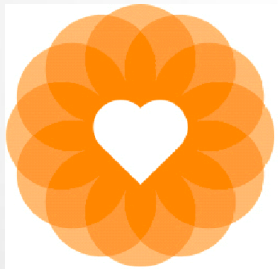


# 2016 PUBLIC HEALTH & SAFETY BOND

## Quarterly Update

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San Francisco  
Health Network

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH



ZUCKERBERG  
SAN FRANCISCO GENERAL  
Hospital and Trauma Center

Full Health Commission  
September 5, 2023

# Topics & Presenters

## **Project Budget**

- Mark Primeau (DPH)

## **COVID-19 Impacts and Strategies to Manage Budget Challenges**

- Terry Saltz/Mark Primeau (DPH)

## **Project Updates**

- Joe Chin (SF Public Works)

## **Coordination w/ UCSF Research Center Project**

- Mark Primeau (DPH)/Alicia Murasaki, (UCSF)

# Highlights Since March 2023 Report

- State Infrastructure Grant - Behavioral Health Continuum Infrastructure Program (\$33,736,105)
- Received Psychiatric Emergency Services HCAI Plan Approval. Construction start scheduled in early 2024
- 2020 Health and Recovery Bond - \$11.4M has been received for PES
- DPH portion of interest earnings approximately \$10.3M
- SFGH Foundation MOU approved by the Board of Supervisors (BOS). Received \$18.359M alternative funding in current FY Budget
- Developing 2024 DPH Bond including \$33M critical infrastructure for both ZSFG and LHH. Possibly bridges budget gap in 2016 PHS Bond.
- Re-scoped IT Infrastructure resulting in \$10M reduction. Project will be re-bid under a reduced scope.

# Project Budget: ZSFG Building 5

Total Budget: \$205.7 Million

	Bond Budget	Other Fund Sources <sup>5</sup>	Bond Expended as of 7/18/2023 <sup>3</sup>	% Expended/Budget	Bond Encumbered as of 7/18/2023 <sup>3, 4</sup>	% Bond Expended+ Encumbered/Budget
Purchase, Construction, & Mobilization	\$111,549,590	\$11,400,000	\$ 53,058,643	47.6%	\$55,786,693	97.6%
Project Control	\$89,048,402	\$0	\$ 81,132,992	91.1%	\$5,025,286	96.8%
Other Program Costs <sup>2</sup>	\$2,838,463	\$0	\$0	0.0%	\$0	0.0%
Finance Costs <sup>1</sup>	\$2,242,890	\$0	1,708,408.00	76.2%	\$0	76.2%
<b>Total</b>	<b>\$205,679,345</b>	<b>\$11,400,000</b>	<b>\$ 135,900,043</b>	<b>66.1%</b>	<b>\$60,811,979</b>	<b>95.6%</b>

1. Finance Costs include Underwriter's discount, cost of issuance, GO oversight committee fee, Controller's audit fees. Because the total Finance costs for the 1<sup>st</sup> sale include all 3 agencies and 3<sup>rd</sup> sale includes 2 agencies, DPH has segregated out it's portion of the finance costs.
2. Other Program costs include Program Contingency.
3. PeopleSoft financial data as of 7-18-2023. Financial data are subject to revision based on ongoing Public Works labor and non-labor clean-up effort.
4. \$18M has been allocated from Building 5 component to fund CHC Component Projects
5. Other Fund Sources include \$11.4M (2020 Health and Recovery Bond for PES Project).

# Project Budget: Community Health Centers

Total Budget: \$66.8 Million

	Bond Budget	Other Fund Sources <sup>5</sup>	Bond Expended as of 7/18/2023 <sup>3</sup>	% Expended/ Budget	Bond Encumbered as of 7/18/2023 <sup>3, 4</sup>	% Bond Expended+ Encumbered/ Budget
Purchase, Construction, & Mobilization	\$40,521,428	\$10,270,140	\$40,223,052	99.3%	\$113,361	99.5%
Project Control	\$24,918,014	\$285,869	\$24,018,880	96.4%	\$190,373	97.2%
Other Program Costs <sup>2</sup>	\$595,830	\$0	\$0	0.0%	\$0	0.0%
Finance Costs <sup>1</sup>	\$723,848	\$0	587,574.00	81.2%	\$0	81.2%
<b>Total</b>	<b>\$66,759,119</b>	<b>\$10,556,009</b>	<b>\$64,829,506</b>	<b>97.1%</b>	<b>\$303,735</b>	<b>97.6%</b>

