



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

February 9, 2016

Ordinance 18233

Proposed No. 2016-0106.1

Sponsors Dembowski and Kohl-Welles

1 AN ORDINANCE making changes necessary to implement
2 the 2016 Hospital Services Agreement between King
3 County by and through its Executive and the Harborview
4 Medical Center Board of Trustees and the Regents of the
5 University of Washington; amending Ordinance 6818,
6 Section 3, and K.C.C. 2.42.010, Ordinance 6818, Section 3,
7 and K.C.C. 2.42.020, Ordinance 6818, Section 5, as
8 amended, and K.C.C. 2.42.040 and Ordinance 10563,
9 Section 2, as amended, and K.C.C. 2.42.080 and adding a
10 new section to K.C.C. chapter 4.46; and declaring an
11 emergency.

12 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

13 SECTION 1. Findings:

14 A. The current management agreement between King County, the Harborview
15 Medical Center board of trustees and the University of Washington expires February 28,
16 2016.

17 B. Over the course of the last two years, representatives for the University of
18 Washington, King County and the board of trustees for Harborview medical center have

19 been negotiating terms for a new long term agreement for the University of Washington
20 to operate and manage Harborview medical center.

21 C. The parties have now reached an agreement, which would be or has been
22 approved by Ordinance xxxx (Proposed Ordinance 2016-0094). The agreement requires
23 several code changes in order to be implemented.

24 D. Enactment of this ordinance is necessary to conform the King County Code to
25 the provisions of the hospital services agreement. Without these code changes, certain
26 provisions of the hospital services agreement could not go into effect.

27 E. These code changes will support the ongoing operations and management of
28 the Harborview Medical Center and preserve the public health.

29 SECTION 2. Ordinance 6818, Section 3, and K.C.C. 2.42.010 are each hereby
30 amended to read as follows:

31 For the purposes of this chapter:

32 A. "Administrator" (~~shall~~) means the chief administrative officer of the medical
33 center, appointed under the terms of an approved management contract, who shall be
34 responsible for supervising the daily management of the medical center in accordance
35 with approved plans and policies and, for the purposes of the hospital services agreement,
36 means the Executive Director.

37 B. "Board" (~~shall~~) means the Harborview Medical Center board of trustees
38 appointed by the county for the purpose of overseeing the operation and management of
39 the medical center.

40 C. "Council" (~~shall~~) means the King County council as described in Article 2 of
41 the King County Charter.

42 D. "County governing authority" ~~((shall))~~ means both the county executive and
43 county council in accordance with their charter assigned responsibilities.

44 E. "Executive" ~~((shall))~~ means the King County executive as described in Article
45 3 of the King County Charter.

46 F. "Hospital services agreement" means that approved management contract
47 entitled the 2016 Hospital Services Agreement between King County by and through its
48 Executive and the Harborview Medical Center Board of Trustees and the Regents of the
49 University of Washington for the management of the medical center, the rendering of
50 clinical services to patients of the medical center, and the conducting of teaching and
51 research activities at the medical center by the university.

52 G. "Long ~~((R))~~-range ~~((C))~~capital ~~((I))~~improvement ~~((P))~~program ~~((CIP))~~
53 P))plan" or "long-range CIP plan" ~~((shall))~~ means a long-range plan ~~((which))~~ that is
54 produced as the first step in the medical center capital improvement process. The long-
55 range CIP plan identifies capital development needs, establishes capital project standards
56 and policies, identifies intended capital funding sources and alternatives, and presents
57 analysis of medical center programs and the physical facilities needed to implement
58 them. It further projects service levels, presents demographics of hospital clientele,
59 makes an inventory and analysis of the effective use of physical facilities and provides
60 specific direction in linking the capital improvement program to operating program
61 needs.

