

September 15, 1988
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INTRODUCED BY: Sims, Grant

PROPOSED NO.: 88-701

MOTION NO. 7317

A MOTION related to Harborview Medical Center; approving two memoranda of agreement between King County and Harborview Medical Center regarding capital improvement project management, and the use of funds for health-related needs.

WHEREAS, pursuant to RCW 36.62, Harborview is a county medical center which provides comprehensive inpatient and outpatient health care to the indigent, sick, injured or infirm of King County, and

WHEREAS, the Harborview complex is owned by King County, while its operations are managed by the University of Washington pursuant to a contract between the Harborview Board of Trustees and the University, and

WHEREAS, K.C.C. Chapter 2.42 establishes the County's role in reviewing and approving Harborview's capital improvement program (CIP), specifically providing for the county's review and approval of Harborview's Long-Range Capital Improvement Program Plan (LRCIP), its annual CIP budget, and project plans for all capital projects in excess of \$50,000, and

WHEREAS, in August 1987 the council indicated approval of Harborview's LRCIP through Motion 6942, and

WHEREAS, in November 1987 county voters approved, as part of a larger health care bond issue, \$75.5 million in general obligation bonds to help finance two of the six projects approved in the LRCIP, and

WHEREAS, the parties have agreed that the LRCIP should be revised to include a necessary public health laboratory, funded by Harborview reserves at a maximum estimated total project cost of \$2.2 million and constructed as part of the Trauma Center Project, and

1 WHEREAS, the county and Harborview find it in their best
2 interests to establish a project management structure to implement
3 the LRCIP and other capital projects in excess of \$100,000, and

4 WHEREAS, consistent with voter mandate, the county will soon
5 issue \$75.5 million in bonds to help finance the Trauma Center and
6 Nursing Units Replacement projects, and

7 WHEREAS, it is important to clarify and amend certain elements
8 in the LRCIP;

9 NOW, THEREFORE, BE IT MOVED by the Council of King County:

10 A. The Memorandum of Understanding Between Harborview Medical
11 Center and King County Regarding Capital Project Management, shown
12 as Attachment A, is hereby approved.

13 B. The Memorandum of Understanding Between Harborview Medical
14 Center and King County Regarding Use of Funds for Health-Related
15 Needs, shown as Attachment B, is hereby approved.

16 PASSED this 19th day of September, 1988.

17 KING COUNTY COUNCIL
18 KING COUNTY, WASHINGTON

19 Gary Grant
20 Chair

21 ATTEST:

22 Dorothy M. Owens
23 Clerk of the Council

MEMORANDUM OF UNDERSTANDING
BETWEEN
HARBORVIEW MEDICAL CENTER
AND
KING COUNTY
REGARDING CAPITAL PROJECT MANAGEMENT

This Memorandum of Understanding is entered into this ___ day of _____, 1988 between the BOARD OF TRUSTEES, hereinafter referred to as "the Board", OF THE HARBORVIEW MEDICAL CENTER of Seattle, King County, Washington, hereinafter referred to as "Harborview", and KING COUNTY, hereinafter referred to as "the County".

WITNESSETH

WHEREAS, pursuant to RCW 36.62, Harborview is a county medical center which provides comprehensive inpatient and outpatient health care to the indigent, sick, injured or infirm of King County, and

WHEREAS, the Harborview complex is owned by the County, while its operations are managed by the University of Washington pursuant to a contract between the Board and the University, and

WHEREAS, K.C.C. Chapter 2.42 establishes the County's role in reviewing and approving Harborview's capital improvement (CIP) program, specifically providing for the County's review and approval of Harborview's long-range CIP plan, its annual CIP budget, and project plans for all capital projects in excess of \$50,000, and

WHEREAS, in August 1987, the Council indicated approval of Harborview's Long-Range CIP Plan through Motion 6942, and

WHEREAS, in November 1987, County voters approved as part of a larger health care bond issue \$75.5 million in general obligation bonds to help finance two of the six projects approved in the Long-Range CIP plan, and