1. Finance Costs include Underwriter's discount, cost of issuance, GO oversight committee fee, Controller's audit fees. Because the total Finance costs for the 1<sup>st</sup> sale include all 3 agencies, DPH has segregated out it's portion of finance.
2. Other Program Cost include Program Contingency and Project Reserves.
3. PeopleSoft financial data as of 7-18-2023. Financial data are subject to revision based on ongoing Public Works labor and non-labor clean-up effort.
4. \$18M has been allocated from ZSFG Building 5 Component to CHC Component
5. Other Fund Sources includes FEMA (\$2.15M), PUC (\$910K), Mayor's Budget Office (\$1.8M), MHSA (\$3M), OCII (\$2.1M), Old bonds (\$403K), etc.

# Project Budget: ZSFG Building 5

## ECKER'S HOSPITAL REVIEW



Below are average building costs per square foot of gross floor area by city for Q2 2023:

- Los Angeles: \$805
- San Francisco: \$753 ✓
- New York: \$725
- Denver: \$700
- Portland, Ore.: \$700
- Washington, D.C.: \$698
- Honolulu: \$680
- Seattle: \$638
- Boston: \$600
- Chicago: \$598
- Phoenix: \$555
- Las Vegas: \$543



## Preliminary Draft Project Budget

2016 BOND PROJECTS			
Project	Project Name	2016 Budget	2023 Budget
P1	Seismic Retrofit	34,857,000	50,232,998
P2	Dialysis Relocation	14,138,000	33,576,646
P3	Public Health Laboratory	19,510,000	39,850,288
P4	IT Infrastructure	20,557,000	25,096,584
P5	Family Health Clinic	19,793,000	50,947,042
P6	Psych Emergency Services Relocation	8,300,000	24,522,307
P7	Building 80/90 Specialties Clinics	6,598,000	34,500,000
P8	Clinical Laboratory Automated Track Replacement	2,500,000	8,081,727
	6H Office Surge Space	4,648,000	11,986,950
	Urgent Care Relocation	1,872,000	2,958,000
	Rehabilitation Relocation (Ph. 1 & 2)	23,713,000	33,161,573
		<b>156,486,000</b>	<b>314,914,115</b>

Available Funding	204,000,000
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- Completed
- Funding Supplemented

<b>Deficit</b>	<b>(110,914,115)</b>
<u>other funding</u>	
CPC Clin Lab (Original)	1,800,000
CPC Clin Lab (Stimulus)	4,000,000
2020 Health & Recovery Bond (PES)	11,400,000
Bond Interest Earnings	10,300,000
<b>Adjusted Deficit</b>	<b>(83,414,115)</b>

# STRATEGIES TO MANAGE BUDGET CHALLENGES

## Costs and Risk Management

- Continue working with Construction Manager/General Contractor (CMGC) during trade bid package buy-out to avoid subcontractor's higher pricing based on "assumed" and "unknown" risks. Reduce perceived risk. Pankow Builders (CMGC) and DPH/DPW will actively manage the risks.
- Continue working with Pankow Builders to outreach to subcontracting community to create a larger trade partner bidding pool, allowing for more competitive pricing.
- Continuing utilizing early demolition packages (when applicable) to minimize unforeseen condition risks during construction (e.g. Psychiatric Emergency Services)
- Value Engineering (de-scope) to better align bid prices with budget
- Experts are forecasting an inflationary recovery flattening in 2024 for the construction industry
- Utilize alternate funding sources to supplement bond funding

# ZSFG Building 5 – Project Updates

## Projects in Construction:

- **Rehabilitation Department Relocation (Phase 3)**

- ❑ 17% completed. Urology Space-Continuing with wall framing and electrical and plumbing piping installation. Waste Holding-proceeding with hazardous material abatement and demolition.