62 ~~((G.))~~ H. "Medical center" ~~((shall))~~ means the Harborview Medical Center to
63 include~~((, but not limited to, the hospital complex, Harborview Hall and the Harborview~~
64 Community Mental Health Center)) the Norm Maleng Building, the Patricia Bracelin

65 Steel Building, the Ninth and Jefferson Building, the View Park Garage, the Boren
66 Garage, the Engineering Building, the Walter Scott Brown Building, the Child Care
67 Center, the Firehouse Building, the Pioneer Square Clinic and the hospital complex
68 consisting of the Center Tower, the East Hospital, the West Hospital, the East Clinic and
69 the West Clinic.

70 ~~((H.))~~ I. "Project plan" ~~((shall))~~ means a plan produced for a specific capital
71 project which analyzes specific project elements, defines project scope, location, size,
72 costs and other needs. It follows master planning and precedes project budgeting and
73 also considers location, types and amounts of space, specific needs served, current and
74 projected service population staffing and operating costs impacts, and alternative
75 proposals for the sources of funding the project.

76 ~~((I.))~~ J. "Superintendent" ~~((shall))~~ means the chief executive officer of the
77 medical center, as described in state law, when the medical center is not operated under
78 the terms of an approved management contract.

79 ~~((J.))~~ K. "State law" ~~((shall))~~ means ~~((RCW))~~ chapter 36.62 RCW, as amended,
80 and any other applicable sections of state law.

81 L. "University" means the University of Washington.

82 SECTION 3. Ordinance 6818, Section 3, and K.C.C. 2.42.020 are each hereby
83 amended to read as follows:

84 A. ~~((Purpose:))~~ King County maintains Harborview Medical Center as a county
85 hospital, pursuant to state law, for the primary purpose of providing comprehensive
86 health care to the indigent, sick, injured or infirm of King County, and is dedicated to the

87 control of illness and the promotion and restoration of health within the King County
88 area.

89 B. ~~((Priorities.))~~ Within available resources, the medical center shall provide
90 adequate health care to those groups of patients and programs which are determined to
91 require priority treatment by the county governing authority. Within this determination
92 shall be the provision that admission of patients to the medical center shall not be
93 dependent upon their ability to pay.

94 ~~((C. Admission Rules. The board shall propose to the council by December 31,
95 1984 rules for the admission of patients in conformance with approved policies and
96 priorities. The rules shall include a provision for a sliding fee schedule based upon a
97 patient's ability to pay, and for the process to obtain payment for costs of the patient's
98 care as provided by state law.))~~

99 SECTION 4. Ordinance 6818, Section 5, as amended, and K.C.C. 2.42.040 are
100 each hereby amended to read as follows:

101 A. The ~~((Harborview medical center))~~ board ~~((of trustees))~~ shall be composed of
102 thirteen members, one nominated from each council district by the county council and
103 four at-large members, who shall be nominated by the county council. Nominees shall be
104 appointed by the executive and confirmed by the council by motion.

105 B. Board members representing council districts and the four at-large positions
106 nominated by the council shall be appointed in the manner set forth in K.C.C. 2.28.0015.

107 C. In making appointments to the board, an effort should be made to assure that
108 diverse geographic, social, cultural, ethnic, racial and economic backgrounds and
109 perspectives are considered. Candidates should possess: demonstrated leadership ability,

110 and recognized experience in management or administration, planning, finance, health
111 service delivery, consumer representation or institutional operation; and the ability to
112 work cooperatively with others of diverse backgrounds and philosophies. Additionally,
113 all candidates must be willing to commit to the amount of time necessary to perform
114 trustee duties, serve on board committees and serve as an advocate for the medical center.

115 D. ~~((Nø))~~ A person shall not be eligible for appointment as a member of the
116 board who holds or has held, during the two years immediately before appointment, any
117 salaried office or position in any office, department or branch of county government or of
118 any organization with which a contract for the operation and administration of the
119 medical center has been executed. A person shall not be eligible for appointment as a
120 member of the board who is employed in a managerial capacity by or serves on the board
121 of directors of a competitor of UW Medicine. All candidates are required to disclose any
122 information concerning actions or activities of the candidate or the candidate's immediate
123 family that present a potential conflict of interest. Candidates whose employment,
124 financial interests or other transactions are determined by the appointing officials to be in
125 conflict with the interests of the medical center, are ineligible for board membership.

