

# 10563

ORDINANCE NO.

AN ORDINANCE relating to capital improvement projects at Harborview Medical Center, amending Ordinance 6818, Section 13, and K.C.C. 4.04.100, repealing Ordinance 6818, Section 9, and K.C.C. 2.42.080 and substituting a new section.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 6818, Section 13, and K.C.C.

4.04.100 are hereby amended to read as follows:

Agencies Excluded: The provision of this chapter shall not apply to the operating budget and capital budgets of CIP projects exempted from Title 4 of this Code of the Harborview Medical Center.

SECTION 2. Ordinance 6818, Section 9, and K.C.C. 2.42.080 are each hereby repealed, and the following is substituted:

Medical Center - Capital Improvement - Policy - Requirements.

A. The medical center shall prepare a long-range capital improvement program (CIP) plan, which shall be approved by the board and by the county governing authority by ordinance. The long-range CIP plan shall identify the medical center's needs for ensuring quality patient care consistent with the medical center's mission statement and county policy describing the medical center's purpose, priority programs, priority patient groups and other requirements set forth in this chapter. The long-range CIP plan shall be updated at least once every five years, or more frequently, if deemed necessary by the board. All changes to the long-range CIP plan will be treated as amendments to the plan previously approved by ordinance.

B. Annually, the medical center shall prepare a six-year CIP budget, which shall be approved by the board and submitted to the county executive consistent with the executive's annual budget preparation process. The medical center CIP budget shall contain the specific capital improvements necessary to

1 meet the needs, policies and priorities identified in the  
2 approved long-range CIP plan.

3 C. The county executive shall submit the medical center's  
4 six-year CIP budget to the county council as part of the  
5 executive's proposed six-year CIP budget for the county. The  
6 council will review the proposed CIP budget and approve  
7 appropriations for all medical center CIP projects subject to  
8 subsection E. below, for the following year.

9 D. All capital improvement projects at the medical center  
10 which are funded in whole or in part with the proceeds of  
11 county tax revenues, bonds or other debt issued by the county,  
12 grants to the county, gifts or donations to the county shall be  
13 subject to, planned and administered consistent with this  
14 chapter and Title 4 of the King County Code.

15 E. Notwithstanding any provisions of this chapter or Title  
16 4 of the King County Code to the contrary, all capital  
17 improvement projects at the medical center which are funded  
18 exclusively with medical center revenues and which are budgeted  
19 over the life of the project for an amount not exceeding  
20 \$1,000,000, shall be managed, designed, planned, developed and  
21 overseen by medical center administration, subject to review  
22 and approval by the board. All capital improvement project  
23 activities conducted pursuant to this subsection shall comply  
24 with state law, the provisions of this subsection and policies  
25 and procedures to be adopted by the county executive, following  
26 consultation with the board. Such policies and procedures  
27 shall include, but not be limited to, the following components:

28 1. procedures for the open and competitive solicitation  
29 of bids for CIP projects costing more than \$10,000;

30 2. elements to be included within all CIP project  
31 budgets, which shall include, at a minimum:

- 32 a. architect and engineering design fees;
- 33 b. consultant fees;
- 34 c. direct construction costs;
- 35 d. fees and permits;

- 1 e. on-site costs;
- 2 f. off-site costs;
- 3 g. contingency budget; and
- 4 h. project management and administration costs.

5 3. policies and procedures to increase the  
6 opportunities for minority and women's businesses to  
7 participate in CIP project contracts. These policies and  
8 procedures shall include, at a minimum: separate utilization  
9 goals for the use of minority and women's businesses, which  
10 shall be reasonably achievable and shall be the minimum  
11 utilization identified in all bid solicitations; reporting and  
12 enforcement guidelines; and the identification of medical  
13 center staff necessary to implement this subsection;

14 4. procedures for review and evaluation of design  
15 consultants;

16 5. procedures for reporting and control, which shall  
17 include, at a minimum:

18 a. monthly reports from staff at the medical center  
19 to the board on the status of the budget, scope and schedule  
20 for all CIP projects subject to this subsection;

21 b. quarterly reports from the board to the county  
22 executive on the status of the budget, scope and schedule for  
23 all CIP projects subject to this subsection;

24 c. immediate notification by staff at the medical  
25 center to the board and the county executive, if a CIP project  
26 subject to this subsection exceeds its authorized budget;

27 d. semi-annual reports from the board to the county  
28 executive for transmittal to the county council on the status  
29 of the budget, scope and schedule for all CIP projects subject  
30 to this subsection;

31 e. annual reports from the board to the county  
32 executive for transmittal to the county council evaluating the  
33 medical center's compliance with its utilization goals for  
34 minority and women's business participation in CIP projects  
35 subject to this subsection.

1 F. All costs of capital improvement projects administered  
2 by the medical center pursuant to subsection E. shall be paid  
3 from medical center revenues. So long as management of the  
4 medical center is delegated by contract to the University of  
5 Washington, exemption of such capital improvement projects from  
6 Title 4 of this code shall be effective only if the University  
7 agrees to indemnify the county and its elected and appointed  
8 officers, agents and employees from costs, claims, damages or  
9 liability arising out of such capital improvement projects in a  
10 form acceptable to the county.

11 G. Subsection E. shall remain in effect for two years  
12 following enactment of this ordinance. Prior to that date, the  
13 county executive shall submit to the county council a proposed  
14 ordinance, which may repeal, re-enact or amend subsection E.,  
15 together with supporting rationale.