- **Dialysis (DR)**

- ❑ 30% completed. Main Space-Continuing with wall and soffit framing; mechanical, electrical, in-wall plumbing rough-in installation; sheetrock installation at soffit areas; and east wall hazardous material abatement. 2<sup>nd</sup> Floor (underslab areas)-6 phases in the cafeteria/severy area. Completed new scopes in 3 of 6 phases. Completing the ceiling grid and tile in the 4<sup>th</sup> phase.

- **Public Health Laboratory (PHL)**

- ❑ 27% completed. Erected swing stage inside elevator shaft #4 and proceeding with elevator door front demolition; Completed concrete slab sawcut and proceeding with concrete demolition; Completed majority of the demolition within Ground Floor; Proceeding with wall framing at select areas.



Rehab Dept



Dialysis



PHL



# ZSFG Building 5 – Project Updates

- **Seismic Upgrade (SU)**

- ❑ 39% completed.

Ground level & L1- Completed concrete enlargement. Ceiling and floor repairs ongoing. Punchlist inspection being scheduled.

L2, L3, L4-completed concrete enlargement, fiber reinforced polymer (FRP) structural wrap; exterior spandrel sawcutting and concrete demolition. L5, L6, L7, Roof-upcoming locations with similar scopes and steel plate installation.

Seismic Joint – upcoming based on approval of logistics and phasing plan

- **Clinical Laboratory Automated Track Replacement (CL)**

- ❑ 40% completed. Medical Records - Targeting to complete by early Sept 2023. Main Space- proceeding with sheetrock installation and ductwork layout and installation

- **IT Infrastructure (IT)**

- ❑ 3% completed. Continue with wall framing at two restrooms/showers. 3<sup>rd</sup> rebid for further scope reduction to better align cost with budget.

- **Psychiatric Emergency Services (PES)**

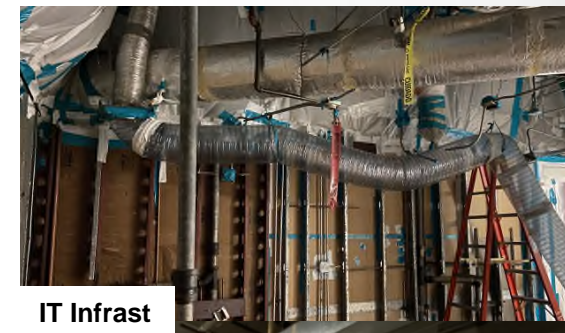
- ❑ **Early Demo (PES-ED).** 99% completed. All construction activities completed. Working with Design Team to finalize all testing and close-out documentation and initiate final HCAI inspection and approval.
- ❑ **Main Renovation.** Received HCAI plan approval on 7/27/2023. Targeting to start bidding by end of 2023 with construction starting in 1Q, 2024.



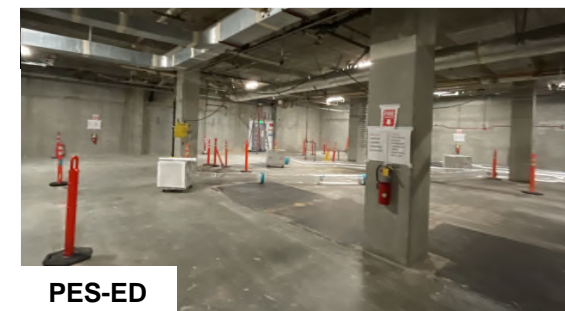
Seismic



ClinLab



IT Infrast



PES-ED

# UCSF Pride Hall

Design

Permits

COVID -19 & Permit Appeals

Mar 2020

Roadway Construction

Aug 2020

May 2021

Research Building Construction

Sep 2020

Spring 2023

Move In

Summer/Fall 2023

We are here (Sept 2023)