WHEREAS, as of this date, the Council-approved projects, which are more completely described in Attachment A, are as follows:

<u>APPROVED PROJECTS</u>	<u>APPROVED BUDGET</u>	<u>APPROVED SCHEDULE</u>	<u>APPROVED FUNDING SOURCES</u>
Boren Street Garage	4.2	1988	Parking Fees
SW Clinic Renovation	12.5	1988-1994	HMC Reserves
Trauma Center	75.4	1990-1992	Bond Funds, HMC
Training/Conf./Res.	41.4	1990-1992	State
View Park Garage	5.6	1991-1992	Parking Fees
Nursing Units Replacement	24.9	1991-1993	Bond funds, HMC
TOTAL	\$164.0 MILLION		

WHEREAS, the parties have agreed that the Long-Range CIP Plan should be amended to include a necessary public health laboratory, funded by Harborview reserves at a maximum estimated total project cost of \$2.2 million and constructed as part of the Trauma Center Project, and more completely described in Attachment B, and

WHEREAS, the County and Harborview find it in their best interests to establish a project management structure to implement the Long-Range CIP Plan and other capital projects in excess of \$100,000, and

WHEREAS, consistent with voter mandate, the County will issue soon \$75.5 million in bonds to help finance the Trauma Center and Nursing Units Replacement projects, and

WHEREAS, it is important to clarify and amend certain elements in the Long-Range CIP Plan;

NOW, THEREFORE, pursuant to the aforesaid laws, and in consideration of the mutual promises herein contained, it is mutually agreed as follows:

I. Purposes of Memorandum

The purposes of this Memorandum of Understanding are to: 1) define the structure under which the County and Harborview will manage the implementation of Harborview's capital improvement projects; 2) outline the roles, responsibilities and authorities of the County and Harborview in implementing capital improvement projects under this structure; and 3) clarify and amend certain elements of the Long-Range CIP Plan.

II. Scope of Memorandum

This memorandum covers capital projects in excess of \$100,000, provided that projects between \$50,000 and \$100,000 are subject to review and approval by the county executive according to criteria developed by the Office of Financial Management and Harborview and are subject to further review and approval by the King County Council Finance Committee through a letter of approval.

III. Definitions

A. "Construction Phase" shall mean the phase of the project during which actual construction occurs. The construction phase budget, scope and schedule shall be consistent with the approved program plan and the plans and specifications.

B. "Contract Documents" shall mean those documents, including requests for proposals, which are used to hire consultants, contractors or others employed by Harborview to implement a capital project.

C. "County CIP Agencies" shall mean those agencies which provide Harborview with the administrative support necessary to implement capital projects within the scope of this Memorandum. For example, the Finance Office processes vouchers and the Purchasing Offices advertises contracts for bids.

D. "Design Phase" shall consist of the following three stages: 1) the development of schematic design drawings; 2) the development of detailed architectural drawings, which are based on the schematic design; and 3) the preparation of construction documents. Each of these is based upon the approved program plan.

E. "Equipment Phase" shall mean the phase of the project during which moveable equipment for the project is purchased. The equipment phase budget, scope and schedule shall be consistent with the program plan.

F. "Long-Range Capital Improvement Program (CIP) Plan" shall mean Harborview's comprehensive physical master plan which was approved by Council Motion 6942 in August, 1987. The Long-Range CIP plan was the first step in Harborview's master capital improvement planning process and will serve as the basis for the development of program plans.

G. "Modification" shall mean a change from the Long-Range CIP Plan or program plan that would cause an increase in the approved capital project budget, would cause a delay in the approved schedule, or would materially affect Harborview's ability to provide the approved program services.

H. "Program Plan" shall mean a plan produced for a specific capital project which establishes a project's budget, scope and schedule. A sample "Program Plan Outline" containing minimum content requirements is included as Attachment C. The Program Plan follows development of the Long-Range CIP Plan but precedes design, construction and equipment phases. The Program Plan shall be prepared by a firm that is financially and operationally independent from all firms subsequently involved in design or construction. After that point, the Program Plan is used to monitor implementation of the project to ensure that implementation is consistent with the budget, scope and schedule established in the program plan.

