 70 compliance is not required for equipment on normal power. Our assumption is that field investigation of existing breaker type and settings shall be performed by electrical contractor and furnished to Interface for use in compiling the selective coordination study.
9. Building as-built drawing, including Fire and Life Safety (FLS) drawing and building accessibility information, in PDF and CAD format will be provided to us. Time to prepare FLS and accessibility drawing for agency review based on CAD provided is included. Time to survey or draw up existing FLS and accessibility conditions is not included.
10. Building accessibility upgrade work is not included. The project is expected to fall under Chapter 11B-202.4, Exception 7. If the duct routing impacts spaces in the existing Lab, ADA Path of Travel requirements may be triggered, at that time the scope will be defined and an additional service will be provided.
11. Signage/Way Finding is not included.
12. Any replacement/repair of system serving the areas served by AHU-3 is not included.
13. Complete replacement of existing roofing is not included. This proposal assumes patchback of the existing roofing system only.
14. Owner requested design changes and ADA Path of Travel changes within the Cafeteria Courtyard.
15. Construction cost estimates will be by construction cost estimator. We will review cost estimator's pricing and provide comments.
16. Life cycle cost analysis for mechanical/electrical systems are not included.
17. Shop drawings, fabrication drawings, and construction coordination drawings are not included.
18. Design of temporary power for construction will be performed by the contractor or by others.

19. Acoustical analysis, design of noise attenuation requirements, and special vibration isolation requirements for mechanical systems will be performed by others. We will include modifications to our systems per your acoustical consultants' recommendations within our base fee.
20. Determination/interpretation of egress lighting paths with local officials is not included (based on egress plan as provided by Architect).
21. Commissioning of systems is not included unless proposed and accepted.
22. Commissioning participation unless proposed and accepted.
23. Project related services associated with LEED and/or other third-party Green Building Certification.
24. Project related services associated with utility incentives, including energy modeling for custom track incentives, charrettes and incentive documentation are not included unless proposed and accepted.
25. Lighting and low voltage design is not included.
26. We assume that the weight of the new equipment will not increase the roof weight by more than 5% and trigger a seismic evaluation of the 1975 Dietary Addition building.
27. There will be no new architectural features or modifications to existing architectural features such as cladding, canopies, screens or covered walkways requiring structural design.
28. The existing structure is sufficient to support all new loads, and will not require seismic retrofit or strengthening to accommodate the scope of work.
- 29.

## FEE

### Hourly to a Maximum

#### Base Services

Project Phase	Mechanical Engineering	Electrical Engineering	Architectural Services	Structural Services	Phase Totals
Schematic Design	\$22,394	\$6,270	\$11,720	\$14,400	<b>\$54,784</b>
Construction Documents	\$44,594	\$12,410	\$34,870	\$45,000	<b>\$136,874</b>
Bid/Negotiation and Permit	\$8,119	\$2,265	\$10,045	\$12,600	<b>\$33,029</b>
Construction Administration	\$27,298	\$5,020	\$53,890	\$18,000	<b>\$104,208</b>
<b>Discipline Totals</b>	<b>\$102,405</b>	<b>\$25,965</b>	<b>\$110,525</b>	<b>\$90,000</b>	<b>\$328,895</b>

**Total Fee: \$328,895**

\*Plus reimbursable expenses noted below.

#### OPTIONAL SERVICES (ADDITIVE)

#### Commissioning Services (Cx) | \$7,500

1. Lead, review and oversee the completion of all commissioning process activities.
2. Prepare commissioning specifications to incorporate in the construction documents (Divisions 01, 22, 23, and 26).
3. Perform a review of the Owners Project Requirements (OPR) and the engineers Basis of Design (BOD).
4. Perform a review of the design documents at 50% CD submission.
5. Coordinate and lead commissioning meetings as part of the commissioning process.

6. Assist construction manager and contractors with interpreting and achieving intent of commissioning activities specified in the contract documents.
7. Develop a Commissioning Plan
8. Develop Pre-Functional Checklists
9. Develop Functional Performance Tests
10. Perform periodic site visits throughout the construction phase to review the Contractor's installation, pressure testing, flushing, startup, and testing of systems.
11. Perform Functional Performance testing of mechanical, electrical and plumbing systems with cooperation of the Contractor to verify systems perform in accordance with the design intent, Owners Project Requirements, and Basis of Design.
12. Submit weekly issues/resolution log to the design and construction team.
13. Confirm factory testing and observe field testing of specified equipment.
14. Prepare a final commissioning report that includes the OPR, BOD, Executive Summary, Cx Plan, startup reports, construction checklists, functional performance tests, submittals, design review log, and issues/resolutions log.
15. Develop a Current Facility Requirements and Operations Plan and Maintenance Plan that provides future operating staff information needed to understand and optimally operate the commissioned systems.

### **Systems to be Commissioned**

The building systems identified to be commissioned as part of this proposal include:

1. AHU-3 Equipment
2. AHU-3 Controls

### **PAYMENT TERMS**

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Standard reimbursable expenses include, but are not limited to: final plots, project mileage to jobsite or meeting locations, parking, shipping, and messenger services.

Fixed Fee: \$7,500

We will bill fees and reimbursable expenses monthly as services are performed. Payment is due within 60 days of receipt of invoice. Finance charges may be added after that time at a rate of 1.5 percent per month (annual rate of 18 percent). Finance charges will be applied to delayed payments resulting from lack of project funding. Upon aging of fees and reimbursable expenses beyond 90 days, Interface reserves the right to meet with Architect and holder of Prime Contract to determine resolution prior to continuation of services.

This proposal is valid for 90 days from the date first written above. Interface Engineering, Inc (Interface) reserves the right to modify or update this proposal after that date.

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**ADDITIONAL SERVICES**

Services requested beyond those included in this proposal will be considered extra services and will be billed either at hourly rates listed below or will be estimated on a lump sum basis. Interface may decline to perform additional work until authorization is received in writing.

Additional services will be billed at our standard hourly rates at the time the work is performed\*. Our current standard hourly rates (2024) are:

Senior Principal:	\$375/Hour
Principal:	\$325/Hour
Associate Principal:	\$265/Hour
Associate/Project Manager:	\$250/Hour
Sr. Engineer-Designer:	\$220/Hour
Engineer-Designer:	\$175/Hour
Project Designer-Drafter:	\$155/Hour
Administrative:	\$125/Hour

\*Annual rate changes are expected to be 4% per year.

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**DESIGN-BUILD SERVICES**

If design-build services are provided, Client acknowledges that Interface will provide performance specifications. In the event that drawings are provided, they will be conceptual drawings only. Conceptual drawings and performance specifications are intended as guidelines for the design of system(s) by the design-build contractor. Conceptual drawings and performance specifications are not intended for use to obtain a building permit or as bid documents. The design-build contractor is responsible for complete design, engineering, permit documents, construction documents, and coordination with architectural, all trades and utilities, and governing jurisdictions and licensing agencies. The design-build contractor is responsible for system quantities, capacities, routing, and installation adequate for its intended use. All detailing by design builder. Client agrees that Interface is not responsible for the design and will indemnify and hold harmless Interface for any and all claims, damages, allegations, and costs, including attorneys' fees at trial, arbitration and on appeal, arising out of the design and installation of design-build systems.

Client acknowledges that Interface's review of submittals by design-build contractor is for the limited purpose of checking for conformance with the performance concept expressed in the contract documents. Interface's review does not constitute approval of safety precautions, means and methods, approval of an assembly, or approval of a component.

Attached is our Standard Provisions of Agreement for Professional Services. If this Proposal and the Standard Provisions of Agreement meet with your approval, please sign below, initial the Standard Provisions, and return to us. By your signature, you acknowledge that you have read the Standard Provisions of Agreement and that you read and agree to the Limitation of Liability paragraph. We will not proceed with the work until this signed Agreement is returned to us. In addition, you represent that you have authority to bind Bogard Construction, Inc.. If you have modified this proposal, we will review your modifications. This Agreement shall not be in effect until we sign, accepting your modifications.



Interface Engineering, Inc  
Salina Valley Health -  
Existing Air Handling Unit 003 Replacement  
October 10, 2024

If you have any questions, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Eunice Yoon".

Eunice Yoon  
Principal

A handwritten signature in black ink, appearing to read "Rick Russell".

Rick Russell, PE, LEED AP, CxA  
Principal

EY:shc

Enclosures: Standard Provisions;

COMPANY: Bogard Construction, Inc.

CONTACT: \_\_\_\_\_  
Dave Sullivan, Executive Vice President

\_\_\_\_\_  
Date

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## **STANDARD PROVISIONS OF AGREEMENT FOR PROFESSIONAL SERVICES**

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1. **Standard of Care:** The services provided by Interface Engineering, Inc (Interface) under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Interface makes no other representations or warranties, whether express or implied, with respect to the services rendered hereunder.
2. **Indemnity:** Client shall, to the fullest extent permitted by law, indemnify and hold harmless Interface, its officers, directors, employees, agents and subconsultants from and against all damages, liability and costs, including reasonable attorneys' fees and costs, at trial, arbitration and on appeal, arising out of or in any way connected with the performance of Client and Interface pursuant to this Agreement, excepting only those damages, liabilities, or costs attributable to the sole negligence or willful misconduct of Interface.
3. **Non-Responsibility:** Interface shall not be responsible for damages and shall not be held in default by reason of events or circumstances beyond Interface's reasonable control; or for delays caused by failure of Client or Client's agents to furnish information or to approve or disapprove Interface's work promptly, or due to late or slow or faulty performance by Client, Client's consultants, contractors, or governmental agencies, in the performance of acts which are precedent to or concurrent with the performance of Interface's services.
4. **Client Information:** Client shall provide all criteria and full information as to Client's requirements for the Project; designate a person to act with authority on Client's behalf in respect of all aspects of the Project; examine Interface's submissions; and respond promptly to Interface; and give prompt written notice to Interface whenever Client observes or otherwise becomes aware of any defect in the work. Interface has a right to rely on the accuracy and completeness of information provided by Client.
5. **Payment:** Fees and reimbursable expenses will be billed monthly as services are performed. Invoices shall be due upon receipt and shall be delinquent if not paid within 60 days of receipt of invoice. Delinquent invoices shall bear interest at the rate of 1.5 percent per month (but not exceeding the maximum amount allowable by law) until paid. Finance charges will be applied to delayed payments resulting from lack of project funding. Upon aging of reimbursable expenses beyond 90 days, Interface reserves the right to meet with Architect and holder of Prime Contract to determine resolution prior to continuation of services. Payments received shall be first applied to interest and then to the unpaid principal balance. Client shall pay Interface's reasonable costs, including staff time, attorneys' fees and costs, incurred in collecting any delinquent amount regardless of whether litigation or arbitration has been filed.
6. **Fees:** Client shall pay the cost of checking and inspection fees, zoning and annexation application fees, assessment fees, soils and engineering fees, soils testing fees, aerial topography fees and all other fees, permits, bond premiums, title company charges, document reproduction costs, and other charges not specifically covered by the terms of this Agreement. Any such fees paid by Interface on behalf of Client shall be reimbursed, along with other reimbursable expenses, as invoiced.
7. **Site Control:** Interface and its personnel shall have no authority or responsibility to exercise any control over any construction contractor or other entity in connection with their work or any health or safety precautions associated with the Project. Client agrees that its contractor shall be solely responsible for job site safety, means and methods, and warrants that this intent shall be made

evident in Client's agreement with its contractor. Client also agrees that Client, Interface, and Interface's consultants shall be indemnified and shall be made additional insureds under the Contractor's General Liability Insurance Policy and Builder's Risk Policy.

8. Document Ownership: All reports, plans, specifications, field data and notes, and other documents including all documents on electronic media, prepared by Interface as instruments of service shall remain the property of Interface. Client may make and retain copies for information and reference in connection with the use and occupancy of the Project; however, such documents are not intended or represented to be suitable for reuse by any person for extension of the Project or for any other project. Any reuse or modification to the documents, without the prior written authorization of Interface shall be at Client's sole risk and without liability to Interface, its independent professional associates or consultants. Client agrees, to the fullest extent permitted by law, to indemnify, defend, and hold Interface harmless from any claim, cause of action, liability, or cost (including reasonable attorneys' fees and defense costs at trial, arbitration and on appeal) arising out or allegedly arising out of any unauthorized reuse or modification of the documents by Client or any person or entity that acquires or obtains the documents from or through Client without Interface's written authorization.
9. Cost Estimates: In providing opinions of probable construction costs, Client understands that Interface has no control over cost or the price of labor, equipment, or materials or over any contractor's method of pricing, and the opinions of probable construction costs provided by Interface are to be made on the basis of Interface's qualifications and experience. Interface makes no warranty, express or implied, as to the accuracy of such opinions as compared to bids or actual costs of the work estimated.
10. Hazardous Materials: Client acknowledges that Interface's scope of services does not include any services related to asbestos, hazardous or toxic materials. In the event Interface, or any other party, encounters these materials at a job site, or it should become known that any such materials may be present at a job site or in adjacent areas which may affect Interface's performance of services, Interface may, at its option and without liability for consequential or any other damages, suspend performance of services on the project until Client retains appropriate specialist(s), consultant(s) or contractor(s) to identify, abate and/or remove the asbestos, hazardous or toxic materials, and warrant that the job site is in full compliance with applicable laws and regulations. Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless Interface, its officers, directors, employees, agents, and subconsultants, from and against any and all claims, allegations, suits, liabilities, damages, and costs, including reasonable attorneys' fees and costs, at trial, arbitration or appeal, arising out of, or in any way connected with the detection, presence or handling, removing, abatement, or disposal of any asbestos, hazardous or toxic substances, products and materials that exist on, about, or adjacent to the job site.
11. Termination - Suspension: Failure by Client to pay any invoice before it becomes delinquent shall constitute a material breach of this Agreement and shall entitle Interface to suspend performance of services until such delinquency is cured or, so long as such delinquency persists, Interface may terminate this Agreement upon five days' written notice without liability. This Agreement may otherwise be terminated by either party upon 30 days' written notice to the other in the event of a material breach by the other. In the event that Client becomes bankrupt or insolvent, Interface may terminate this contract without liability for direct, consequential or any other type of damages. In the event of termination of this Agreement, Client shall promptly pay Interface for all services rendered

and all costs incurred up to the date of termination, in accordance with the compensation provision of this agreement.

12. **Third-Party Beneficiary:** Nothing in this Agreement shall create a contractual relationship with, nor a cause of action in favor of any third party against, either Client or Interface. Interface's services under this Agreement are performed solely for Client's benefit, and no other entity shall have any claim against Interface because of this Agreement or the performance or non-performance of services hereunder.
13. **Mediation:** Should any dispute arise between Client and Interface under this Agreement, it is agreed that such dispute will be submitted to a mediator, agreed to and compensated equally by the parties, prior to commencement of litigation. Mediation will be conducted in San Francisco, CA. Both parties agree to exercise their best efforts and good faith to resolve all disputes in mediation.
14. **California Law:** This Agreement is to be governed by and interpreted under the law of the state of California. Should any provision of this Agreement be found or deemed to be invalid, this Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect.
15. **Assignment:** Neither Client nor Interface shall assign its interest in this Agreement without the prior written consent of the other.
16. **Warranties:** Interface has made no warranties or guaranties except as expressly written within the Agreement.
17. **ADA and Regulatory Compliance:** The American with Disabilities Act ("ADA") requires the removal of architectural barriers. Client acknowledges that requirements of the ADA will be subject to various, and possibly contradictory, interpretations. Client also acknowledges that other laws, codes, rules, ordinances, and regulations may also be subject to contradictory interpretation. Interface will use reasonable professional efforts and judgment to interpret typical ADA requirements, and other federal, state and local laws, rules, codes, ordinances, and regulations, as they apply to the project. Interface cannot and does not warrant or guarantee that Client's project will comply with all interpretations of the ADA requirements, and/or the requirements of other federal, state and local laws, rules, codes, ordinances, and regulations, as they apply to the project. Client agrees that Interface is not obligated for additional costs incurred due to changed interpretations, providing Interface used reasonable professional effort and judgment.
18. **Integration:** This Agreement contains the entire Agreement between Client and Interface, and no other oral or written inducement or promise has been made to or extended from either party as a part of this Agreement.
19. **Waiver:** The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision.
20. **Limitation of Liability: Professional and Nonprofessional Liability:** To the maximum extent permitted by law, and in recognition of the risks and rewards to Client and Interface, Client agrees to limit Interface's liability for Client's damages arising from Interface's errors and omissions associated with work performed under this Agreement to Interface's fee paid to date. As to all non-professional liability claims, Client Agrees to limit Interface's liability to Interface's available insurance. These limitations shall apply regardless of the cause of action or legal theory pleaded or asserted, including, but not limited to negligence, breach of contract, negligent misrepresentation, and strict liability. Client may negotiate higher limitations of liability for an additional fee.