16 H. There is created a Medical Center Building Repair and  
17 Replacement Fund, which shall be a county capital project fund  
18 and shall be used to account for the regular segregation of  
19 building repair and replacement capital reserves, including  
20 investment income. From the building repair and replacement  
21 fund shall be drawn payments for the acquisition of fixed  
22 equipment, building renovations and improvements as approved by  
23 the board.

24 1. Thirty days after the end of the medical center's  
25 fiscal year, the board shall transfer to the building repair  
26 and replacement fund an amount equal to the budgeted building  
27 and equipment replacement reserve as approved in the medical  
28 center's budget for the preceding fiscal year; provided that  
29 the amount transferred shall not be less than the approved  
30 funded plant depreciation level for the fiscal year.

31 2. Monies deposited in the building repair and  
32 replacement fund shall be invested solely for the benefit of  
33 that fund. The board may make transfers to the fund on a more  
34 frequent basis.

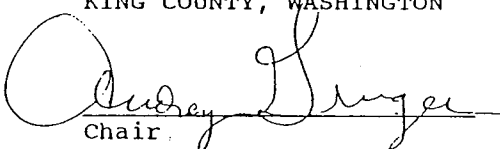
1 3. The monies deposited in this fund shall be used  
2 solely for the renovation and/or improvement of the medical  
3 center's buildings and equipment, subject to the capital  
4 budgeting provisions of this ordinance.

5 SECTION 3. Amendments to Management Contract. The  
6 executive is hereby authorized to execute amendments to the  
7 management contract between the county and the Board of Regents  
8 of the University of Washington in order to implement this  
9 ordinance. The amendments shall be substantially in the form  
10 attached.

11 SECTION 4. Severability. If any provision of this  
12 ordinance or its application to any person or circumstance is  
13 held invalid, the remainder of the ordinance or the application  
14 of the provision to other persons or circumstances is not  
15 affected.

16 INTRODUCED AND READ for the first time this 8<sup>th</sup> day  
17 of September, 1992.

18 PASSED this 28<sup>th</sup> day of September, 1992.

19 KING COUNTY COUNCIL  
20 KING COUNTY, WASHINGTON  
21   
22 Chair

23 ATTEST:

24   
25 Clerk of the Council

26 APPROVED this 9<sup>th</sup> day of October, 1992.

27   
28 King County Executive

10563

AMENDMENT TO MANAGEMENT CONTRACT  
BETWEEN HARBORVIEW MEDICAL CENTER  
AND UNIVERSITY OF WASHINGTON

This agreement is entered into on the dates indicated by the signatures affixed hereon between the BOARD OF TRUSTEES, hereinafter referred to as "Trustees," OF THE HARBORVIEW MEDICAL CENTER of Seattle, King County, Washington, hereinafter referred to the "Medical Center," and the BOARD OF REGENTS OF THE UNIVERSITY OF WASHINGTON, hereinafter referred to as the "University," for the purpose of amending the Management Contract between Harborview Medical Center and the University of Washington as executed on February 1, 1984.

The Trustees of the Medical Center and the University agree that the Management Agreement between Harborview Medical Center and the University of Washington be and hereby is amended to read as follows:

A new paragraph shall be added to the Delegation of Authority section on page 7 and such paragraph shall read as follows:

9. Management of capital projects in accordance with policies established by the Board of Trustees, and as authorized by this agreement:

2. The article entitled "Planning and Property on Page 10 shall be modified to read as follows:

The University will assist the Trustees in the development of a long-range capital improvement plan, a six-year capital improvement plan and annual capital plans which

will include both physical plant and program impacts of the plan. The plans will be developed under the direction of the Board of Trustees for King County review and approval.

The Board of Trustees will review and approve all Harborview Medical Center capital projects, which shall include all construction, alterations and remodeling projects. The University shall have responsibility for the management, design, planning, development and contract oversight of Harborview Medical Center projects funded by Harborview Medical Center revenues which are budgeted, over the life of the project, for an amount not exceeding One Million Dollars (\$1,000,000). All other capital projects must be approved by the County before the project is undertaken. Action on such project requests shall not be unreasonably delayed by the County.

Contracts for architectural consultation and contractual services needed for any capital projects may only be executed by the County Executive.

All requests for capital construction funds from granting agencies or other sources prepared by the University will be submitted to the granting agency only upon approval of the Trustees and King County.

3. The article entitled "Insurance" on pages 10 and 11 shall be modified to read as follows:

The University will defend, indemnify and save harmless, the Board of Trustees and King County, its elected and appointed officials, employees and agents from and against any damage, cost, claim or liability arising from negligent acts or omissions of the University, its employees or agents, arising out the activities or operations of the Medical Center by the University, including the University's management of capital projects for Harborview Medical Center, or arising out of the premises except for such damage, costs, claim or liability results from the negligent acts or omissions of the Board of Trustees, King County or their officials, agents, or employees.

**BOARD OF TRUSTEES OF  
HARBORVIEW MEDICAL CENTER**

President \_\_\_\_\_

Date \_\_\_\_\_

**KING COUNTY EXECUTIVE**

\_\_\_\_\_

Date \_\_\_\_\_

**BOARD OF REGENTS OF THE  
UNIVERSITY OF WASHINGTON**

President \_\_\_\_\_

Secretary \_\_\_\_\_

Date \_\_\_\_\_

Approved as to Form

\_\_\_\_\_  
Deputy Prosecuting Attorney

Approved as to Form

\_\_\_\_\_  
Assistant Attorney General

40/02