I. "Project Management Plan" shall mean a plan which defines how Harborview will manage the implementation of a capital project. The Project Management Plan shall include a staffing plan and budget. The plan shall define the roles and responsibilities of the project management staff and define working relationships with the County that are consistent with this Memorandum.

J. "Project Oversight Committee" shall mean a committee of County representatives which monitors implementation of Harborview's capital projects to ensure consistency with approved program plans. The Committee shall consist of the Director of the Office of Financial Management, the Director of the Council Program Staff and the Director of the Seattle-King County Department of Public Health.

IV. Contract Period

This Memorandum shall become effective on _____, 1988 and shall continue in force until amendments are agreed to by both parties or until the Memorandum is terminated upon the mutual agreement of both parties.

V. Summary of Management Structure

This management structure is intended to provide Harborview with the authority and flexibility it needs to implement capital projects covered by this Memorandum within the parameters of the budgets, scopes and schedules approved by the County, while providing the County with a broad monitoring and control mechanism to ensure that capital projects are implemented within these parameters.

Consistent with this intent, the Board is responsible for project management and will hire a project director to manage implementation in accordance with an approved project management plan. The County will continue to be responsible for appropriations and will establish a County Project Oversight Committee to carry out the County's monitoring and control functions with respect to adherence to budgets, scopes and schedules.

A chart depicting this structure is included as Attachment D.

VI. Roles, Responsibilities and Authorities of King County

A. The County shall appoint a Project Oversight Committee to monitor Harborview's implementation of capital projects covered by this Memorandum. The Committee or their designees shall:

1. Meet regularly with the Board or their designees to review progress in implementing capital projects in accordance with approved budgets, scopes and schedules.

2. Present status reports to the Council and Executive as needed.

3. Review and recommend to the Council and Executive the adoption of the following documents prepared by Harborview and/or its consultants:

- a. Project Management Plan
- b. Program Plans
- c. Construction Documents
- d. Modifications to Program Plans
- e. Moveable Equipment Phase Plan

4. Review and comment on schematic design, design development and all contract documents.

B. County CIP agencies shall provide all necessary administrative support in a timely manner.

C. The County shall make specific appropriations for each project, which shall consist of project management, program planning, design, construction and moveable equipment phases.

D. The County shall charge all projects funded by bond funds an indirect cost charge based upon an allocation plan developed for all County bond projects.

VII. Roles, Responsibilities and Authorities of Harborview

A. Harborview shall be responsible for managing capital projects consistent with the terms of this Memorandum and shall hire a project director and staff consistent with the approved project management plan.

B. Harborview shall prepare the following documents for review and approval by the County:

- 1. Project Management Plan
- 2. Program Plans
- 3. Construction Documents
- 4. Modifications to Program Plans
- 5. Moveable Equipment Phase Plan

C. Harborview shall present schematic design, design development and contract documents to the Project Oversight Committee for review.

D. Harborview shall meet regularly with the Project Oversight Committee to provide reports on project progress.

E. Harborview agrees to fund the construction of a public health laboratory within the 1990-1992 Trauma Center Project, at a maximum total project cost of \$2.2 million.

F. Harborview agrees to fund all dislocation costs related to construction.

G. In return for the County's existing commitment to identified capital needs, Harborview shall commit to maintaining operations that will provide for the priority patients identified in Harborview's Mission Statement. In the event Harborview requests operating funds from the county, the County may elect to review and approve all or part of Harborview's operating budget.

H. Pursuant to K.C.C. 4.04.220, Harborview agrees to select the design firm based upon the firm's stated ability to meet the project's budget, scope and schedule as described in the approved program plan.

I. Harborview shall maintain all project records consistent with King County fiscal rules and accepted accounting principles and make these records available to the County as required by the County.

Signed on the date first above written in Seattle, King County, Washington.