21. Limitation of Liability - Consequential Damages: Neither Interface nor Interface's directors, agents, employees, representatives, or subconsultants, shall be liable to Client for any indirect, special, incidental, consequential, or exemplary damages arising out of, or in connection with, the performance of services under this Agreement, whether in an action based upon contract, delay, negligence, strict liability, negligent misrepresentation, reckless misrepresentation, or otherwise.
22. Statutes of Limitation: Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than either the date of substantial completion or the date of issuance of the final certificate for payment for acts or failures to act occurring after substantial completion. In no event shall such statutes of limitations commence to run any later than the date when Interface's services are substantially completed.

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Client Initials

Interface Engineering  
49 Stevenson Street, Suite 660  
San Francisco, CA 94105

**covers**

El Camino Health Behavioral Health Services Taube  
Pavilion / LEED Gold for Healthcare  
WRNS Studio  
© Jeremy Bittermann Photography

UCSF Nancy Friend Pritzker Psychiatry Building /  
LEED Platinum Goal  
SKS/Prado 2130 Third, LLC (c/o SKS Partners, LLC)  
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INTERFACEENGINEERING

# Board Paper: Finance Committee

Agenda Item: Board Ratification and Approval of Competitive Solicitation and Contract Award for Epic Acute Project Consultant Engagement with Huron Consulting Services, LLC

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

Date: 11/18/2024

## Executive Summary

### Background/Situation

The Salinas Valley Board approved the Epic Acute Project in May 2024. Included in the approval was the Total Cost of Ownership (TCO), which covered all budgeted items associated to the implementation of Epic. The budget for Epic Project consultant fees was set at \$8,118,518.

### Timeline/Review Process to Date:

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

### Strategic Plan Alignment:

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

### Pillar/Goal Alignment:

X Service   ☐ People   X Quality   ☐ Finance   X Growth   ☐ Community

### Financial/Quality/Safety/Regulatory Implications: [fill in table, add any additional pertinent information]

Key Contract Terms	Vendor:
1. Proposed effective date	12/9/2024
2. Term of agreement	One year engagement

3. Renewal terms	N/A
4. Termination provision(s)	30 day written notice
5. Payment Terms	Payment due 45 day once invoice is issued Twelve monthly instalments of \$306,250
6. Annual cost	\$3,675,000
7. Cost over life of agreement	\$3,675,000 plus travel expenses
8. Budgeted (indicate y/n)	Yes

### Recommendation

Consider Recommendation for Board Ratification and Approval of Competitive Solicitation and Contract Award for Epic Acute Project Consultant Engagement with Huron Consulting Services, LLC of approximately \$3,675,000.

# Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval for the lease of an Intuitive, Da Vinci 5 Surgical Robotics System

Executive Sponsor: Alysha Hyland, Chief Administrative Officer  
Allen Radner, MD, President / CEO

Date: November 12, 2024

## Executive Summary

Robotic-assisted surgery enables surgeons to carry out complex, minimally invasive procedures with high precision and accuracy. SVMHS aims to offer minimally invasive surgery to local patients who might otherwise have to seek this level of care outside our community. As we work to expand our services it is essential to adopt modern, preferred surgical methods, utilizing tools that allow physicians to do more complex cases while improving patient outcomes.

## Background/Situation/Rationale

In 2022, SVMHS began recruiting surgeons trained in robotic-assisted techniques to broaden our surgical offerings with the latest technology. Over the past two years, SVMC has welcomed four new robotic surgeons and provided training for three of our existing surgeons to utilize this advanced technology. Acquiring a second device will enable patients to remain in our community for minimally invasive surgeries across specialties, including urology, urologic oncology, urogynecology, general surgery, colorectal, bariatric, surgical oncology, and gynecologic oncology. The new Da Vinci 5 is also more compact and integrated making it ideal for smaller rooms with limited space.

## Timeline/Review Process to Date:

Quarter 4, 2022, Da Vinci Xi Robot arrived and 20 cases were completed

Calendar Year 2023- SVHMC completed 241 Robotic cases

Calendar Year 2024 Quarter 1-3- SVHMC completed 249 Robotic Cases, Run Rate End of Q4 402 Cases

November 2024- New surgical urologic oncologist has onboarded

November 2024, Obtain Board of Directors approval for a 2<sup>nd</sup> Da Vinci 5 Robot

January 2025- Receive Da Vinci 5

## Meeting our Mission, Vision, Goals

### Strategic Plan Alignment:

The acquisition of the Intuitive Da Vinci 5 will enable us to meet the standard of care our community expects, while allowing our organization to deliver high-quality surgical care locally to all members of our community.

### Pillar/Goal Alignment:

☒ Service    ☐ People    ☒ Quality    ☐ Finance    ☒ Growth    ☒ Community

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

We are requesting a capital lease for fiscal year 2025

Key Contract Terms	Vendor : Intuitive Surgical Inc
1. Proposed effective date	December 2024
2. Term of agreement	5 years
3. Renewal terms	At the end of the 5 year term, we may purchase the equipment at fair market value or request renewal of the lease.
4. Termination provision(s)	Under review and negotiation
5. Payment Terms	Periodic Lease Payments (due monthly, inclusive of many services): \$42,241.18/month (for 60 months) Annual Service Fee beginning in Year 2: \$195,000/yr (for 4 years) Cloud Services Subscription Package beginning in year 2: \$70,000 (for 4 years) TOTAL OVER FIVE YEARS: \$3,594,471
6. Annual cost	Year 1: \$506,894/yr Years 2-5: \$771,894/yr
7. Cost over life of agreement**	Estimated \$3,594.471
8. Budgeted (indicate y/n)	N

### Recommendation

Consider Recommendation for Board of Directors approval for the lease of an Intuitive, Da Vinci 5 Surgical Robotics System at the total cost of \$3,594,471 over a 60 month term, subject to final negotiation and legal review of contract.

### Attachments

- (1) Equipment quote
- (2) Sole Source Justification





Intuitive Surgical, Inc.  
1020 Kifer Road  
Sunnyvale, CA 94086  
800-876-1310

#### Quote Details

Quote ID	Q-00061978
Quote Date	10/1/2024
Valid Until	12/31/2024
Sales Rep	Mike Paris
Phone Number	+1-925-408-3763
Email	mike.paris@intusurg.com

#### Company Information

Hospital Name	Salinas Valley Memorial Healthcare Systems
SF ID/IDN Affiliation	10801/
Address	450 E Romie Ln
City, State, Zip	Salinas, California, 93901-4098
Contact Name	
Telephone	

Please submit orders electronically via GHX or fax to 408-523-2377

Part Number	Qty	Item	Price	Subtotal
Systems				
	1	Da Vinci 5 Single Console System (Fluorescence Imaging Included): One (1): da Vinci 5® System Console One (1) da Vinci 5® System Tower One (1) Integrated Insufflator One (1) Integrated E-200 Generator One (1) CO2 Tank Kit One (1): da Vinci 5® System Patient Cart One (1) da Vinci 5® Operating System Software Package (including Integrated table motion) Vision Equipment Accessories Training Instruments da Vinci 5 ® System Documentation	\$ 2,500,000.00	\$ 2,500,000.00
Upgrades				
	1	Intuitive Hub containing: - Media Manager - Telepresence	\$ 0.00	\$ 0.00
	1	Da Vinci E-200 Generator (Backup)	\$ 25,000.00	\$ 25,000.00
Freight				
	1	System Freight - West (AZ, CA, CO, ID, MT, NM, NV, OR, UT, WA, WY)	\$ 8,250.00	\$ 8,250.00
Digital Solutions				
	1	INTUITIVE HUB 101,22F+3DCC,BLACK BEZEL,NMD	\$ 0.00	\$ 0.00
Total				<b>\$ 2,533,250.00</b>

Part Number	Months	Item	Price	Annual Service Fee
Service				
	12	da Vinci 5-Single Console-Human Use (Systems)-SERVICE PLAN : DVCOMPLETE CARE-Warranty (Included)	\$ 0.00	\$ 0.00
	48	da Vinci 5-Single Console-Human Use (Systems)-SERVICE PLAN : DVCOMPLETE CARE-After Warranty Service (Annual)	\$ 195,000.00	\$ 195,000.00
	12	SERVICE PLAN : E-200 BACKUP-Warranty (Included)	\$ 0.00	\$ 0.00

	48	SERVICE PLAN : E-200 BACKUP-After Warranty Service (Annual)	\$ 0.00	\$ 0.00
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## Terms and Conditions

### A. System – Legal note

1.1 Each System shipment is subject to a signed agreement which represents the entire agreement between the parties and supersedes all prior agreements, arrangements and understandings between the parties to that subject matter. It is required prior to shipment of the System(s). All site modifications and preparation are the Customer's responsibility and are to be completed with the specification given by INTUITIVE prior to the installation date. Delivery is subject to credit approval.

1.2 Invoicing and VAT for Trade-In System: According to the terms of signed agreement, the customer will issue an invoice to INTUITIVE for the trade-in system in accordance with the applicable VAT regulations.

1.3 Customer acknowledges that the cleaning and sterilization equipment, not provided by INTUITIVE, is required to appropriately reprocess da Vinci instruments and endoscopes. Please refer to the applicable versions of INTUITIVE's Reprocessing Instructions. Customer is responsible for ensuring that its' cleaning and sterilization program comply with all health and safety requirements.

### B. System Upgrade – Legal note

1.1 A signed Purchase Order and/or an addendum to the existing signed system agreement according to Section A.1.1 above is required prior to shipment of the System upgrade. All site modifications and preparation are the Customer's responsibility and are to be completed with the specification given by INTUITIVE prior to the installation date.

1.2 All taxes and shipping charges are the responsibility of the Customer and will be added to the invoice, as appropriate. Apart from that, the General Terms and Conditions for the sales of instruments and accessories (see below: D.) shall apply mutatis mutandis for System Upgrades.

### C. Intuitive Hub – Legal note Intuitive Hub

Intuitive recommends discussing with your IT department the customer-provided infrastructure requirements prior to purchase:

- Windows Server OS license for Web/Application server
- Microsoft MS-SQL database
- Initial storage allocation of approximately 1-2 TB per system
- Storage allocation may vary with system utilization, procedure volume, and customer-driven retention policy.

### D. Instruments and Accessories - General Terms and Conditions

#### 1. Scope

1.1 The sales of Intuitive Surgical's ("INTUITIVE") instruments and accessories (the "**Products**") to customer (the "**Customer**") (together the "**Parties**") are governed by these General Terms and Conditions of Sale (the "**GTCs**").

1.2 By placing a purchase order, Customer declares to be fully aware of the GTCs being an integral part of INTUITIVE's instruments and accessories Quote and the acceptance thereof. No terms stated by Customer in sending, accepting, confirming, or acknowledging a purchase order shall be binding upon INTUITIVE if conflicting or supplementing the terms stated herein unless accepted by INTUITIVE in writing. If a written contract is in place between INTUITIVE and Customer covering the purchase of the Products, the terms of such contract shall prevail.

1.3 The fact that INTUITIVE does not avail itself at a given time of any of the provisions of the GTCs shall not be interpreted by Customer as a waiver by INTUITIVE of its right to avail itself of any of the said terms and conditions at a later date.

#### 2. Personal data

INTUITIVE may process the personal data of certain members of the Customer's staff in connection with the performance of this GTCs and the completion of Purchase Orders. Intuitive's privacy notice is published under: <https://www.intuitive.com/zh-tw/about-us/company/legal/privacy-policy>.

#### 3. No adulteration or remanufacturing

3.1 Instruments and Accessories are subject to a limited license to use those Instruments and Accessories with, and prepare those Instruments and Accessories for use with, the System. Any other use is prohibited, whether before or after the Instrument or Accessory's license expiration, including repair, refurbishment, or reconditioning not approved by Intuitive, and cleaning and sterilization inconsistent with the instructions for use of the Products and/or any further documentation or guidelines provided by



INTUITIVE. This license expires once an Instrument or Accessory is used up to its maximum number of uses specified in the documentation accompanying the Instrument or Accessory. Customer is responsible for reprocessing Instruments in accordance with the instructions for use of the Products and/or any further documentation or guidelines provided by INTUITIVE.

3.2 Out of concern for patient safety, Customer will not, nor will Customer permit any third party to, modify, disassemble, reverse engineer, alter, or misuse the Products, including increasing or attempting to increase the number of lives or uses prescribed by INTUITIVE.

#### **4. Compliance with laws and regulations**

4.1 The Parties hereby undertake to strictly comply with any applicable law and regulation and in particular, any law and regulation applicable for the purpose of the purchase of the Products as well as medical devices laws and regulations.

4.2 The Parties hereby undertake to strictly comply with applicable laws, regulations, standards and codes of conduct, including the MedTech Europe Code of Ethical Business Practice, the U.S. Foreign Corrupt Practices Act ("FCPA") and AdvaMed Code of Ethics; the U.K. Bribery Act 2010; Money Laundering Control Act.

#### **5. Severability**

If any provision of these GTCs is held by a court of competent jurisdiction to be invalid, then that provision will not affect the validity of the remaining provisions, and the parties will substitute a valid provision for the invalid provision that most closely approximates the intent and economic effect of the invalid provision.

#### **6. Governing Law**

Laws of Canada.

#### **7. Written Form**

Amendments or changes to these GTCs shall only be valid if made in writing and duly signed by the Parties.