126 E. ~~((Nø))~~ A board member shall not receive any compensation or emolument
127 whatever for services as a board member and shall be governed by the county code of
128 ethics and state law regarding conflict of interest. Board members may be reimbursed for
129 travel expenses in accordance with RCW 43.03.050 and 43.03.060, as now existing or
130 hereafter amended.

131 SECTION 5. Ordinance 10563, Section 2, as amended, and K.C.C. 2.42.080 are
132 each hereby amended to read as follows:

133 A. The medical center shall prepare a long-range capital improvement program
134 (~~((("CIP"))~~) plan, which shall be approved by the board and by the county governing
135 authority by ordinance. The long-range CIP plan shall identify the medical center's needs
136 for ensuring quality patient care consistent with the medical center's mission statement
137 and county policy describing the medical center's purpose, priority programs, priority
138 patient groups and other requirements in this chapter. The long-range CIP plan shall be
139 updated at least once every five years, or more frequently, if deemed necessary by the
140 board. All changes to the long-range CIP plan shall be treated as amendments to the plan
141 previously approved by ordinance. The county, the board and the university shall make a
142 good faith effort to adhere to the deadlines detailed in subsections B. and C. of this
143 section.

144 B. (~~((Annually, the medical center shall prepare a))~~) The medical center capital
145 project oversight committee, or its successor in function, shall review and advise the
146 board regarding the university's annual six-year CIP budget which shall be forwarded to
147 the board no later February 28 each year.

148 C. The board shall review the six-year capital improvement plan ("CIP") budget,
149 which shall be approved by the board and submitted to the county executive (~~((consistent~~
150 ~~with the executive's annual budget preparation process))~~) no later than April 15 each year.

151 The medical center CIP budget shall contain the specific capital improvements necessary
152 to meet the needs, policies and priorities identified in the approved long-range CIP plan.

153 (~~((C.))~~) D. The executive shall submit the medical center's six-year CIP budget to
154 the council (~~((as part of the executive's proposed six-year CIP budget for the county. The~~
155 ~~council will review the proposed CIP budget and approve appropriations for all medical~~

156 center CIP projects subject to subsection E. of this section, for the following year),
157 which should adopt the medical center CIP budget by June 13 each year.

158 ~~((D.))~~ E. All capital improvement projects at the medical center ~~((which))~~ that are
159 funded in whole or in part with the proceeds of county tax revenues, bonds or other debt
160 issued by the county, grants to the county, gifts or donations shall be subject to, planned
161 and administered consistent with this chapter and K.C.C. Title 4A.

162 ~~((E.1.))~~ F. Notwithstanding any provisions of this chapter or K.C.C. Title 4A to
163 the contrary, all capital improvement projects at the medical center that are funded
164 exclusively with medical center revenues and that are budgeted over the life of the project
165 for an amount not exceeding ~~((one))~~ five million dollars shall be managed, designed,
166 planned, developed and overseen by medical center administration and the university,
167 subject to review and approval by the board. All capital ~~((improvement))~~ project
168 activities conducted under this subsection shall comply with state laws applicable to the
169 university, this subsection and medical center policies and procedures ~~((to be))~~ approved
170 by the executive, following consultation with the board and university. ~~((The))~~ Those
171 policies and procedures shall include, but not be limited to, the following:

172 1. Procedures for the open and competitive solicitation of ~~((bids))~~ contracts for
173 ~~((CIP))~~ capital projects ~~((costing more than ten thousand dollars))~~ as may be required by
174 state laws applicable to the university;

175 2. Elements to be included within all CIP project budgets, which shall include,
176 at a minimum:

177 a. design consultant (architect and engineering ~~((design fees))~~ services);

178 b. other consultant fees;

- 179 c. ~~((direct))~~ construction costs;
- 180 d. ~~((fees and))~~ permit~~((s))~~ fees;
- 181 e. ~~((on-site costs))~~ contingency budget; and;
- 182 f. ~~((off-site costs;~~
- 183 ~~g. contingency budget; and~~
- 184 ~~h. project management and administration costs))~~ project management and
- 185 administration costs.