BOARD OF TRUSTEES OF
HARBORVIEW MEDICAL CENTER

President

KING COUNTY EXECUTIVE

KING COUNTY COUNCIL

Chairman

DESCRIPTION OF PROPOSED LONG RANGE CAPITAL IMPROVEMENT PLAN PROJECTS

Harborview's long-range CIP proposes six projects at a total estimated cost of \$162.2 million. The table below provides a summary of the funding sources proposed by Harborview to finance the projects.

HARBORVIEW MEDICAL CENTER
 PROPOSED SOURCES OF CAPITAL FINANCING
 LONG-RANGE CAPITAL IMPROVEMENT PROGRAM
 (in millions)

<u>Element</u>	<u>1987 Bond Issue</u>	<u>Previous Bond Issues</u>	<u>HMC Reserves</u>	<u>U of W</u>	<u>Total</u>
Boren Street Garage			4.1*		4.1
South Wing Clinic Renovation		6.1	6.4		12.5
Trauma Center	75.4				75.4
Training/Conference/Research			1.9	39.5	41.4
Viewpark Garage Expansion			5.6		5.6
Replacement Nursing Units	23.2				23.2
	<u>\$98.6</u>	<u>\$6.1</u>	<u>\$18.0</u>	<u>\$39.5</u>	<u>\$162.2</u>

Council staff found sufficient justification for all six projects and recommends inclusion of these projects in the Council-approved long-range CIP subject to certain conditions specified in the proposed substitute motion.

* Council ^{later} appropriated \$2.2 million.

ATTACHMENT #A

PROJECTS RECOMMENDED FOR INCLUSION IN COUNCIL-APPROVED LONG-RANGE CIP

A. Trauma Center -- \$75.4 million

Construction - 1990-1992

The Trauma Center Project would expand the current hospital building westward at the basement, ground, and first floor levels. More specifically it would:

- Consolidate in one location the four key trauma center components - the emergency room (ER), the operating room (OR), radiology, and labs;
- Expand ER, radiology, and labs;
- Expand and consolidate intensive care units (ICU), with the exception of the Burn ICU, on the first floor of the North Wing;
- Reorient the main entrance of the hospital at ground level to the west, to face patient parking in the View Park Garage;
- Consolidate and expand patient and visitor services (admitting, Medicaid applications, gift shop, lobby) around the new entrance;
- Expand and upgrade kitchen facilities and the staff/visitor cafeteria.

B. Replacement Nursing Units -- \$23.2 million

Construction - 1991-1993

The replacement nursing unit facility would be built above Ninth Avenue, at the fourth, fifth, and sixth floor levels, and would connect the North Wing of the hospital to the Community Mental Health Center. The facility would provide 90 beds to replace the 92 now in the Center Wing, which was built in 1931. The project would also shift inpatient programs within the North Wing to improve functional relationships and meet space needs. As a consequence, funds for renovation of the North Wing are included in the project. The project would meet the following objectives:

- Discontinue the use of Center Wing inpatient rooms which lack adequate heating, ventilation, air conditioning, electrical systems, medical gases, and fail to meet standards of patient comfort. The Center Wing would be used for office and diagnostic space;
- Physically consolidate mental health program, improving service coordination and links between inpatient and outpatient service;
- Make staffing efficiencies possible, provide needed storage space, and improve utilization of existing space by remodeling the central core of the North Wing floors.

C. Boren Street Garage -- \$4.1 million

Construction - 1988

The Boren Street Garage would provide Harborview with additional employee parking in a five-level parking garage (two levels are below grade) at the corner of Boren Street and Terrace Street. The garage, which would contain 325 parking stalls, would replace an existing 101-stall surface parking lot now on the site, for a net increase of 224 parking stalls. The garage would:

- Increase patient parking available in View Park Garage by moving staff out of that facility;
- Reduce the current parking shortfall, and bring Harborview into compliance with the minimum parking requirements of Seattle's land use code.