**EXHIBIT A**  
**Deliverables, Price and Delivery**

**da Vinci 5® Single Console System (Firefly® Fluorescence Imaging Enabled)**

One (1): da Vinci 5® System Console  
One (1): da Vinci 5® System Tower  
    One (1): Integrated Insufflator  
    One (1): Integrated E-200 Generator  
    One (1): CO2 Tank Kit  
One (1): da Vinci 5® System Patient Cart  
One (1): da Vinci 5® Operating System Software Package (including Integrated Table Motion)  
    Warranty period: One (1) year from the Acceptance

**Vision Equipment:**

    One (1): NIR Handheld Camera Control Unit  
    One (1): NIR Handheld Camera Light Source  
    One (1): NIR Handheld Camera  
    Two (2): da Vinci 5® Endoscope, 0°  
    Two (2): da Vinci 5® Endoscope, 30°  
    Four (4): da Vinci 5® Endoscope Trays  
    Warranty period: One (1) year from the Acceptance

**Accessories:**

    One (1): Box of 10: Tip Cover Accessory (For use with Endowrist Monopolar Curved Scissors)  
    Three (3): Monopolar Cautery Cord  
    Three (3): Bipolar Cautery Cord  
    Eight (8): 8 mm Hex Cannula, standard  
    Two (2): Box of 6: 8 mm Bladeless Obturator  
    Four (4): Box of 10: Universal Seal (5-12mm)  
    One (1): Box of 3: 8mm Gage Pin  
    Two (2): Pack of 20: Instrument Arm Drape  
    One (1): Pack of 20: Column Drape  
    Three (3): 8mm Instrument Introducer  
    Two (2): 12mm Stapler Cannula  
    Two (2): Box of 6: Da Vinci Insufflator Tube Set - Smoke Evacuation  
    One (1) NIR Handheld Camera Light Guide  
    One (1): Light Guide Adapter for Schoelly and Storz endoscopes  
    One (1): Laparoscope 10mm, 0°, NIR  
    One (1): Laparoscope 10mm, 30°, NIR  
    One (1): Laparoscope 5mm, 0°  
    One (1): Laparoscope 5mm, 30°  
    One (1) NIR Handheld Reprocessing Tray  
    Warranty period: 90 days from Acceptance

**Training Instruments**

    One (1): Monopolar Curved Scissors, Training  
    One (1): Force Bipolar, Training  
    One (1): Large Needle Driver, Training  
    One (1): Mega SutureCut Needle Driver, Training  
    One (1): Cadere Forceps, Training  
    Warranty period: 90 days from Acceptance

**da Vinci 5® System Documentation**

    One (1): da Vinci 5 System User Manual  
    One (1): E-200 User Manual  
    One (1): Insufflator/Tube Set User Manual  
    One (1): Force Feedback User Manual  
    One (1): Integrated table Motion, Quick Reference Guide: Bedside  
    One (1): Integrated Table Motion, Quick Reference Guide: Anesthesia  
    One (1): Reprocessing Wall Chart Kit  
    One (1): Cleaning and Sterilization Kit  
    One (1): US Language Kit  
    One (1): Da Vinci 5 Representative Adult Uses System User Manual Addendum  
    One (1): Da Vinci 5 SynchroSeal Instruments and Accessories User Manual Addendum  
    One (1): SureForm 45 and SureForm 60 Instruments and Accessories User Manual Addendum

One (1): SureForm 45 and SureForm 60 Force Fire, FDA Guidance  
One (1): NIR Camera System User Manual Addendum  
One (1): Universal Reprocessing Hardware kit  
Two (2): Endowrist Instrument Release Kit (IRK)  
Warranty period: n/a

Upgrades with Incremental Costs:

One (1): Backup E-200 Kit (plus service)  
Warranty period: One (1) year from the Acceptance

(all kits subject to change without notice)

## Justification for Sole Source Form

**To:** Contract Review Committee

**From:** Aisha Huebener, Surgery

**Type of Purchase: (Check One)**

- ☐ Non-Medical, Non-Surgical Equipment/Supplies >= \$25,000
- ☐ Data Processing/Telecommunication Goods >= \$25,000
- ☒ Medical/Surgical – Supplies/Equipment >= \$25,000
- ☐ Purchased Services >= \$350,000

<b>Total Cost \$:</b>	Pending final contract negotiations
<b>Vendor Name:</b>	Intuitive Surgical Inc.
<b>Agenda Item:</b>	Da Vinci 5 Surgical Robotics System

**Statement of Need:** The recommendation for a sole-source procurement is based on an objective evaluation of the required product/service and is considered to be in the best interest of SVMHS. The proposed acquisitions through sole-source are the only options that can fulfill the district's needs. I am not aware of any conflict of interest or personal involvement in this request. No gifts, favors, or actions that could be seen as compromising have occurred. Additionally, my familiarity with any specific brands, types of equipment, materials, or companies has not influenced my decision to request a sole-source procurement, despite the existence of other potential suppliers.

**Describe how this selection results in the best value to SVMHS. See typical examples below.**

☐ Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe.**

☐ Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe.**

☒ Uniqueness of the service. SVMHS now has seven specialties and eight surgeons relying on this surgical robotic system to provide their patients with the highest level of surgical care. In order to avoid delays in timely care, a second surgical robot is required.

☐ SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Describe.**

☐ Factory-authorized warranty service available from only this single dealer. Sole availability at the location required. **Describe.**

☐ Used item with bargain price (describe what a new item would cost). **Describe.**

☐ Other -The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, please **describe:**

**By signing below, I am attesting to the accuracy and completeness of this form.**

Submitter Signature Aisha Huebner Date: 11/11/2024

# Financial Performance Review

## October 2024

### Finance Committee

**Augustine Lopez**

**Chief Financial Officer**

# Consolidated Financial Summary

## For the Month of October 2024

\$ in Millions	For the Month of October 2024			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 70.6	\$ 63.1	\$ 7.5	12.0%
Operating Expense	\$ 66.7	\$ 64.2	\$ (2.5)	-3.8%
<b>Income from Operations</b>	<b>\$ 4.0</b>	<b>\$ (1.1)</b>	<b>\$ 5.1</b>	<b>462.9%</b>
Operating Margin %	5.5%	-1.8%	7.3%	405.56%
Non Operating Income **	\$ (3.7)	\$ 3.1	\$ (6.8)	-219.4%
<b>Net Income</b>	<b>\$ 0.3</b>	<b>\$ 2.0</b>	<b>\$ (1.7)</b>	<b>-85.4%</b>
Net Income Margin %	0.4%	3.2%	-2.8%	-87.5%

**\*\*Non Operating Income unfavorable variance totaling \$6.8 million was due to the folloing:**

- **\$1.2M** of FEMA Grant funds received in October
- **\$(8.0)M** of Unrealized losses recognized on mark to market adjustments

# Consolidated Financial Summary

## For the Month of October 2024 - Normalized

\$ in Millions	For the Month of October 2024				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 70.6	\$ 63.1	\$ 7.5	12.0%	
Operating Expense	\$ 66.7	\$ 64.2	\$ (2.5)	-3.8%	
<b>Income from Operations</b>	<b>\$ 4.0</b>	<b>\$ (1.1)</b>	<b>\$ 5.1</b>	<b>462.9%</b>	
Operating Margin %	5.5%	-1.8%	7.3%	405.56%	
Non Operating Income **	\$ (4.9)	\$ 3.1	\$ (8.0)	-258.1%	
<b>Net Income</b>	<b>\$ (0.9)</b>	<b>\$ 2.0</b>	<b>\$ (2.9)</b>	<b>-145.4%</b>	
Net Income Margin %	-1.3%	3.2%	-4.5%	-140.6%	

**\*\*Non Operating Income Excludes Normalizing Item of:**

- \$1.2M of FEMA Grant funds received in October



# Executive Summary: Financial Performance

*Salinas Valley Health Income from Operations was \$4.0 million for the month which was favorable to budget by \$5.1M.* The favorable financial performance for the month was driven by the following:

## **Key Favorable Performance Highlights:**

- **Outpatient revenue** was very strong compared to budget by \$20M (14%), due to higher than budgeted patient volumes in the following areas:
  - **OP Surgeries** were over budget by 23% (62 cases).
  - **OP Infusion cases** were over budget by 25% (255 cases).
  - **CT Scans** were over budget by 12% (217 scans).
  - **MRI Scans** were over budget by 5% (11 scans).
- **Inpatient Surgeries** were over budget by 17% (22 cases).
- **Total Inpatient Admissions** were 3% (24 admits) above budget.
- **Average Length of Stay** was 9% favorable to budget at 3.4. Medicare average length of stay CMI adjusted was favorable to budget by 15% at 2.1.

# Executive Summary: Financial Performance – Cont'd

## ■ Key Unfavorable Performance Highlights:

- ✓ **Non-Operating Revenue** was unfavorable by \$6.8M primarily due to unrealized investment losses as the result of the decline in interest rates, this was partially offset with FEMA grant funds received in October.
- ✓ **Average Daily Census** was under budget by 12% predominately driven by a 17% lower than budgeted average length of stay, offset with a 3% higher than budgeted admissions.
- ✓ **Deliveries** were under budget by 14% (16 cases)
- ✓ **Mammography** cases were below budget 4% (88 cases)
- ✓ **Total Case Mix** was under budget by 5% at 1.53

# Consolidated Financial Summary

## YTD October 2024

\$ in Millions	FY 2024 October YTD			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 268.8	\$ 249.7	\$ 19.1	7.7%
Operating Expense	\$ 259.1	\$ 253.9	\$ (5.2)	-2.0%
<b>Income from Operations *</b>	<b>\$ 9.8</b>	<b>\$ (4.2)</b>	<b>\$ 14.0</b>	<b>333.1%</b>
Operating Margin %	3.6%	-1.7%	5.3%	311.8%
Non Operating Income **	\$ 15.2	\$ 12.2	\$ 3.0	24.6%
<b>Net Income</b>	<b>\$ 25.0</b>	<b>\$ 8.0</b>	<b>\$ 17.0</b>	<b>212.4%</b>
Net Income Margin %	9.3%	3.2%	6.1%	190.6%

### \*\*Non Operating Income includes:

- \$1.2M of FEMA Grant funds received in October
- \$1.8M Favorable Investment Income

# Consolidated Financial Summary

## YTD October 2024 - Normalized

\$ in Millions	FY 2024 October YTD				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 268.8	\$ 249.7	\$ 19.1	7.6%	
Operating Expense	\$ 259.1	\$ 253.9	\$ (5.2)	-2.0%	
<b>Income from Operations</b>	<b>\$ 9.7</b>	<b>\$ (4.2)</b>	<b>\$ 13.9</b>	<b>331.0%</b>	
Operating Margin %	3.6%	-1.7%	5.3%	311.8%	
Non Operating Income **	\$ 14.0	\$ 12.2	\$ 1.8	14.8%	
<b>Net Income</b>	<b>\$ 23.7</b>	<b>\$ 8.0</b>	<b>\$ 15.7</b>	<b>196.3%</b>	
Net Income Margin %	8.8%	3.2%	5.6%	175.0%	

**\*\*Non Operating Income Excludes Normalizing Item of:**

- \$1.2M of FEMA Grant funds received in October

**\*\*Non Operating Income favorable budget impact includes**  
**\$2.6M Favorable Investment Income**

# SVHMC Revenue Highlights October 2024

Gross Revenues  
were 8.1%  
*favorable* to  
budget

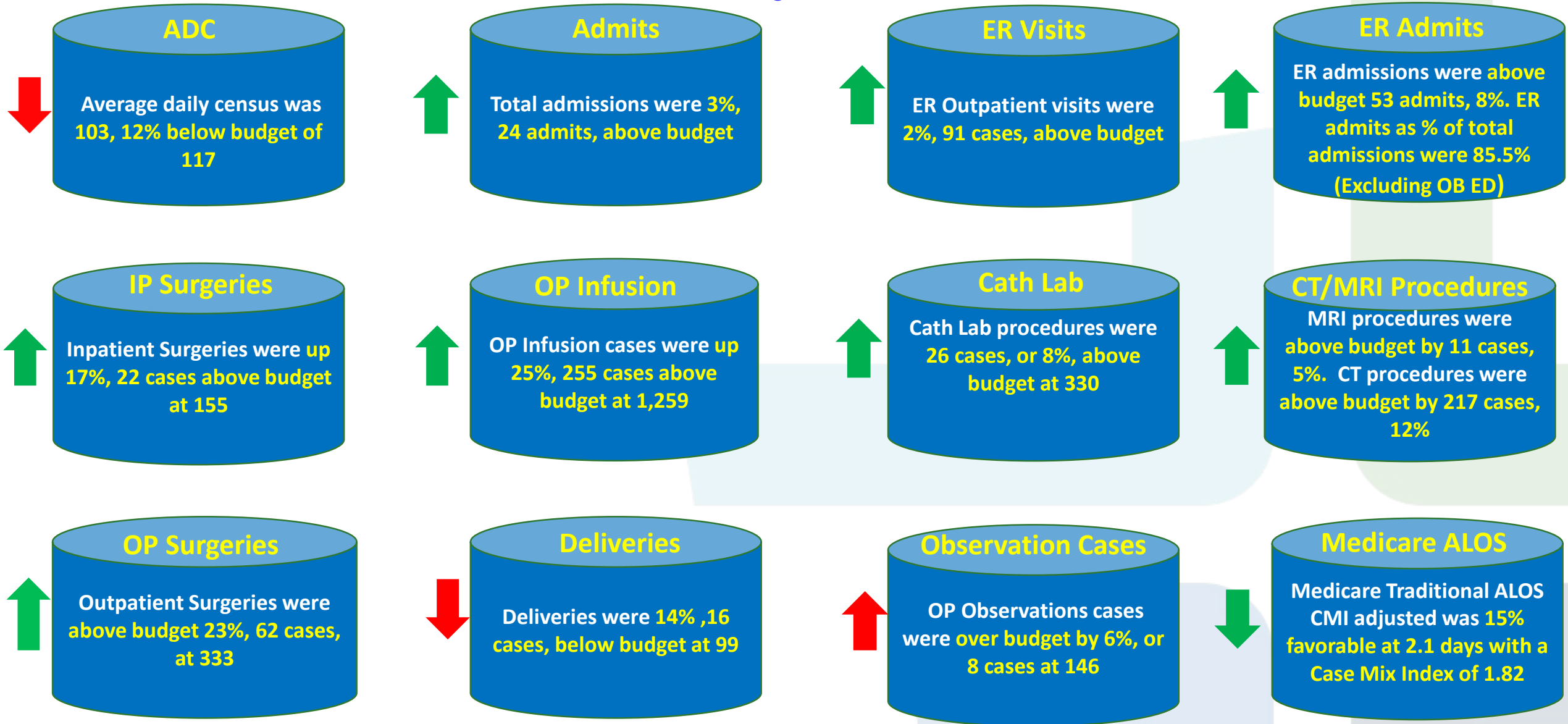
- IP Gross Revenues were 9.0% *unfavorable* to budget
- ED Gross Revenues were 4.7% *favorable* to budget
- OP Gross Revenues were 32.9% *favorable* to budget in the following areas:
  - OP Infusion
  - OP Surgery
  - CT & MRI

- Commercial: 9% *above* budget
- Medicaid: 14% *above* budget
- Medicare: 4% *above* budget