186 3. Policies and procedures to ~~((increase the opportunities for))~~ provide

187 opportunities for apprentices, minority and women's businesses, disadvantaged business

188 enterprises and small contractors and suppliers to participate in ~~((CIP))~~ capital project

189 contracts. These policies and procedures shall include, at a minimum: ~~((separate~~

190 ~~utilization goals for the use of minority and women's businesses, which shall be~~

191 ~~reasonably achievable and shall be the minimum utilization identified in all bid~~

192 ~~solicitations; reporting and enforcement guidelines; and the identification of medical~~

193 ~~center staff necessary to implement this subsection))~~ goals for the use of apprentices,

194 minority and women's businesses or small contractors and suppliers or disadvantaged

195 business enterprises that shall be reasonably achievable and identified in all appropriate

196 solicitations; reporting guidelines; and the identification of medical center staff necessary

197 to implement this subsection F.3.;

198 4. Procedures for review ~~((and)),~~ evaluation ~~((of design consultants))~~ and award

199 of contracts for either construction or architectural and engineering services;

200 5. Procedures for reporting and control, which shall include, at a minimum:

201 a. ~~((monthly))~~ quarterly reports from staff at the medical center to the board on
202 the status of the budget, scope and schedule for all CIP projects subject to this subsection;

203 b. when requested by the executive, quarterly reports from the board ~~((to the~~
204 ~~executive))~~ on the status of the budget, scope and schedule for all CIP projects subject to
205 this subsection;

206 c. immediate notification by staff at the medical center to the board ~~((and the~~
207 ~~executive,))~~ if a CIP project subject to this subsection exceeds its authorized budget;

208 d. ~~((semiannual))~~ periodic reports from the board to the executive for
209 transmittal to the council on the status of the budget, scope and schedule for all CIP
210 projects subject to this subsection as requested;

211 e. annual reports from the board to the executive for transmittal to the council
212 evaluating the ~~((medical center's compliance with its utilization goals for minority and~~
213 ~~women's business participation))~~ participation of apprentices, minority and women's
214 businesses, small contractors and suppliers or disadvantaged business enterprises in CIP
215 projects subject to this subsection. ~~((the medical center's compliance with its utilization~~
216 ~~goals for minority and women's business participation in CIP projects subject to this~~
217 ~~subsection.))~~

218 ~~((F.))~~ G. All costs of ~~((capital improvement))~~ CIP projects administered by the
219 medical center under subsection ~~((E.))~~ F. of this section shall be paid from medical center
220 revenues. So long as management of the medical center is delegated by contract to the
221 University of Washington, exemption of such capital improvement projects from K.C.C.
222 Title 4A shall be effective but only if the ~~((U))~~ university ~~((of Washington))~~ agrees to
223 indemnify the county ~~((and its elected and appointed officers, agents and employees from~~

224 ~~costs, claims, damages or liability arising out of the CIP projects in a form acceptable to~~
225 ~~the county))~~ in accordance with the hospital services agreement.

226 ~~((G.))~~ H. Subsection ~~((E.))~~ F. of this section shall remain in effect until the
227 expiration date of the ~~((1995 management and operations contract between the~~
228 ~~Harborview Medical Center Board of Trustees and the University of Washington Board~~
229 ~~of Regents existing as November 30, 2014, and as may be amended))~~ the hospital
230 services agreement, as may be amended.