D. South Wing Clinic Renovation -- \$12.5 million

Construction - 1988-1994

This project would renovate the South Wing, constructed in 1954, which houses medical and surgical outpatient clinics. Renovation would take place over six years, occurring one floor at a time to minimize disruption to the clinics. Renovation would serve the following purposes:

- Provide adequate heating, ventilation, air conditioning, plumbing;
- Relieve overcrowding by converting space from other uses (labs, offices) to outpatient clinic use;
- Reconfigure clinic layout to increase staff productivity, meet anticipated growth in outpatient clinic visits, and meet fire code requirements;
- Improve handicapped accessibility of the clinics.

E. View Park Garage Expansion -- \$5.6 million

Construction - 1991-1992

The project would expand the existing View Park Garage to the south by providing 243 parking stalls below grade. The below grade design would allow the existing helipad and park area to be maintained.

- The purpose of the garage is to meet future parking demand associated with projected growth of inpatient and, particularly, outpatient volumes;
- Staff is recommending the project be included in the Council- approved long-range CIP on condition that the project be fully financed from parking revenues and the project be specifically approved by the Council before implementation.

F. Training/Conference/Research Building -- \$41.4 million

Construction - 1990-1992

The project would construct a six-story building at the corner of Ninth Avenue and Alder Street. Harborview has proposed that \$1.9 million of the project costs be funded from Harborview reserves, and that the remaining \$39.5 million be funded by the University of Washington. The project would:

- Provide research space to replace and/or supplement research space located in Harborview Hall and in the hospital;
- Provide meeting and staff training space for Harborview employees;
- Provide facilities to support Harborview's teaching function;
- Staff is recommending of this project be included in the Council- approved long-range CIP provided funding is provided by the University and Harborview seek to meet research space needs in coordination with Pacific Medical Center.

7 7317

PUBLIC HEALTH LABORATORY PROJECT DESCRIPTION

Motion 6942 required a study of the need for a new public health laboratory to replace the Public Safety Building laboratory constructed in 1951.

The need for a new laboratory has been affirmed in work done by the Health Department and its facility planning consultants. The present facility's electrical capacity, HVAC systems and load-bearing ability, are at or above capacity, and are unable to support equipment expansions or upgrades. The lab has been cited several times for the inadequacy of its air handling systems from the perspective of worker safety, test quality, and equipment needs. The present lab lacks adequate storage and work space. Renovation and expansion of the existing facility is not a viable option.

Based on present and projected workloads, staffing requirements, and equipment needed to maintain public health lab functions, there is an identified need for approximately 7,154 gross square feet of laboratory space that is capable of housing the following functions:

- o Microbiology - The space should accommodate general and clinical microbiology, including gonorrhea and chlamydia testing, tuberculosis testing (in a separate enclosed and ventilated space), and environmental testing.
- o Serology - The space should accommodate hepatitis, rubella, syphilis, HIV, and similar tests.
- o Clinical Chemistry - The space should accommodate hematology, chemistry, and urinalysis.
- o Support Areas - The labs should have adequate space for refrigerated and other storage, glassware washing, media preparation, animal holding and testing, and specimen receiving and handling.
- o Administrative and Staff Areas - The lab space should include staff offices and workstations, library, conference area, staff lockers, lounge/kitchen, restrooms.

PUBLIC HEALTH LABORATORY PROJECT COST ESTIMATE

Construction Costs - (7,154 gsf x \$135 gsf)	\$ 965,790
Site Improvements	96,579
Design, Project Administration, Taxes, Fees, and Permits	371,829
Equipment and Furnishings (major movable, depreciable equipment, including testing, analysis, cleaning, storage equipment)	382,102
Transition Costs (telephone and computer installation, floor and window treatments, moving costs)	93,232
	<hr/>
	\$1,909,532 (1988 Dollars)
Inflation to 1991 dollars	<u>\$ 290,468</u>
Total Project Cost	\$2,200,000