Construction is 100% complete & Moves are 65% complete



Pride Hall Lobby



President Drake at Pride Hall

2020

2023

# Questions?

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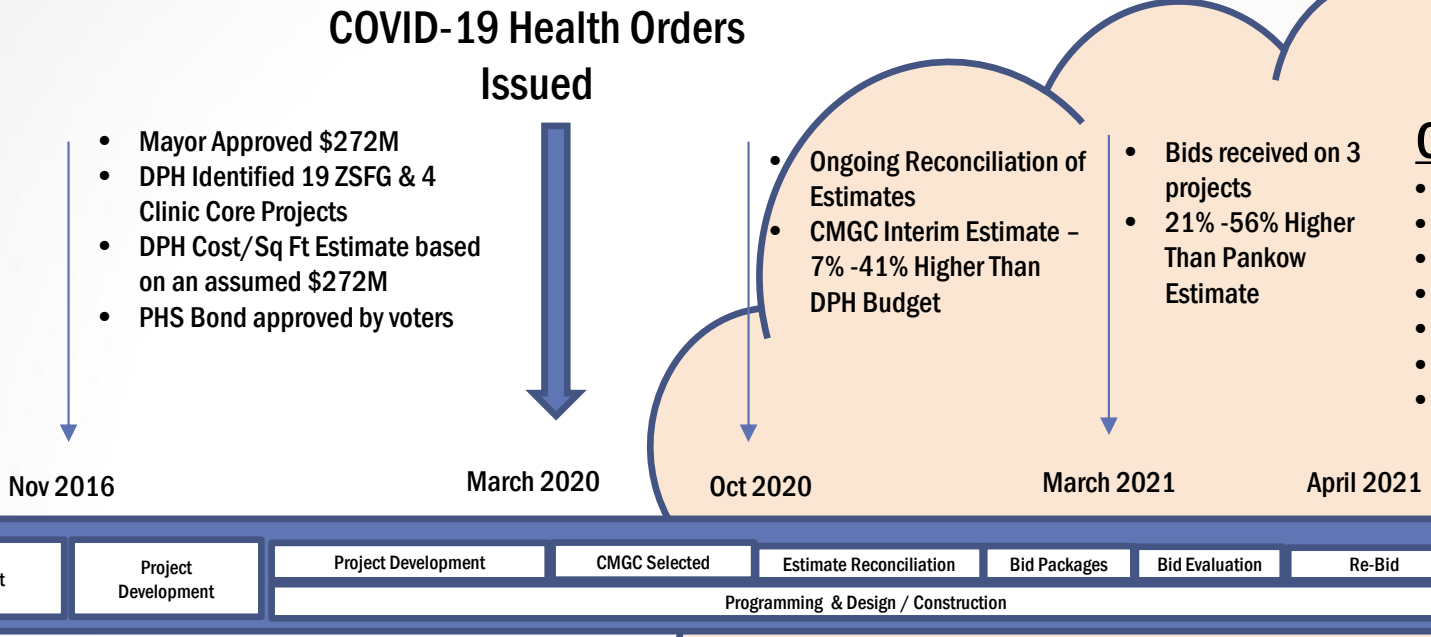


**San Francisco Department of Public Health**

# Appendix

# BOND PROGRAM IMPACTS – Historical Information

**2015  
DPH Capital  
Project  
Estimate  
\$535M**



- Mayor Approved \$272M
- DPH Identified 19 ZSFG & 4 Clinic Core Projects
- DPH Cost/Sq Ft Estimate based on an assumed \$272M
- PHS Bond approved by voters

- Ongoing Reconciliation of Estimates
- CMGC Interim Estimate - 7% -41% Higher Than DPH Budget

- Bids received on 3 projects
- 21% -56% Higher Than Pankow Estimate

## COVID-19 IMPACTS

- Supply Chain
- Material Costs
- Market Uncertainties
- Bidder Risk Avoidance
- Social Distancing
- Access to Job Site
- Occupied Building

### Planned Core Projects

- Chinatown Public HC (CPHC)
- Castro Mission HC
- Maxine Hall HC
- Southeast HC
- ZSFG B5 Seismic Improvement
- ZSFG B5 Infrastructure Improvement
- ZSFG B5 Clinical Improvement
- ZSFG B5 IT Improvement