**Payor Mix –Neutral**

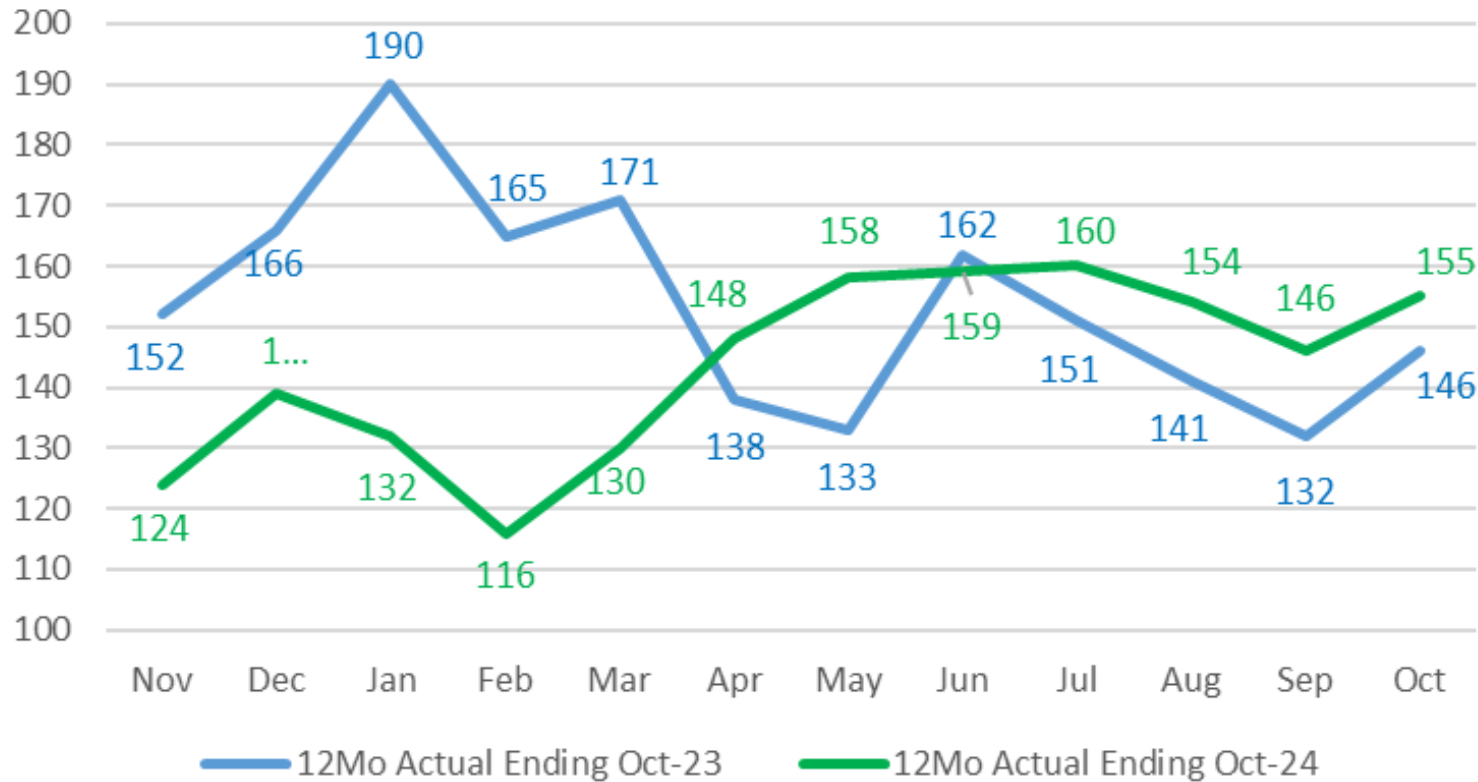
Total Net Patient  
Revenues were \$59.7M,  
which was *favorable* to  
budget by \$8.1M or  
15.7%

# Financial Summary – October 2024



# IP Surgery Cases – October 2024

IP Surgery Cases



IP Surgery Cases – month variance from prior year – 9 cases higher:

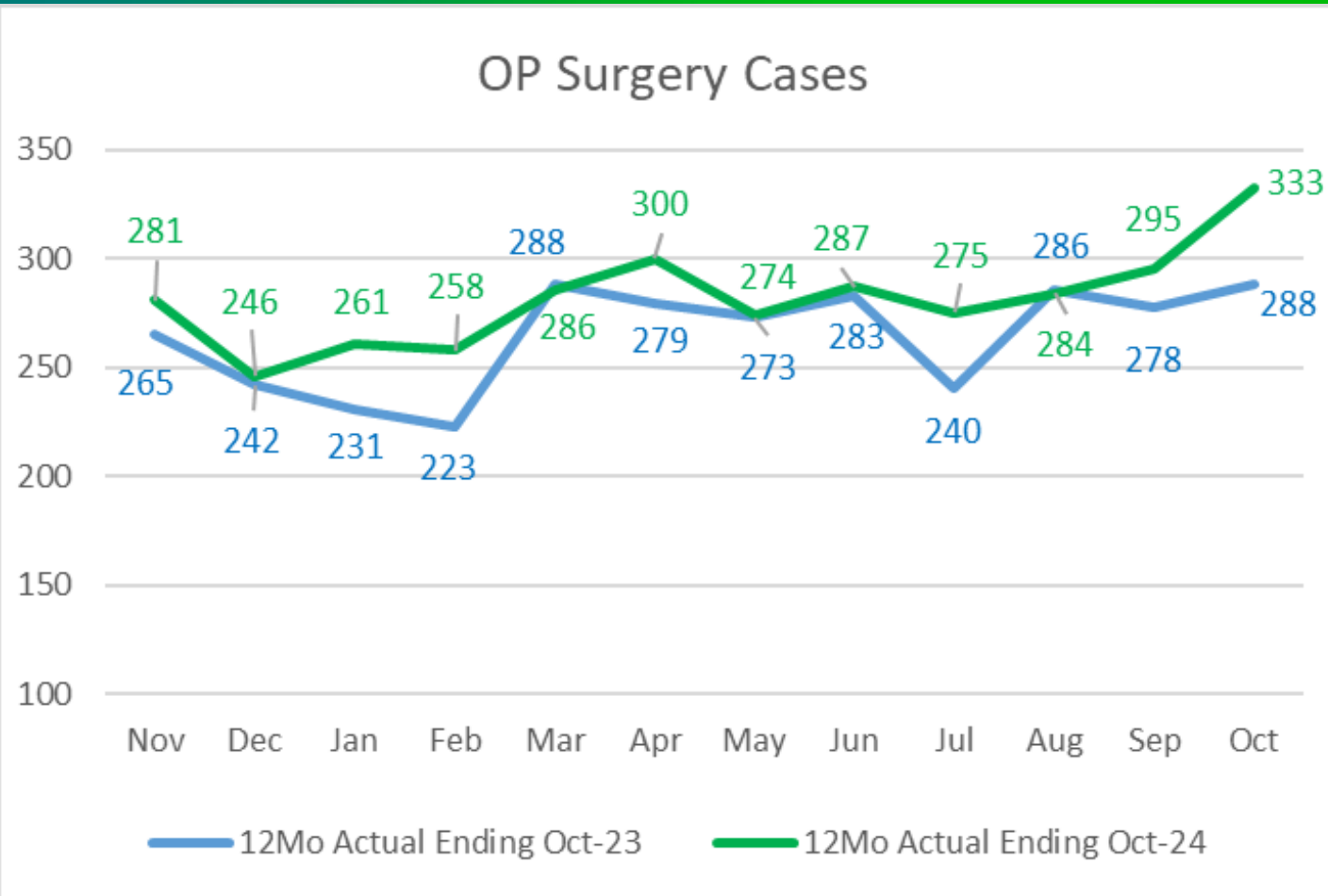
Increases:

- General Surgery up 31 cases (new surgeon in Oct)

Decreases:

- Orthopedics down 15 cases
- Vascular and Thoracic down 7 cases (surgeon resigned in December)

# OP Surgery Cases – October 2024



OP Surgery Cases – month variance from prior year – 45 cases higher:

## Increases:

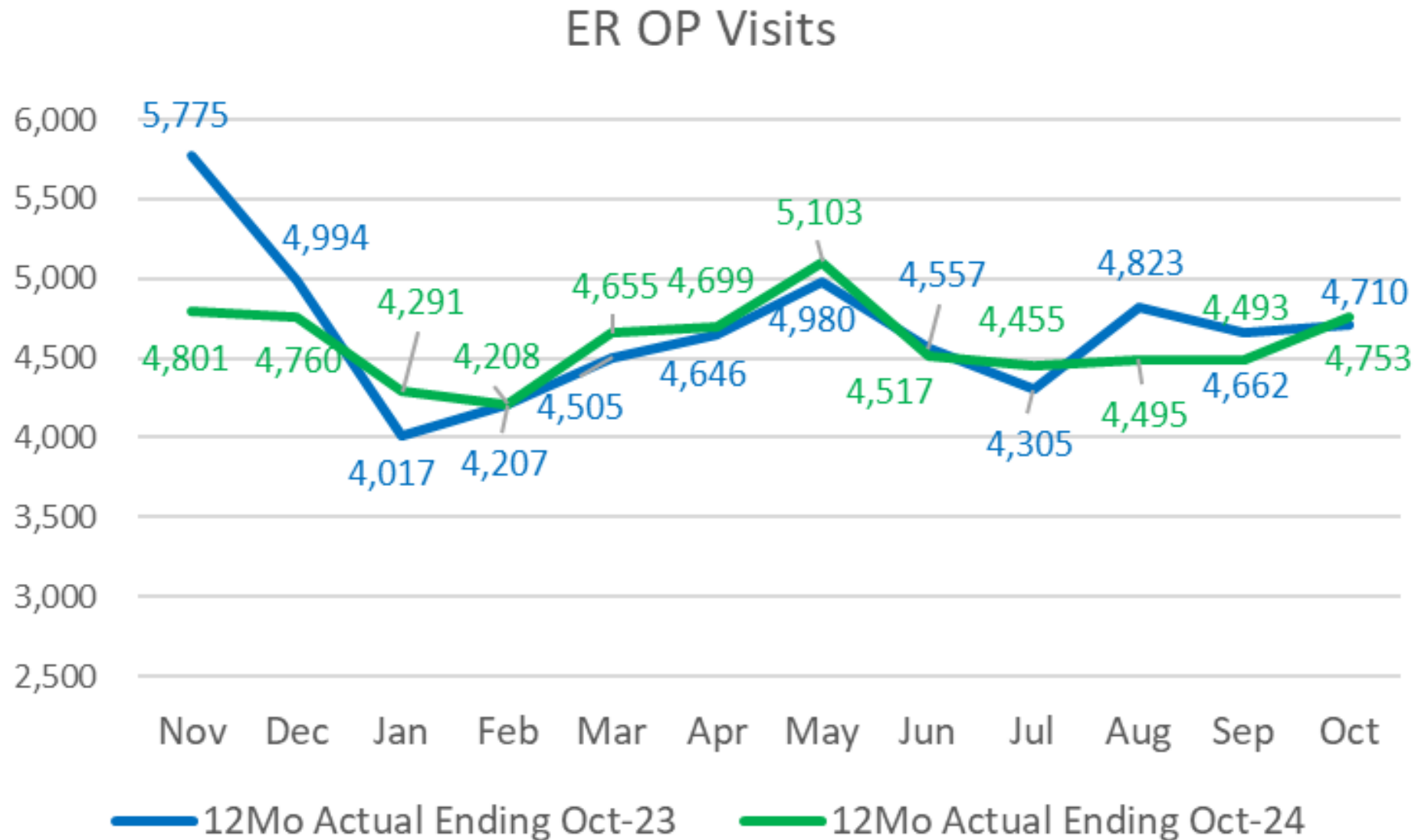
- General Surgery up 33 (new surgeon in Oct)
- Orthopedics up 16 cases (surgeon started in Nov 2023)

## Decreases:

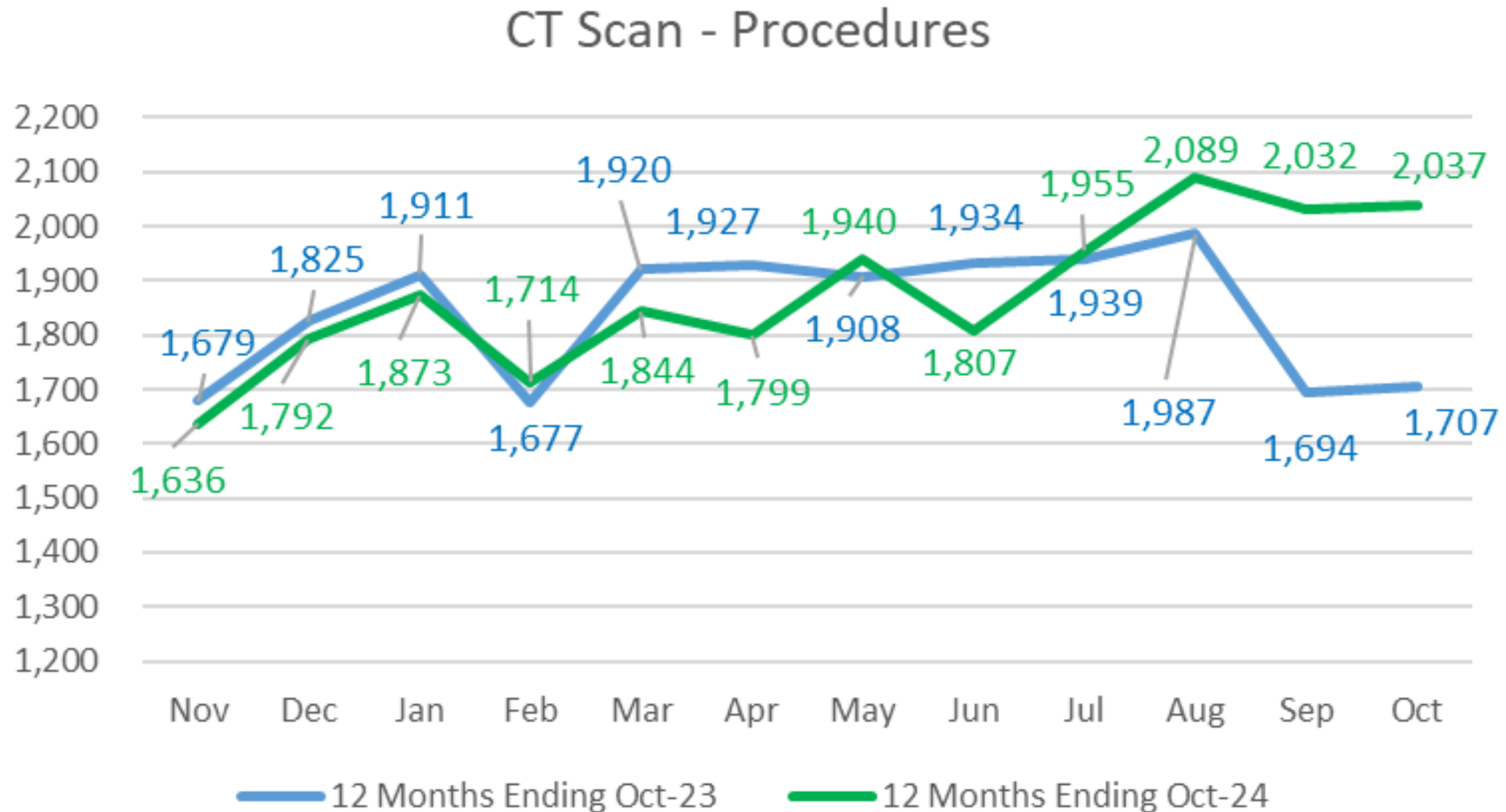
- Urology down 7 cases (surgeon resigned in Aug 2024)