PROGRAM PLAN OUTLINE

Introduction and Summary

Background

1.1 Programs To Be Accommodated

1.1.1 General description w/objectives of the program

1.1.2 Planned or anticipated future expansion

1.1.3 Relationship to Operational Master Plan

1.2 Facilities Presently Occupied

1.2.1 General description

1.2.2 Proposed re-use of vacated space

Program Plan Objectives

2.1 Corrections of current operational problems and deficiencies

2.2 Conformance with Facilities Master Plan

2.3 Provisions for expansion

Facility Requirements

3.1 Building Requirements

3.1.1 Relationship to Facilities Master Plan

3.1.2 Amounts and types of spaces

3.1.3 Numbers and sizes of rooms and other spaces

3.1.4 Contiguity, groupings, dispersal of spaces

3.1.5 Physical environment requirements

3.1.6 Security requirements

3.1.7 Applicable code requirements

3.1.8 Energy conservation measures

3.1.9 Other

Program Plan Outline
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3.2 Site Requirements

3.2.1 Relationships to Facilities Master Plan

3.2.2 Topography & soils

3.2.3 Pedestrian/vehicle access

3.2.4 Employee/visitor parking

3.2.5 Landscaping

3.2.6 Energy conservation measures

3.2.7 Other

3.3 Utilities Requirements

3.4 Fixed Equipment Requirements

3.5 Movable Equipment Requirements

4.0 Alternate Solutions To Meet Program Plan Objectives And Facility
Requirements

4.1 Description Of Each Alternate Solution

4.2 Identification Of Alternate Solutions And Comparison Of Life Cycle Costs

5.0 Itemization Of Work To Be Accomplished For Recommended Alternate Solution

5.1 Phase I

5.1.1 Building requirements

5.1.2 Site requirements

5.1.3 Utilities requirements

5.2 Phase II

5.2.1 Building requirements

5.2.2 Site requirements

5.2.3 Utilities requirements

5.3 Etc. (Additional Phases)

Program Plan Outline
Page 3 of 3

6.0 Budget And Schedule

6.1 Phase I

6.1.1 Budget

- 6.1.1.1 New construction
- 6.1.1.2 Remodeling/renovation
- 6.1.1.3 Site modifications
- 6.1.1.4 Utilities modifications
- 6.1.1.5 Professional fees
- 6.1.1.6 Movable equipment

6.1.2 Schedule

- 6.1.2.1 Physical planning
- 6.1.2.2 Construction
- 6.1.2.3 Site and utilities modifications
- 6.1.2.4 Occupancy

6.2 Phase II

6.2.1 Budget

6.2.2 Schedule

6.3 Etc. (Additional Phases)

7.0 Appendices

7.1 Site Plans

7.2 Building Plans

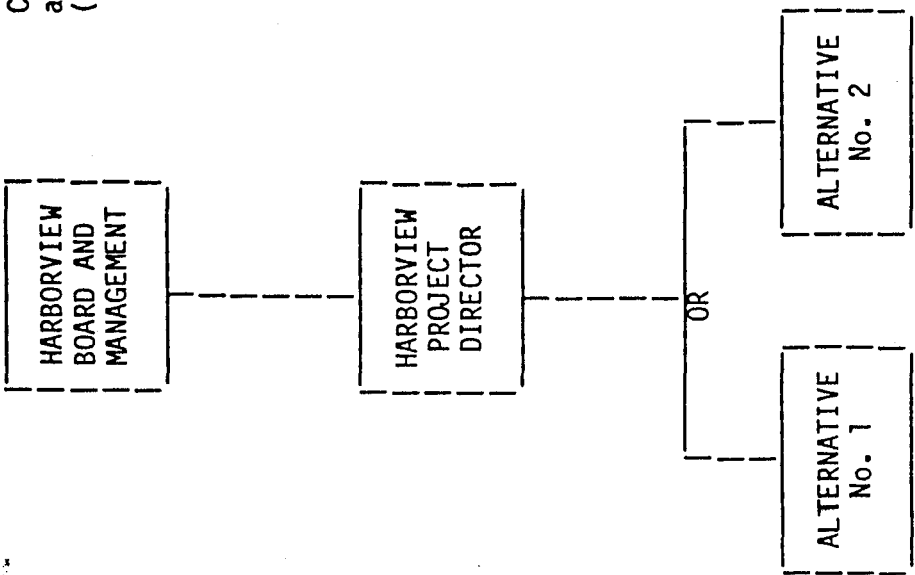
7.3 Additional Plans and Data, As Applicable