- ZSFG bond budget reduction to support shovel-ready HC projects
- Projects Deferred: CPHC; ZSFG: 4E, MHRC, Fire Sprinkler, Mechanical
- Cost Estimate Impacted Project Scopes
- Ongoing Cost Estimates at Design Milestones

Dec 2020

- Estimate reconciliation results in increase project costs

## Unforeseen Impacts

- Code changes reduces seismic performance to SHR-4
- City Planning – Historical review of clinics due to building age
- Enabling Work – Temporary Clinics during construction
- Existing hazardous materials
- Aging infrastructure

# Other Potential Supplemental Fund Sources

FUND SOURCE TYPE	FUND SOURCE DESCRIPTION	AMT (million)
A	2016 BOND PROGRAM CONTINGENCY: \$2.5 M	2.5
B	FEMA HAZARD MITIGATION GRANT (Castro Mission HC)	2.15
C	BOND INTEREST EARNINGS (Dependent on market conditions, as of 7/2023)	10.3
D	DONOR- PHILANTHROPY: \$ TBD	TBD
E	PUC PV & EV ASSET FUNDING (Southeast HC)	0.91
F	2020 HEALTH AND RECOVERY BOND PROGRAM (ZSFG Psychiatric Emergency Services)	11.4
G	REIMBURSEMENT OF BOND ELIGIBLE EXPENSES APPLIED TO A FUTURE DPH BOND: \$500,000 - \$1,500,000 (e.g. Chinatown Public HC)	0.5
H	DPH REVENUE/SAVINGS -APPROVED BY MBO FOR USE ON CAPITAL: \$ TBD	TBD
I	MHSA & OCII funding: \$5.25M (Southeast HC)	5.3
J	CLIMATE CHANGE INITIATIVE GRANT (range of \$10M)	TBD
K	FEMA GRANT - BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES (BRIC) (range of \$10M)	TBD
<b>TOTAL</b>		<b>33.0</b>



# PROGRAM SCHEDULE SUMMARY

2016 Public Health & Safety Bond		MASTER SCHEDULE		Data Date: 01-Aug-23											
Activity Name	Duration (Cal. days)	Start	Finish	2023	2024	2025	2026	2027	2028	2029	30				
Construction	365	30-May-25	30-May-26												
Transition	101	24-Feb-26	05-Jun-26												
<b>Psychiatric Emergency Services (PES) Expansion</b>	<b>2941</b>	<b>01-Mar-18 A</b>	<b>20-Mar-26</b>												
Design	1974	01-Mar-18 A	27-Jul-23 A												
Construction	1373	15-Nov-21 A	19-Aug-25												
Transition	213	19-Aug-25	20-Mar-26												
<b>Radiology 1X65</b>	<b>1284</b>	<b>11-Apr-22 A</b>	<b>16-Oct-25</b>												
Design	712	11-Apr-22 A	23-Mar-24												
Construction	365	23-Mar-24	23-Mar-25												
Transition	207	23-Mar-25	16-Oct-25												
<b>Radiology 1X61</b>	<b>1358</b>	<b>01-Mar-23 A</b>	<b>18-Nov-26</b>												
Design	395	01-Mar-23 A	30-Mar-24												
Construction	365	20-Aug-25	20-Aug-26												
Transition	90	20-Aug-26	18-Nov-26												
<b>B80, B90 Specialties Relocation (On Hold)</b>	<b>1924</b>	<b>25-Oct-18 A</b>	<b>31-Jan-24</b>												
Hold	1015	21-Apr-21 A	31-Jan-24												
Design	908	25-Oct-18 A	20-Apr-21 A												
<b>Clinical Lab Automated Track Replacement</b>	<b>2500</b>	<b>01-Jan-18 A</b>	<b>05-Nov-24</b>												
Design	1464	01-Jan-18 A	04-Jan-22 A												
Construction	892	29-Nov-21 A	09-May-24												
Transition	180	09-May-24	05-Nov-24												

- Current Activity
- Baseline Activity
- Prev. Reported Activity

Legend:  
 Design: Programming, Design, Permitting, and Bid & Award  
 Construction: NTP, Construction, and Punchlist  
 Transition: FF&E, Training, and Licensing