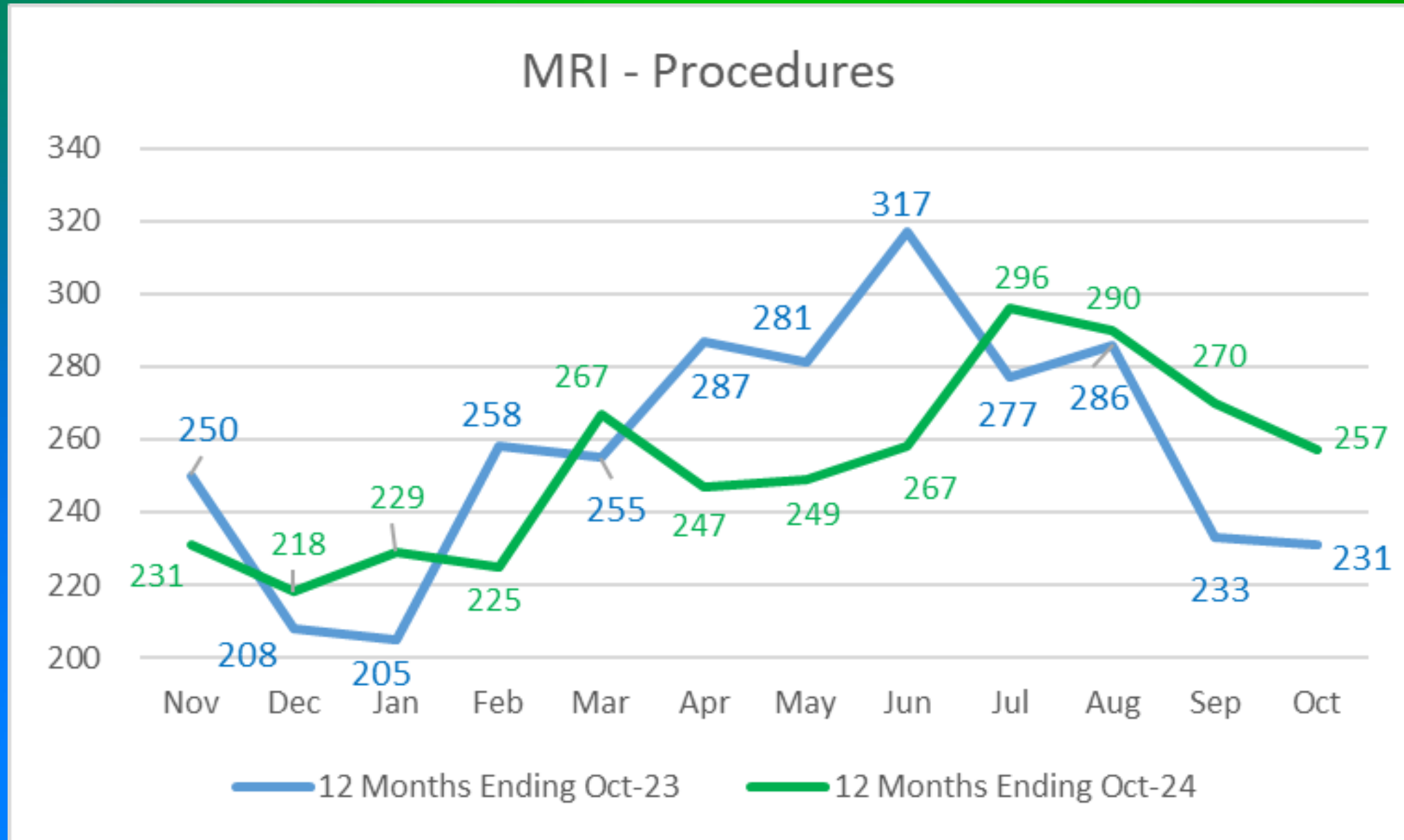
# ER OP Visits – October 2024



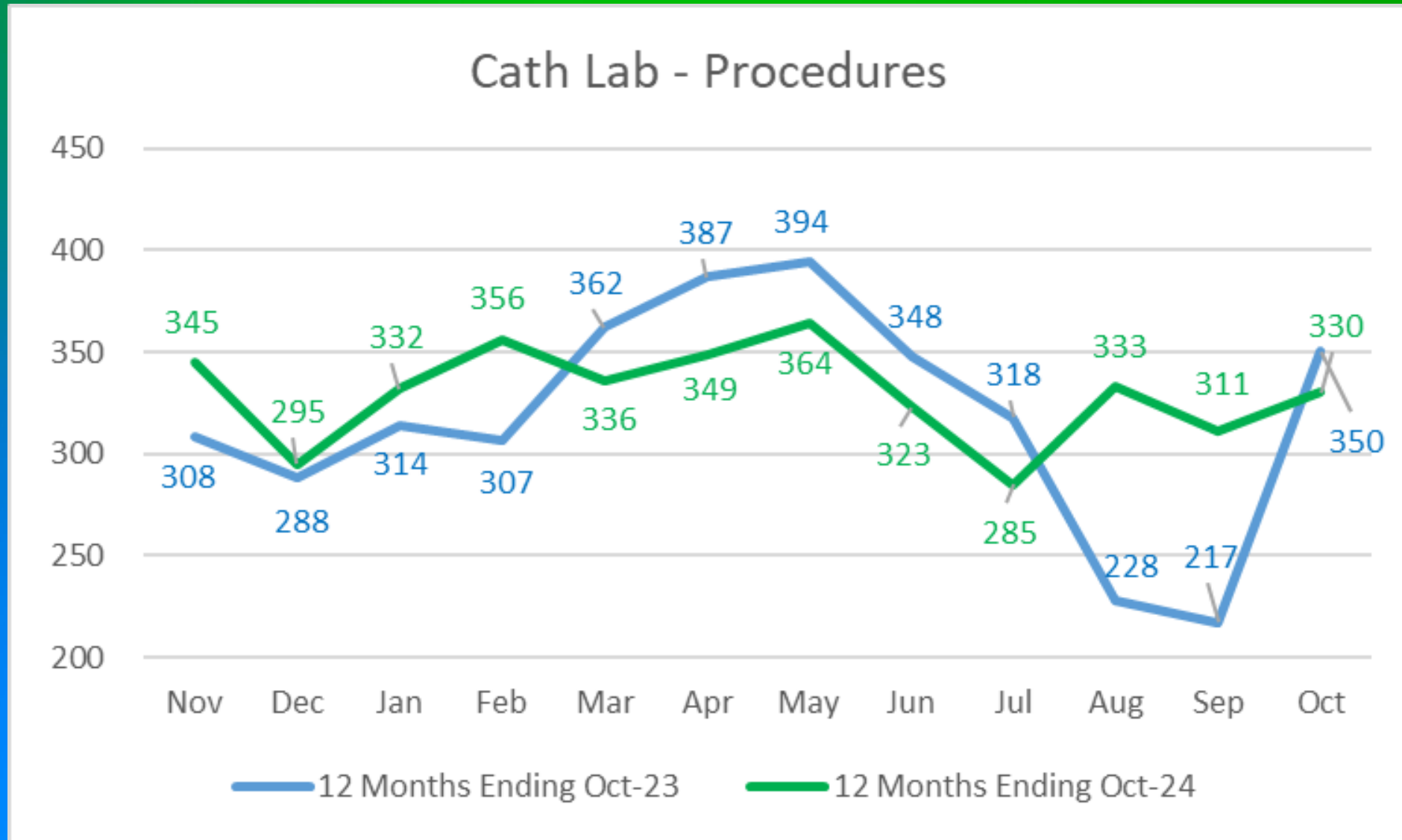
# CT Scans – October 2024



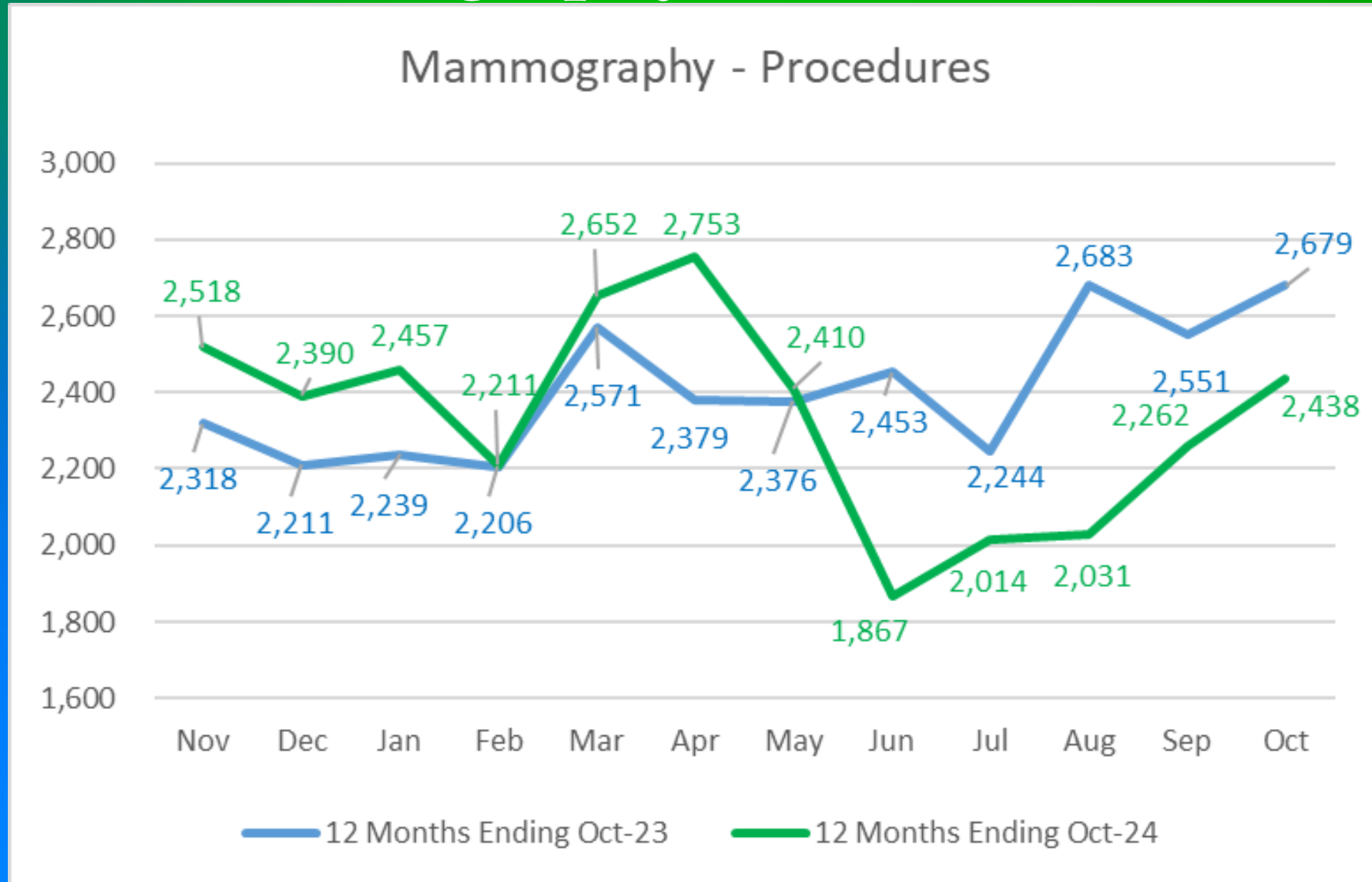
# MRI – October 2024



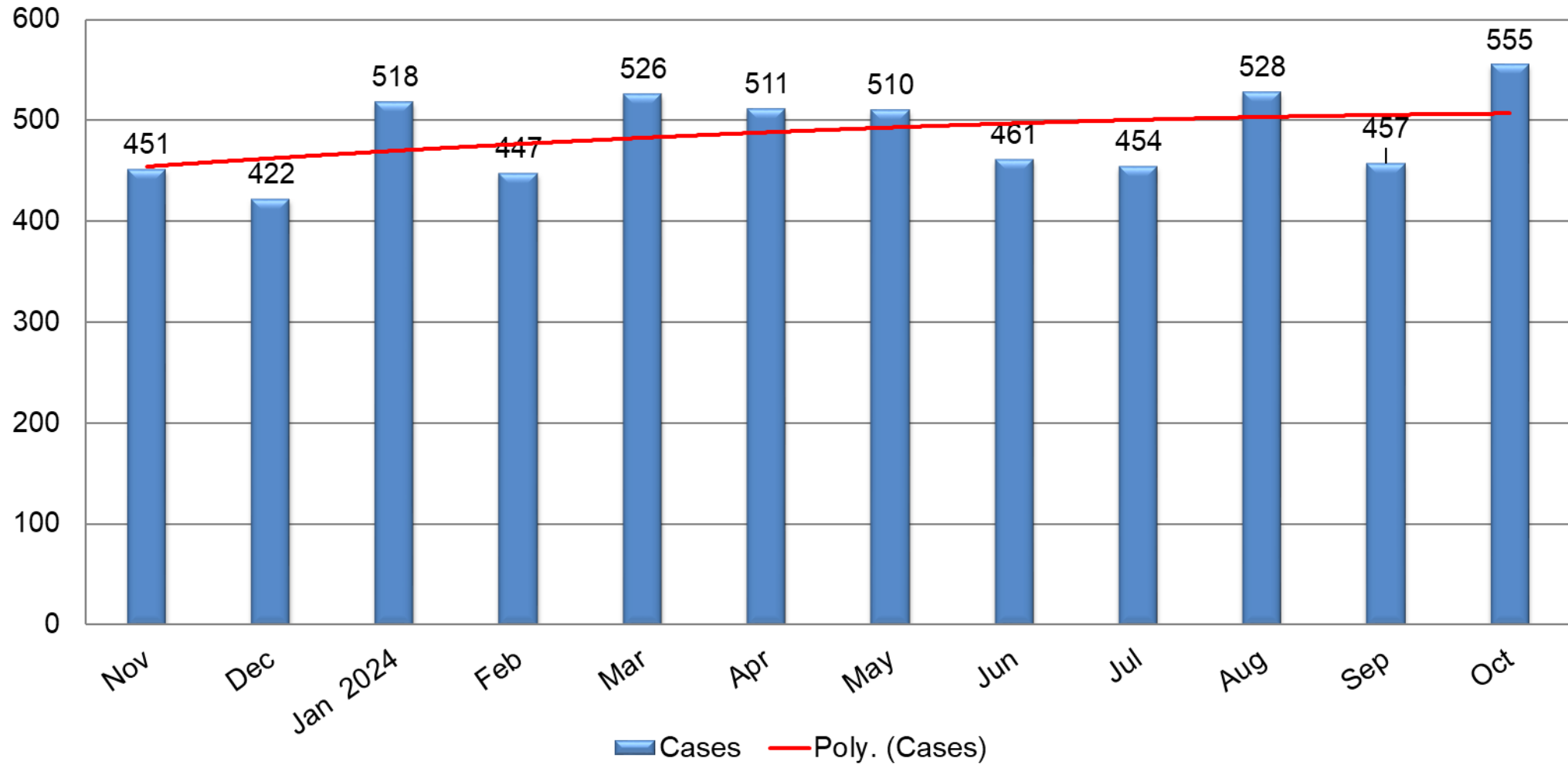
# Cath Lab – October 2024



# Mammography – October 2024



## CDOC Cases - Rolling 12 Month Trend Nov 2023 thru Oct 2024

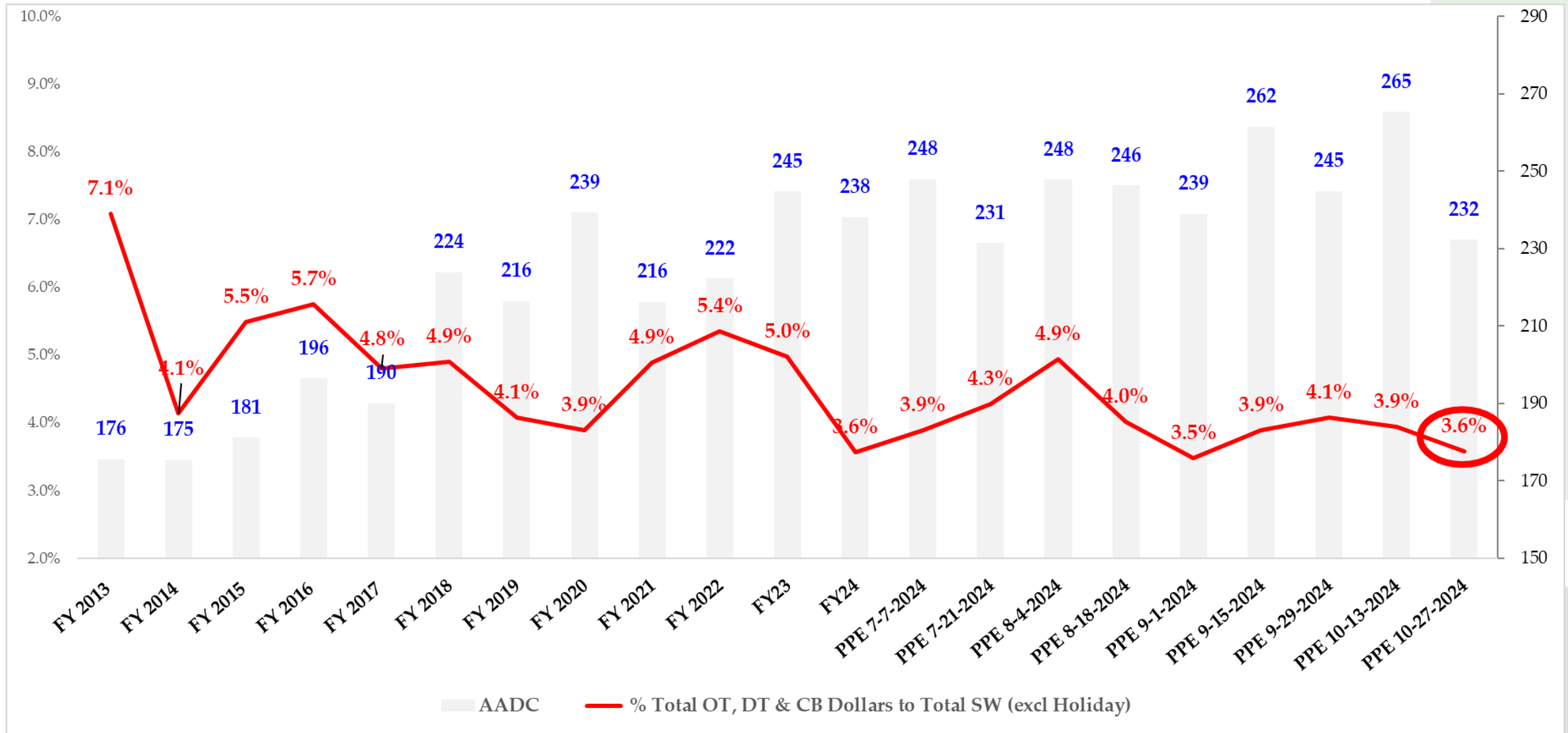


# Labor Productivity – October 2024

- 1. Worked FTEs:** During the month of October, worked FTEs on a PAADC basis were 2.2% favorable at **6.5** with a target of **6.6**. *When reviewed on a unit-by-unit level, the variance was **23.3 FTEs negative (\$342k)**. The variance occurred as volume dropped from a FY25 high AADC of 265 in the first pay period of the month to a low of 232 in the second pay period of the month (12.5%). The sudden drop drove significant variances in inpatient adult nursing units and other departments that use patient day or inpatient procedure related metrics.*
- 2. Worked FTEs** decreased from 1,536 in September to 1,549 in October. Average daily census decreased by 15 compared to prior month at 103 (12% below budget).
- 3. Paid FTEs:** On a PAADC basis, paid FTEs were **3.5%** favorable to budget at **7.5 actual vs. 7.8 budget**. Paid FTE increased from 1,814 in September to 1,807 in October.

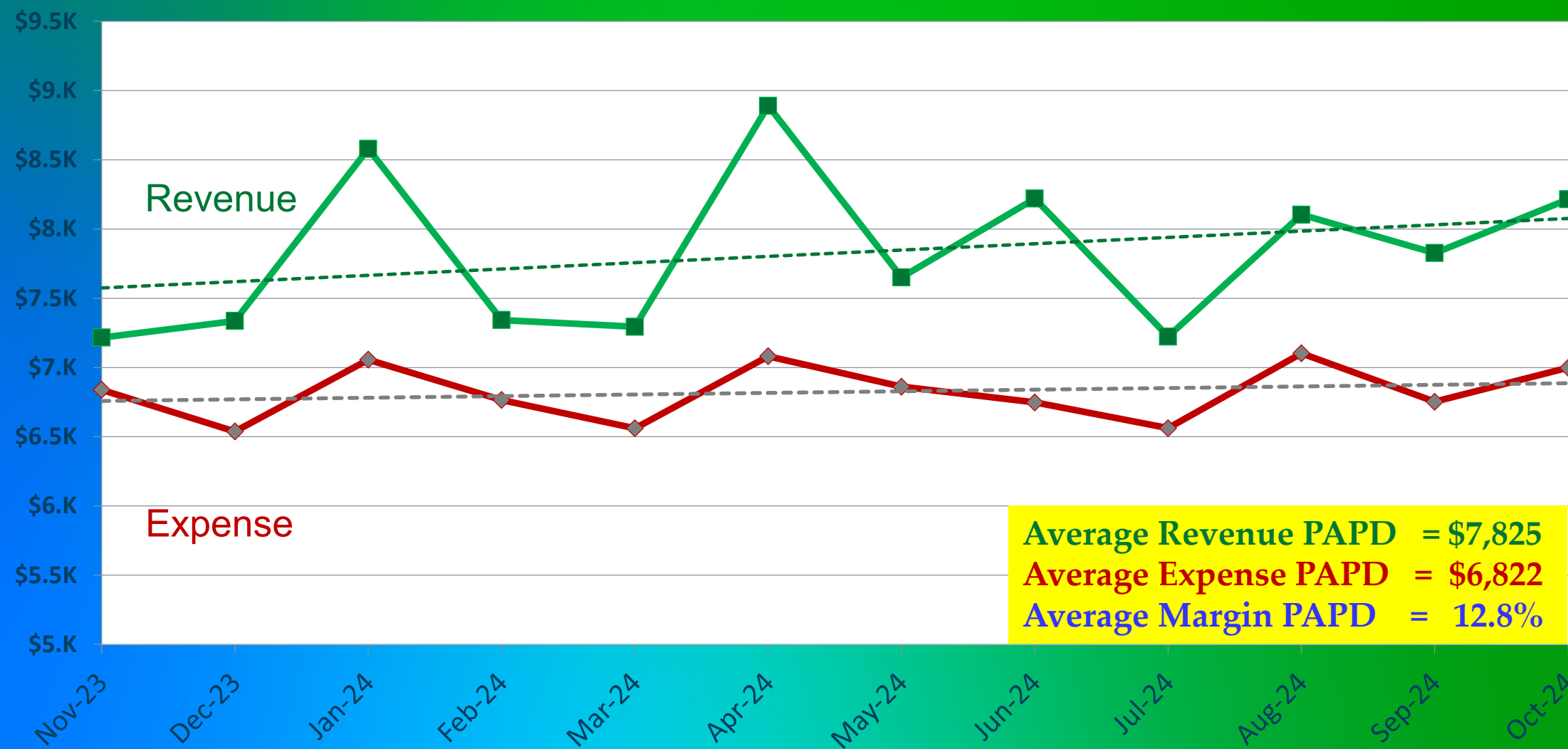
# % of Total OT, DT & CB Dollars to Total S&W

## Updated Thru PPE 10-27-24

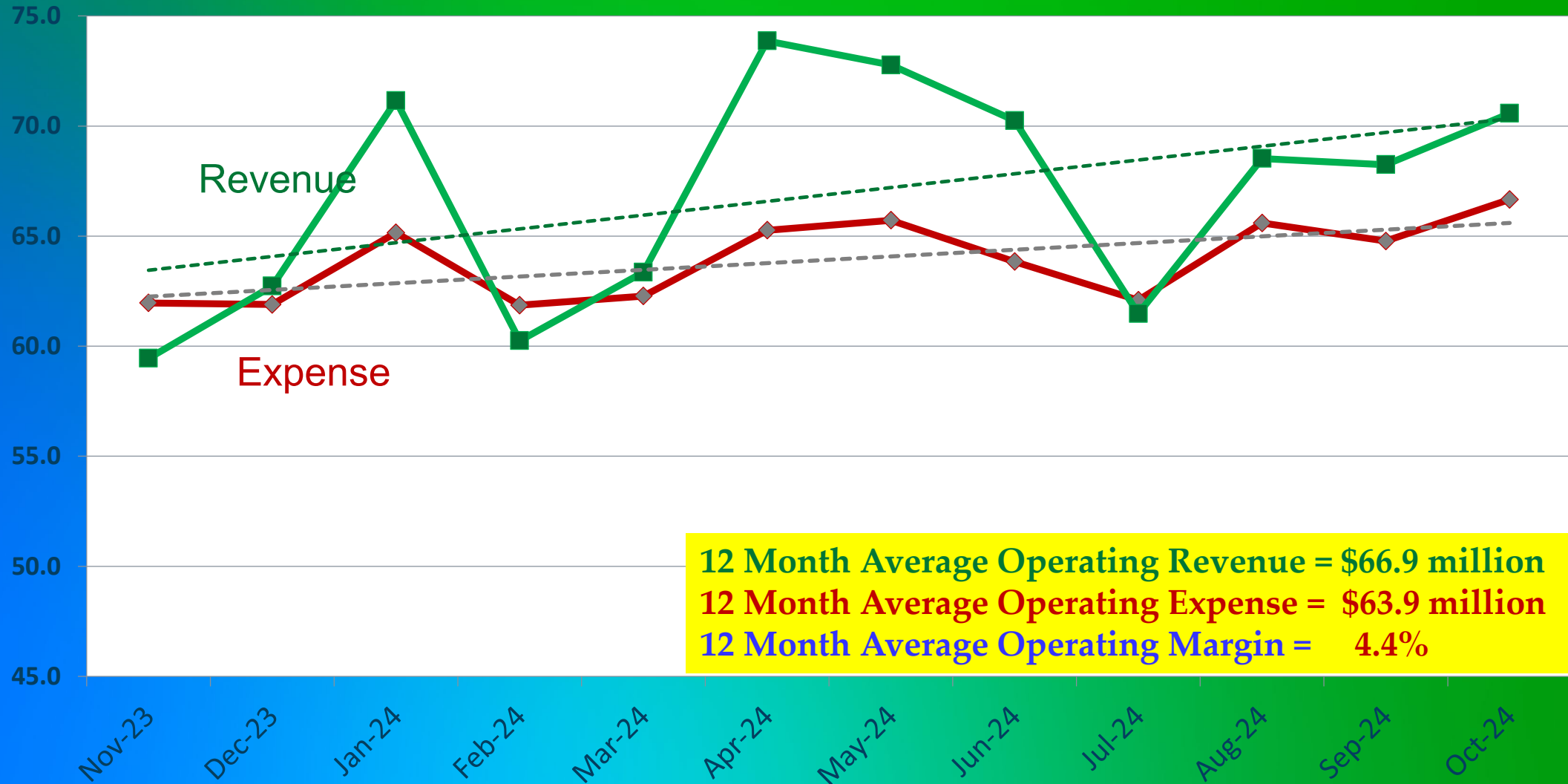




# SVHMC Revenues & Expenses Per Adjusted Patient Day Rolling 12 Months: Nov 23 to Oct 24



# SVH Consolidated Revenues & Expenses Rolling 12 Months: Nov 23 to Oct 24



# Salinas Valley Health Key Financial Indicators

	YTD	SVH		S&P A+ Rated		YTD	