231 ~~((H.))~~ I.1. From the annual operating revenue of ~~((Harborview))~~ the ~~((M))~~ medical
232 ~~((C))~~ center, the medical center shall fund depreciation reserves to be allocated to the
233 major movable equipment and building repair and replacement funds and transfer the
234 depreciation reserve funding into the respective capital funds. ~~((Harborview))~~ The
235 ~~((M))~~ medical ~~((C))~~ center shall designate a minimum of ten million eight hundred
236 thousand dollars annual depreciation reserve commitment and allocate it as follows:

237 a. The building repair and replacement fund annual funding amount shall be in
238 accordance with the annual budget submitted to the county, but shall not be less than four
239 million dollars per year; and

240 b. The balance, or not less than six million eight hundred thousand dollars of
241 the minimum ten million eight hundred thousand dollar annual depreciation reserve
242 commitment shall be allocated for moveable equipment.

243 2. An annual report shall be provided to the executive and council detailing
244 major moveable equipment. expenditures and revenue sources in the major movable
245 equipment fund ~~((502))~~.

246 3. The transfers to the major movable equipment fund and the building repair
247 and replacement fund shall occur no later than thirty days after the end of the medical
248 center's fiscal year.

249 4. When planned expenditures exceed the funds available in the building repair
250 and replacement fund, the additional funding shall come from an extraordinary funding
251 source other than the county's general fund.

252 5. The difference, between the six million eight hundred thousand dollars
253 available for moveable equipment and the ten million eight hundred thousand dollars
254 projected moveable equipment need, or four million dollars annually, shall be included as
255 part of an allotment through an extraordinary funding source, not including the county's
256 general fund.

257 ~~((F))~~ J. King County shall continue to be responsible for major long-range
258 infrastructure capital repairs, replacements and improvements and major additions, using
259 voter approved bonds or other funding mechanisms approved by the county governing
260 authority.

261 ~~((F))~~ K. There is created a medical center building repair and replacement fund,
262 which shall be a county capital project fund and shall be used to account for the regular
263 segregation of building repair and replacement capital reserves, including investment
264 income. From the building repair and replacement fund shall be drawn payments for the
265 acquisition of fixed equipment, building renovations and improvements as approved by
266 the board.

267 1. Moneys deposited in the building repair and replacement fund shall be
268 invested solely for the benefit of that fund. The board may make transfers to the fund on
269 a more frequent basis.

270 2. The moneys deposited in this fund shall be used solely for the renovation
271 and/or improvement of the medical center's buildings and equipment, subject to the
272 capital budgeting provisions of this chapter.

273 SECTION 6. A new section is hereby added to K.C.C. ch.4.56 as follows:

274 For all buildings that comprise the medical center as defined in K.C.C. 2.42.010,
275 and in accordance with the terms of the 2016 Hospital Services Agreement, as defined in
276 in K.C.C. 2.42.010, the University of Washington shall act as the county's leasing agent
277 and property manager for retail spaces and retail opportunities, including, but not limited
278 to kiosks, concession stands and automated teller machines, and such other purposes that
279 support or enhance the medical center. All leases for these purposes shall be approved
280 and executed by the county executive or the executive's designee and shall be exempt
281 from the requirements of K.C.C. 4.56.140, 4.56.150, 4.56.160, 4.56.170, 4.56.180 and
282 4.56.190.

283 SECTION 7. The county council finds as fact and declares that an emergency
284 exists and this ordinance is necessary for the immediate preservation of public peace,

285 health or safety or for the support of county government and its existing public
286 institutions.
287

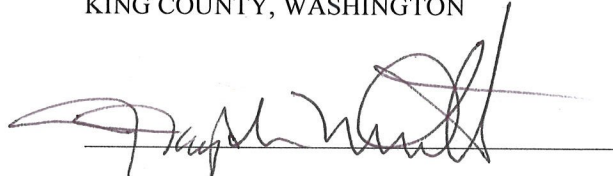
Ordinance 18233 was introduced on 2/8/2016 and passed by the Metropolitan King County Council on 2/8/2016, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci

No: 0

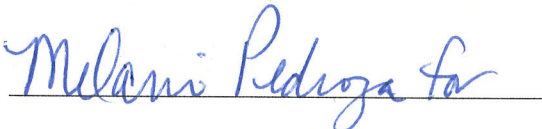
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: None