HARBORVIEW PROJECT MANAGEMENT
AUGUST 1988

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KING COUNTY
COUNCIL

Cost, Scope, Schedule,
and Coordination
(Control to Adopted
Program Plan)



Requires Independent
Program Plan - Detailed
Cost, Scope, Schedule

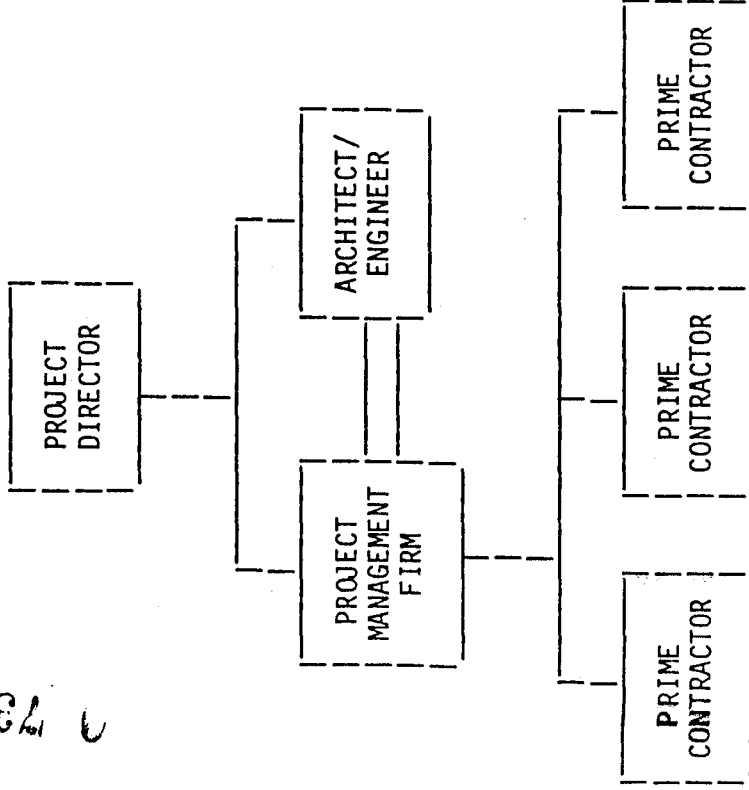
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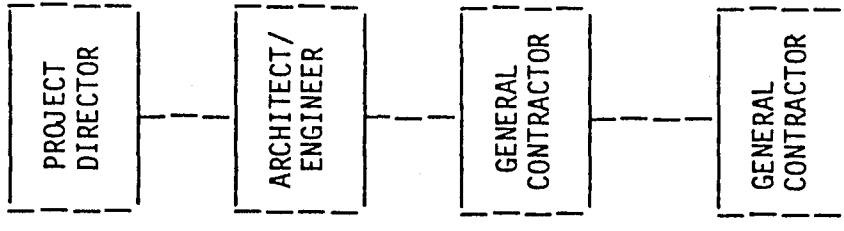
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ALTERNATIVE #1



- (1) Requires Independent Program Plan - Detailed Cost, Scope, Schedule
- (2) No General Contractor
- (3) A/E Assumes Responsibility for Designing to Program Plan
- (4) Project Management Firm Assumes Responsibility for Delivery of Project to Program Plan
- (5) Project Management Fee Paid by General Contractor Savings

ALTERNATIVE #2



- (1) Requires Independent Program Plan - Detailed Cost, Scope, Schedule
- (2) A/E Designs to Independently Prepared Program Plan. Assumes Full Design Responsibility to Program Plan
- (3) A/E Supervises Delivery of Construction to Design

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