Statistic	10/31/24	Target	+/-	Hospitals	+/-	10/31/23	+/-
Operating Margin*	3.6%	5.0%		4.0%		-5.6%	
Total Margin*	8.8%	6.0%		6.6%		5.7%	
EBITDA Margin**	8.0%	7.4%		13.6%		-0.9%	
Days of Cash*	365	305		249		337	
Days of Accounts Payable*	45	45		-		46	
Days of Net Accounts Receivable***	61	45		49		53	
Supply Expense as % NPR	14.3%	14.0%		-		14.3%	
SWB Expense as % NPR	53.0%	53.0%		53.7%		58.7%	
Operating Expense per APD*	6,778	6,739		-		6,782	

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

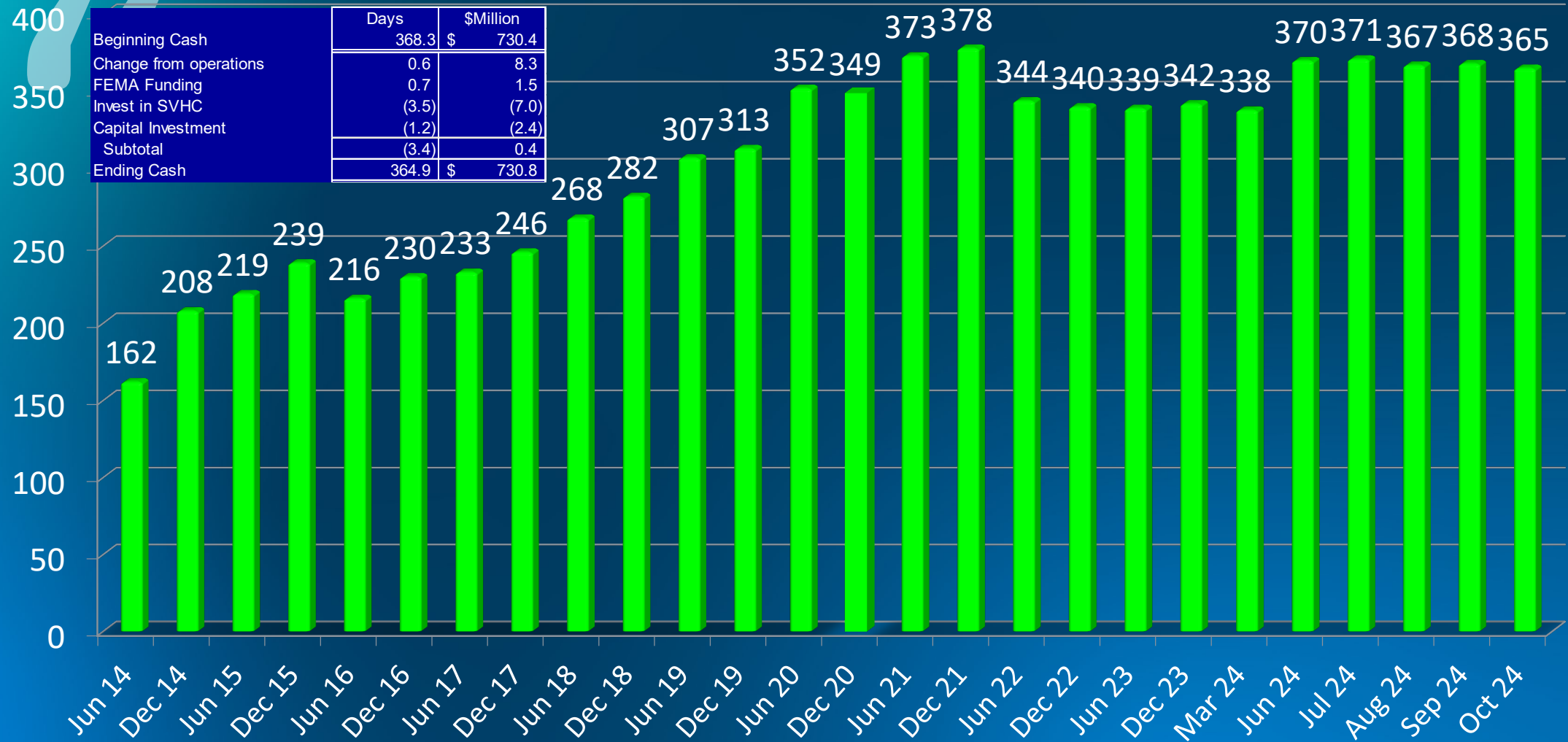
\*These metrics have been adjusted for normalizing items

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

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

# Salinas Valley Health

## Days Cash on Hand = 365 Days (\$731M) - October 2024



# Routine Capital Expenditures Through October 2024

Fiscal Month	FY 2025 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,916,667	712,780	1,203,887	Angio Equipment Replacement	22,566
August	1,916,667	1,382,572	1,737,981	Cath Lab Equipment Replacement	19,675
September	1,916,667	729,309	2,925,338	ED Expansion	15,022
October	1,916,667	1,191,148	3,650,857	Nurse Call System	8,801
November	1,916,667		5,567,524	Xray Rooms Equipment Replacement	3,177
December	1,916,667		7,484,191	Total Improvements	69,241
January	1,916,667		9,400,857	Computed Tomography (CT) System	217,866
February	1,916,667		11,317,524	Ultrasound Image Guided Therapy	197,380
March	1,916,667		13,234,191	Surgery Mako Robotic Arm System Trays	180,668
April	1,916,667		15,150,857	Nuclear Med D-Spect Camera	87,115
May	1,916,667		17,067,524	Miscellaneous	438,878
June	1,916,667		18,984,191	Total Equipment	1,121,907
<b>YTD TOTAL</b>	<b>23,000,000</b>	<b>4,015,809</b>	<b>18,984,191</b>	<b>Grand Total</b>	<b>1,191,148</b>

# Questions/Comments

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

	<u>Month of October,</u>		<u>Four months ended October 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 59,686,015	\$ 45,775,024	\$ 224,212,113	\$ 187,298,780
Other operating revenue	<u>1,384,449</u>	<u>1,164,498</u>	<u>5,835,367</u>	<u>4,485,356</u>
Total operating revenue	<u>61,070,464</u>	<u>46,939,522</u>	<u>230,047,480</u>	<u>191,784,136</u>
Total operating expenses	52,020,721	46,591,831	200,980,108	187,903,965
Total non-operating income	<u>(9,085,204)</u>	<u>(2,820,446)</u>	<u>(5,215,178)</u>	<u>(6,919,489)</u>
Operating and non-operating income	<u>\$ (35,461)</u>	<u>\$ (2,472,754)</u>	<u>\$ 23,852,194</u>	<u>\$ (3,039,318)</u>

SALINAS VALLEY HEALTH MEDICAL CENTER  
BALANCE SHEETS  
October 31, 2024

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 408,152,387	\$ 333,136,641
Assets whose use is limited or restricted by board	169,484,998	159,428,816
Capital assets	251,735,690	249,059,774
Other assets	304,327,504	287,204,788
Deferred pension outflows	<u>85,734,219</u>	<u>116,911,125</u>
	<u>\$ 1,219,434,798</u>	<u>\$ 1,145,741,144</u>
LIABILITIES AND EQUITY:		
Current liabilities	90,203,089	88,330,726
Long term liabilities	19,269,855	20,095,669
Lease deferred inflows	1,597,633	2,236,413
Pension liability	90,863,576	118,792,064
Net assets	<u>1,017,500,645</u>	<u>916,286,272</u>
	<u>\$ 1,219,434,798</u>	<u>\$ 1,145,741,144</u>



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

	<u>Month of October,</u>		<u>Four months ended October 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,512	1,770	6,621	6,981
Medi-Cal	1,072	1,062	4,140	3,943
Commercial insurance	447	618	2,172	2,617
Other patient	96	41	453	416
Total patient days	<u>3,127</u>	<u>3,491</u>	<u>13,386</u>	<u>13,957</u>
Gross revenue:				
Medicare	\$ 124,948,897	\$ 111,861,110	\$ 496,429,257	\$ 435,016,498
Medi-Cal	84,090,174	72,269,584	321,301,717	265,522,537
Commercial insurance	59,843,842	50,764,131	232,866,679	207,746,023
Other patient	9,958,979	5,945,542	43,182,825	34,985,267
Gross revenue	<u>278,841,892</u>	<u>240,840,366</u>	<u>1,093,780,478</u>	<u>943,270,326</u>
Deductions from revenue:				
Administrative adjustment	306,461	345,030	1,414,000	995,072
Charity care	285,450	1,137,235	1,699,263	3,339,493
Contractual adjustments:				
Medicare outpatient	43,549,472	32,370,856	168,870,756	135,005,458
Medicare inpatient	43,110,669	45,454,280	183,056,641	180,714,692
Medi-Cal traditional outpatient	1,384,951	3,079,984	6,096,229	10,995,770
Medi-Cal traditional inpatient	5,298,827	5,121,884	25,255,236	18,224,509
Medi-Cal managed care outpatient	42,614,473	30,889,399	157,159,906	117,574,636
Medi-Cal managed care inpatient	25,980,646	23,804,305	100,822,144	89,909,016
Commercial insurance outpatient	29,500,251	28,092,912	106,814,458	93,807,839
Commercial insurance inpatient	20,017,265	21,742,113	89,446,075	84,674,506
Uncollectible accounts expense	5,936,342	4,256,551	21,776,842	16,977,482
Other payors	1,171,070	(1,229,206)	7,156,815	3,753,072
Deductions from revenue	<u>219,155,877</u>	<u>195,065,342</u>	<u>869,568,365</u>	<u>755,971,545</u>
Net patient revenue	<u>\$ 59,686,015</u>	<u>\$ 45,775,024</u>	<u>\$ 224,212,113</u>	<u>\$ 187,298,780</u>
Gross billed charges by patient type:				
Inpatient	\$ 119,609,803	\$ 119,490,021	\$ 507,184,524	\$ 474,132,357
Outpatient	126,291,443	91,663,337	457,191,955	349,820,626
Emergency room	32,940,646	29,687,009	129,403,999	119,317,343
Total	<u>\$ 278,841,892</u>	<u>\$ 240,840,366</u>	<u>\$ 1,093,780,478</u>	<u>\$ 943,270,326</u>

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

	<u>Month of October,</u>		<u>Four months ended October 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 59,686,015	\$ 45,775,024	\$ 224,212,113	\$ 187,298,780
Other operating revenue	<u>1,384,449</u>	<u>1,164,498</u>	<u>5,835,367</u>	<u>4,485,356</u>
Total operating revenue	<u>61,070,464</u>	<u>46,939,522</u>	<u>230,047,480</u>	<u>191,784,136</u>
Operating expenses:				
Salaries and wages	17,840,445	17,316,172	69,910,189	65,709,240
Compensated absences	3,199,695	3,733,512	12,892,793	12,440,217
Employee benefits	9,686,002	7,406,798	35,034,970	33,344,319
Supplies, food, and linen	8,766,666	7,420,540	33,856,578	27,987,266
Purchased department functions	3,976,874	2,141,107	15,473,276	14,500,016
Medical fees	2,526,919	2,025,614	9,678,784	9,695,478
Other fees	2,053,422	1,990,310	7,074,053	8,412,234
Depreciation	2,510,650	3,565,600	9,968,547	9,409,010
All other expense	<u>1,460,048</u>	<u>992,178</u>	<u>7,090,918</u>	<u>6,406,185</u>
Total operating expenses	<u>52,020,721</u>	<u>46,591,831</u>	<u>200,980,108</u>	<u>187,903,965</u>
Income from operations	<u>9,049,743</u>	<u>347,691</u>	<u>29,067,372</u>	<u>3,880,171</u>
Non-operating income:				
Donations	1,290,259	54,244	2,336,771	1,186,931
Property taxes	476,714	333,333	1,906,857	1,333,333
Investment income	(5,849,629)	1,326,514	9,172,943	7,015,808
Taxes and licenses	0	0	0	0
Income from subsidiaries	<u>(5,002,548)</u>	<u>(4,534,537)</u>	<u>(18,631,749)</u>	<u>(16,455,561)</u>
Total non-operating income	<u>(9,085,204)</u>	<u>(2,820,446)</u>	<u>(5,215,178)</u>	<u>(6,919,489)</u>
Operating and non-operating income	<u>(35,461)</u>	<u>(2,472,754)</u>	<u>23,852,194</u>	<u>(3,039,318)</u>
Net assets to begin	<u>1,017,536,106</u>	<u>918,759,027</u>	<u>993,648,451</u>	<u>919,325,589</u>
Net assets to end	<u>\$ 1,017,500,645</u>	<u>\$ 916,286,272</u>	<u>\$ 1,017,500,645</u>	<u>\$ 916,286,272</u>
Net income excluding non-recurring items	\$ (35,461)	\$ (2,472,754)	\$ 23,852,194	\$ (3,039,318)
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating and non-operating income	<u>\$ (35,461)</u>	<u>\$ (2,472,754)</u>	<u>\$ 23,852,194</u>	<u>\$ (3,039,318)</u>

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

	<u>Month of October,</u>		<u>Four months ended October 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Detail of income from subsidiaries:				
Salinas Valley Health Clinics				
Pulmonary Medicine Center	\$ (138,205)	\$ (190,308)	\$ (732,059)	\$ (756,288)
Neurological Clinic	(81,009)	(75,925)	(261,261)	(271,408)
Palliative Care Clinic	(105,397)	(91,337)	(451,874)	(324,335)
Surgery Clinic	(243,593)	(150,672)	(741,961)	(727,228)
Infectious Disease Clinic	(51,038)	(30,130)	(159,447)	(124,674)
Endocrinology Clinic	(259,093)	(186,720)	(895,568)	(816,873)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(864,639)	(507,023)	(2,206,962)	(2,099,420)
OB/GYN Clinic	(365,301)	(392,482)	(1,609,219)	(1,444,125)
PrimeCare Medical Group	(913,154)	(779,642)	(3,537,137)	(3,289,907)
Oncology Clinic	(351,019)	(294,875)	(1,522,349)	(1,217,149)
Cardiac Surgery	(344,795)	(348,814)	(1,384,939)	(1,267,006)
Sleep Center	(89,300)	(43,679)	(343,300)	(162,110)
Rheumatology	(75,112)	(66,637)	(300,665)	(255,402)
Precision Ortho MDs	(527,473)	(520,151)	(1,754,024)	(1,726,403)
Precision Ortho-MRI	0	0	0	0
Precision Ortho-PT	(65,494)	(35,268)	(304,722)	(166,527)
Vaccine Clinic	0	0	0	0
Dermatology	(42,221)	(55,310)	(175,966)	(159,760)
Hospitalists	0	0	0	0
Behavioral Health	(35,145)	(55,202)	(160,409)	(165,387)
Pediatric Diabetes	(36,519)	(49,616)	(182,453)	(192,882)
Neurosurgery	(124,456)	(30,859)	(478,428)	(112,813)
Multi-Specialty-RR	13,255	5,202	46,972	20,834
Radiology	(337,638)	(347,064)	(1,337,982)	(877,791)
Salinas Family Practice	(130,928)	(150,620)	(443,648)	(535,775)
Urology	(199,451)	(182,444)	(808,779)	(671,721)
Total SVHC	(5,367,725)	(4,579,576)	(19,746,180)	(17,344,150)
Doctors on Duty	195,615	(113,284)	319,176	187,029
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	95,268	73,090	622,717	429,379
Coastal	0	38,901	(101,474)	147,588
Apex	29,076	0	29,076	0
21st Century Oncology	0	6,892	0	(14,709)
Monterey Bay Endoscopy Center	45,219	39,440	244,936	139,302
Total	<u>\$ (5,002,548)</u>	<u>\$ (4,534,537)</u>	<u>\$ (18,631,749)</u>	<u>\$ (16,455,561)</u>

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

	<u>Current year</u>	<u>Prior year</u>
<b>A S S E T S</b>		
Current assets:		
Cash and cash equivalents	\$ 270,021,236	\$ 221,048,651
Patient accounts receivable, net of estimated uncollectibles of \$49,225,892	112,900,273	87,188,314
Supplies inventory at cost	9,846,357	8,001,510
Current portion of lease receivable	1,289,074	1,538,727
Other current assets	<u>14,095,447</u>	<u>15,359,439</u>
Total current assets	<u>408,152,387</u>	<u>333,136,641</u>
Assets whose use is limited or restricted by board	<u>169,484,998</u>	<u>159,428,816</u>
Capital assets:		
Land and construction in process	48,502,455	68,332,034
Other capital assets, net of depreciation	<u>203,233,235</u>	<u>180,727,740</u>
Total capital assets	<u>251,735,690</u>	<u>249,059,774</u>
Other assets:		
Right of use assets, net of amortization	6,786,470	5,043,074
Long term lease receivable	340,754	854,047
Subscription assets, net of amortization	8,533,482	9,131,508
Investment in Securities	262,705,786	247,644,024
Investment in SVMC	2,798,047	11,488,106
Investment in Coastal	1,804,972	1,829,229
Investment in other affiliates	21,870,092	15,964,426
Net pension asset	<u>(512,099)</u>	<u>(4,749,626)</u>
Total other assets	<u>304,327,504</u>	<u>287,204,788</u>
Deferred pension outflows	<u>85,734,219</u>	<u>116,911,125</u>
	<u><u>\$ 1,219,434,798</u></u>	<u><u>\$ 1,145,741,144</u></u>
<b>L I A B I L I T I E S   A N D   N E T   A S S E T S</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 58,133,799	\$ 58,871,640
Due to third party payers	3,689,071	5,308,933
Current portion of self-insurance liability	22,468,642	17,862,738
Current subscription liability	3,374,059	4,465,124
Current portion of lease liability	<u>2,537,518</u>	<u>1,822,291</u>
Total current liabilities	90,203,089	88,330,726
Long term portion of workers comp liability	12,078,720	13,027,333
Long term portion of lease liability	4,315,611	3,418,351
Long term subscription liability	<u>2,875,524</u>	<u>3,649,985</u>
Total liabilities	<u>109,472,944</u>	<u>108,426,395</u>
Lease deferred inflows	1,597,633	2,236,413
Pension liability	<u>90,863,576</u>	<u>118,792,064</u>
Net assets:		
Invested in capital assets, net of related debt	251,735,690	249,059,774
Unrestricted	<u>765,764,955</u>	<u>667,226,498</u>
Total net assets	<u>1,017,500,645</u>	<u>916,286,272</u>
	<u><u>\$ 1,219,434,798</u></u>	<u><u>\$ 1,145,741,144</u></u>

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

	Month of October,			Four months ended October 31,			
	Actual	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:							
Gross billed charges	\$ 278,841,892	\$ 20,929,304	8.11%	\$ 1,093,780,478	\$ 1,023,354,151	70,426,327	6.88%
Deductions from revenue	219,155,877	12,703,305	6.15%	869,568,365	818,771,617	50,796,748	6.20%
Net patient revenue	59,686,015	8,225,999	15.99%	224,212,113	204,582,535	19,629,578	9.59%
Other operating revenue	1,384,449	(68,220)	-4.70%	5,835,367	5,810,676	24,691	0.42%
<b>Total operating revenue</b>	<b>61,070,464</b>	<b>8,157,779</b>	<b>15.42%</b>	<b>230,047,480</b>	<b>210,393,211</b>	<b>19,654,269</b>	<b>9.34%</b>
Operating expenses:							
Salaries and wages	17,840,445	177,094	1.00%	69,910,189	69,115,528	794,661	1.15%
Compensated absences	3,199,695	98,232	3.17%	12,892,793	13,221,987	(329,194)	-2.49%
Employee benefits	9,686,002	1,569,475	19.34%	35,034,970	32,359,470	2,675,500	8.27%
Supplies, food, and linen	8,766,666	1,464,390	20.05%	33,856,578	28,973,012	4,883,566	16.86%
Purchased department functions	3,976,874	151,590	3.96%	15,473,276	15,301,133	172,143	1.13%
Medical fees	2,526,919	41,282	1.66%	9,678,784	9,942,549	(263,765)	-2.65%
Other fees	2,053,422	296,994	16.91%	7,074,053	6,991,652	82,401	1.18%
Depreciation	2,510,650	157,074	6.67%	9,968,547	9,403,140	565,407	6.01%
All other expense	1,460,048	(533,292)	-26.75%	7,090,918	7,964,712	(873,794)	-10.97%
<b>Total operating expenses</b>	<b>52,020,721</b>	<b>3,422,840</b>	<b>7.04%</b>	<b>200,980,108</b>	<b>193,273,183</b>	<b>7,706,925</b>	<b>3.99%</b>
<b>Income from operations</b>	<b>9,049,743</b>	<b>4,734,939</b>	<b>109.74%</b>	<b>29,067,372</b>	<b>17,120,028</b>	<b>11,947,344</b>	<b>69.79%</b>
Non-operating income:							
Donations	1,290,259	1,081,926	519.32%	2,336,771	833,333	1,503,438	180.41%
Property taxes	476,714	(0)	0.00%	1,906,857	1,906,857	(0)	0.00%
Investment income	(5,849,629)	(7,740,802)	-409.31%	9,172,943	7,564,693	1,608,250	21.26%
Income from subsidiaries	(5,002,548)	120,674	-2.36%	(18,631,749)	(20,492,888)	1,861,139	-9.08%
<b>Total non-operating income</b>	<b>(9,085,204)</b>	<b>(6,538,203)</b>	<b>256.70%</b>	<b>(5,215,178)</b>	<b>(10,188,005)</b>	<b>4,972,827</b>	<b>-48.81%</b>
<b>Operating and non-operating income \$</b>	<b>(35,461) \$</b>	<b>(1,803,263)</b>	<b>-102.01%</b>	<b>23,852,194 \$</b>	<b>6,932,023</b>	<b>16,920,171</b>	<b>244.09%</b>

# SALINAS VALLEY HEALTH MEDICAL CENTER

## PATIENT STATISTICAL REPORT

For the month of October and four months to date

	Month of October		Four months to date		Variance
	2023	2024	2023-24	2024-25	
NEWBORN STATISTICS					
Medi-Cal Admissions	35	31	136	142	6
Other Admissions	79	76	329	320	(9)
Total Admissions	114	107	465	462	(3)
Medi-Cal Patient Days	59	120	221	304	83
Other Patient Days	141	54	556	438	(118)
Total Patient Days of Care	200	174	777	742	(35)
Average Daily Census	6.5	5.6	6.3	6.0	(0.3)
Medi-Cal Average Days	1.7	3.9	1.7	2.3	0.6
Other Average Days	1.3	0.7	1.7	1.4	(0.4)
Total Average Days Stay	1.8	1.6	1.7	1.6	(0.1)
ADULTS & PEDIATRICS					
Medicare Admissions	361	391	1,459	1,454	(5)
Medi-Cal Admissions	289	280	977	1,149	172
Other Admissions	371	303	1,153	1,279	126
Total Admissions	1,021	974	3,589	3,882	293
Medicare Patient Days	1,486	1,496	5,942	5,479	(463)
Medi-Cal Patient Days	1,058	981	4,053	4,411	358
Other Patient Days	856	714	3,658	2,981	(677)
Total Patient Days of Care	3,400	3,191	13,653	12,871	(782)
Average Daily Census	109.7	102.9	111.0	104.6	(6.4)
Medicare Average Length of Stay	4.2	3.8	4.1	3.8	(0.4)
Medi-Cal AverageLength of Stay	3.5	3.2	3.6	3.4	(0.2)
Other Average Length of Stay	2.4	1.9	2.5	1.9	(0.6)
Total Average Length of Stay	3.4	2.9	3.4	2.9	(0.4)
Deaths	31	37	100	99	(1)
Total Patient Days	3,600	3,365	14,430	13,613	(817)
Medi-Cal Administrative Days	0	0	5	0	(5)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	0	0	5	0	(5)
Percent Non-Acute	0.00%	0.00%	0.03%	0.00%	-0.03%

# SALINAS VALLEY HEALTH MEDICAL CENTER

## PATIENT STATISTICAL REPORT

For the month of October and four months to date

	Month of October		Four months to date		Variance
	2023	2024	2023-24	2024-25	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	232	271	941	938	(3)
Heart Center	312	313	1,308	1,288	(20)
Monitored Beds	583	570	2,422	2,191	(231)
Single Room Maternity/Obstetrics	307	303	1,257	1,371	114
Med/Surg - Cardiovascular	843	820	3,217	3,320	103
Med/Surg - Oncology	264	271	1,082	1,035	(47)
Med/Surg - Rehab	462	469	1,732	1,825	93
Pediatrics	127	98	498	444	(54)
Nursery	200	174	777	742	(35)
Neonatal Intensive Care	148	76	534	459	(75)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	57.57%	67.25%	58.85%	58.66%	
Heart Center	67.10%	67.31%	70.89%	69.81%	
Monitored Beds	69.65%	68.10%	72.93%	65.97%	
Single Room Maternity/Obstetrics	26.77%	26.42%	27.62%	30.13%	
Med/Surg - Cardiovascular	60.43%	58.78%	58.12%	59.98%	
Med/Surg - Oncology	65.51%	67.25%	67.67%	64.73%	
Med/Surg - Rehab	57.32%	58.19%	54.16%	57.07%	
Med/Surg - Observation Care Unit	0.00%	0.00%	0.00%	0.00%	
Pediatrics	22.76%	17.56%	22.49%	20.05%	
Nursery	39.10%	34.02%	19.14%	18.28%	
Neonatal Intensive Care	43.40%	22.29%	39.47%	33.92%	

# SALINAS VALLEY HEALTH MEDICAL CENTER

## PATIENT STATISTICAL REPORT

For the month of October and four months to date

	<u>Month of October</u>		<u>Four months to date</u>		
	<u>2023</u>	<u>2024</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Variance</u>
<u>DELIVERY ROOM</u>					
Total deliveries	111	123	452	471	19
C-Section deliveries	38	31	147	143	(4)
Percent of C-section deliveries	34.23%	25.20%	32.52%	30.36%	-2.16%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	16,214	20,885	64,377	76,043	11,666
Out-Patient Operating Minutes	31,511	29,584	120,790	135,112	14,322
Total	47,725	50,469	185,167	211,155	25,988
Open Heart Surgeries	9	12	39	50	11
In-Patient Cases	127	134	478	501	23
Out-Patient Cases	307	301	1,184	1,301	117
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	36	31	147	124	(23)
High Risk	677	838	2,774	3,486	712
More Than One Resource	2,842	2,736	11,384	11,144	(240)
One Resource	2,054	1,672	7,642	6,908	(734)
No Resources	123	62	452	283	(169)
Total	<u>5,732</u>	<u>5,339</u>	<u>22,399</u>	<u>21,945</u>	<u>(454)</u>



# SALINAS VALLEY HEALTH MEDICAL CENTER

## PATIENT STATISTICAL REPORT

For the month of October and four months to date

	Month of October		Four months to date		
	2023	2024	2023-24	2024-25	Variance
<b>CENTRAL SUPPLY</b>					
In-patient requisitions	12,414	11,683	52,341	50,899	-1,442
Out-patient requisitions	10,555	12,306	41,856	45,100	3,244
Emergency room requisitions	632	500	3,273	2,997	-276
Interdepartmental requisitions	6,572	6,214	25,495	26,069	574
Total requisitions	30,173	30,703	122,965	125,065	2,100
<b>LABORATORY</b>					
In-patient procedures	34,762	32,821	140,091	138,599	-1,492
Out-patient procedures	21,788	47,796	55,171	179,366	124,195
Emergency room procedures	12,989	12,405	52,069	49,949	-2,120
Total patient procedures	69,539	93,022	247,331	367,914	120,583
<b>BLOOD BANK</b>					
Units processed	298	398	1,236	1,204	-32
<b>ELECTROCARDIOLOGY</b>					
In-patient procedures	1,037	1,049	4,130	4,366	236
Out-patient procedures	398	432	1,564	1,605	41
Emergency room procedures	1,139	1,252	4,808	5,064	256
Total procedures	2,574	2,733	10,502	11,035	533
<b>CATH LAB</b>					
In-patient procedures	142	129	479	518	39
Out-patient procedures	123	132	413	521	108
Emergency room procedures	0	1	0	1	1
Total procedures	265	262	892	1,040	148
<b>ECHO-CARDIOLOGY</b>					
In-patient studies	381	370	1,401	1,599	198
Out-patient studies	296	327	1,022	1,333	311
Emergency room studies	6	2	6	6	0
Total studies	683	699	2,429	2,938	509
<b>NEURODIAGNOSTIC</b>					
In-patient procedures	135	123	511	537	26
Out-patient procedures	23	27	78	95	17
Emergency room procedures	0	0	0	0	0
Total procedures	158	150	589	632	43

# SALINAS VALLEY HEALTH MEDICAL CENTER

## PATIENT STATISTICAL REPORT

For the month of October and four months to date

	Month of October		Four months to date		
	2023	2024	2023-24	2024-25	Variance
SLEEP CENTER					
In-patient procedures	0	0	0	0	0
Out-patient procedures	273	311	909	1,136	227
Emergency room procedures	0	0	0	0	0
Total procedures	273	311	909	1,136	227
RADIOLOGY					
In-patient procedures	1,233	1,184	4,979	5,007	28
Out-patient procedures	387	448	1,622	1,686	64
Emergency room procedures	1,492	1,545	5,970	6,255	285
Total patient procedures	3,112	3,177	12,571	12,948	377
MAGNETIC RESONANCE IMAGING					
In-patient procedures	130	160	571	725	154
Out-patient procedures	108	116	499	454	-45
Emergency room procedures	5	6	30	26	-4
Total procedures	243	282	1,100	1,205	105
MAMMOGRAPHY CENTER					
In-patient procedures	4,470	3,948	16,704	13,906	-2,798
Out-patient procedures	4,381	3,944	16,517	13,867	-2,650
Emergency room procedures	2	0	6	3	-3
Total procedures	8,853	7,892	33,227	27,776	-5,451
NUCLEAR MEDICINE					
In-patient procedures	17	15	73	70	-3
Out-patient procedures	102	157	419	540	121
Emergency room procedures	0	0	0	2	2
Total procedures	119	172	492	612	120
PHARMACY					
In-patient prescriptions	82,059	72,090	322,819	314,261	-8,558
Out-patient prescriptions	15,743	18,313	63,803	67,787	3,984
Emergency room prescriptions	9,423	10,295	36,752	39,621	2,869
Total prescriptions	107,225	100,698	423,374	421,669	-1,705
RESPIRATORY THERAPY					
In-patient treatments	14,275	12,719	59,355	55,929	-3,426
Out-patient treatments	471	908	4,385	3,571	-814
Emergency room treatments	831	459	2,067	1,747	-320
Total patient treatments	15,577	14,086	65,807	61,247	-4,560
PHYSICAL THERAPY					
In-patient treatments	2,606	2,129	9,951	9,324	-627
Out-patient treatments	248	245	1,015	991	-24
Emergency room treatments	0	0	0	0	0
Total treatments	2,854	2,374	10,966	10,315	-651

# SALINAS VALLEY HEALTH MEDICAL CENTER

## PATIENT STATISTICAL REPORT

For the month of October and four months to date

	Month of October		Four months to date		
	2023	2024	2023-24	2024-25	Variance
<b>OCCUPATIONAL THERAPY</b>					
In-patient procedures	1,520	1,263	6,031	5,660	-371
Out-patient procedures	239	204	926	808	-118
Emergency room procedures	0	0	0	0	0
Total procedures	1,759	1,467	6,957	6,468	-489
<b>SPEECH THERAPY</b>					
In-patient treatments	531	478	1,926	1,911	-15
Out-patient treatments	55	31	143	130	-13
Emergency room treatments	0	0	0	0	0
Total treatments	586	509	2,069	2,041	-28
<b>CARDIAC REHABILITATION</b>					
In-patient treatments	1	1	3	3	0
Out-patient treatments	499	691	2,007	2,618	611
Emergency room treatments	0	0	0	1	1
Total treatments	500	692	2,010	2,622	612
<b>CRITICAL DECISION UNIT</b>					
Observation hours	260	234	1,151	991	-160
<b>ENDOSCOPY</b>					
In-patient procedures	65	77	274	346	72
Out-patient procedures	73	54	224	218	-6
Emergency room procedures	0	0	0	0	0
Total procedures	138	131	498	564	66
<b>C.T. SCAN</b>					
In-patient procedures	667	690	2,742	2,967	225
Out-patient procedures	271	552	1,558	2,004	446
Emergency room procedures	774	794	3,032	3,146	114
Total procedures	1,712	2,036	7,332	8,117	785
<b>DIETARY</b>					
Routine patient diets	13,508	15,596	77,157	61,790	-15,367
Meals to personnel	28,135	33,520	112,526	133,595	21,069
Total diets and meals	41,643	49,116	189,683	195,385	5,702
<b>LAUNDRY AND LINEN</b>					
Total pounds laundered	97,871	96,315	385,464	382,371	-3,093









# Balanced Scorecard

*FY 2025 YTD October*

# Monthly Scorecard

## Service (30%)

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

Jul-24	Aug-24	Sep-24	Oct-24	FY 2025 Act/Proj	TARGET	Var %		FY 2024 Baseline	
77.6	75.4	77.3	79.7	77.5	78.5	-1.3%		78.0	
66.9	69.2	70.9	65.6	68.1	62.3	9.4%		61.8	
80.0	85.4	79.8	81.3	81.6	86.4	-5.5%		85.4	
89.1	87.4	88.6	87.0	88.0	89.4	-1.6%		88.4	

Notes / Assumptions:

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

# Monthly Scorecard

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

Organizational Goals by Pillar					Jul-24	Aug-24	Sep-24	Oct-24	FY 2025 Act/Proj	TARGET	Var %		FY 2024 Baseline
III. Quality & Safety Processes													
Emergency Room Efficiencies													
Median length of stay for non-admits (in minutes)					181.0	179.0	177.0	178.0	179.0	181.0	1.1%	☀️	181.0
Median time from admit decision to time of admission to nursing unit (in minutes)					71.0	68.0	72.0	65.0	69.0	74.0	6.8%	☀️	74.0

# Monthly Scorecard

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

Organizational Goals by Pillar	Jul-24	Aug-24	Sep-24	Oct-24	FY 2025 Act/Proj	TARGET	Var %	FY 2024 Baseline
III. Quality & Safety Processes								
Operating Room Efficiencies								
Turnover Time (Wheels out / Wheels in) (in minutes)	30.8	30.5	33.9	34.6	32.4	30.5	-6.4%	30.8
Cath Lab Efficiencies								
First Case - On Time Start %	86.1%	81.6%	75.0%	85.4%	82.0%	85.0%	-3.5%	80.4%

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

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

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

# Monthly Scorecard

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

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

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

FY 2024 Baseline
0.77
216



**Hospital Acquired Conditions**

Source: National Healthcare Safety Network (NHSN) & BD Health Insight Interface

Hospital Acquired Conditions will be measured quarterly

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

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

**Hand Hygiene**

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



# Monthly Scorecard

## Finance (20%)

Organizational Goals by Pillar	Jul-24	Aug-24	Sep-24	Oct-24	FY 2025 Act/Proj	TARGET	Var %	FY 2024 Baseline
IV. Finance								
SVHMC Income from Operations (Normalized & Adjusted) (\$ in Millions)	\$4,729	\$7,311	\$7,978	\$9,050	\$87,202	\$50,803	71.6%	\$74,413
Operating Margin (Normalized)	9.2%	12.4%	13.7%	14.8%	12.6%	8.1%	56.8%	11.3%

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

# Monthly Scorecard

## Growth (10%)

Organizational Goals by Pillar				Jul-24	Aug-24	Sep-24	Oct-24	FY 2025 Act/Proj	TARGET	Var %	FY 2024 Baseline
V. Growth											
Increase the scope of the Community Oncology Research Program by adding one to two New Clinical Trials								0	1	-100.0%	-
Expand / Add one to two New Comprehensive Cancer Program Outpatient Supportive Services								0	1	-100.0%	-
Initiation of Familial Genetic Testing for non-breast cancers								0	1	-100.0%	-
Implementation of External TeleHealth Services in the SVH Clinic System & Average Monthly Visits during FY25Q4								0	25	-100.0%	-

Activity is expected to be reported during January 2025.

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

# Community FY 2025 Goals

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

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

FY 2024 Baseline
-
-
-



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

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

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

**\* Community Engagement Status:**

- ✓ **Zone 2 – COMPLETE Oct. 14<sup>th</sup> event: Flu Clinic and hospital resource fair at Boys & Girls Club**
- ✓ **Zone 5 – COMPLETE Oct. 12<sup>th</sup> event: Gonzales Family Fun Day**

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

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

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

# QUESTIONS / COMMENTS

# **ADJOURNMENT**