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August 20, 2003

**ACTION UNDER PRESIDENT'S AUTHORITY--AMENDMENT OF THE BUDGET
FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM
FOR UCSF MEDICAL CENTER SB 1953 MOFFITT/LONG 2008 PHASE 1, SAN
FRANCISCO CAMPUS**

It is recommended that:

Pursuant to Standing Order 100.4(q)

- (1) The President amend the 2003-04 Budget for Capital Improvements and the Capital Improvement Program as follows:

San Francisco: UCSF Medical Center SB 1953 Moffitt/Long 2008 Phase 1 --
preliminary plans, working drawings, and construction --
\$9,988,000 to be funded from state lease revenue bond funds.

A Key to abbreviations and the project description are attached.

KEY
Capital Improvement Program Abbreviations

S	Studies
P	Preliminary Plans
W	Working Drawings
C	Construction
E	Equipment
-	State Funds (no abbreviation)
F	Federal Funds
G	Gifts
HR	Hospital Reserve Funds
I	California Institutes for Science and Innovation
LB	Bank Loans or Bonds (External Financing includes Garamendi, Bonds, Stand-By, Interim and Bank Loans)
LR	Regents' Loans (Internal Loans)
N	Reserves other than University Registration Fee (Housing and Parking Reserves)
R	University Registration Fee Reserves
U	Regents' Appropriations (President's Funds, Educational Fund)
X	Campus Funds
CCCI	California Construction Cost Index
EPI	Equipment Price Index

2003-04 Budget for Capital Improvements
and Capital Improvement Program
Scheduled for Regents' Allocation, Loans, Income Reserves,
Gift Funds, and Miscellaneous Funds

<u>Campus and Project Title</u>	<u>Proposed 2003-04</u>
<u>San Francisco</u>	P \$ 400
UCSF Medical Center	W \$ 600
SB 1953 Moffitt/Long 2008 Phase 1	C \$ 8,988

(\$9,988,000)

DESCRIPTION

This project would provide resources to satisfy the 2008 seismic anchorage requirements for non-structural components including equipment and piping in Moffitt and Long Hospitals, which are located at UC San Francisco Medical Center's Parnassus campus site. The Regents were provided the related summary information at their November 2000 meeting regarding the seismic safety mandates established by the Legislature in 1994 (Senate Bill 1953). The estimated total cost of this project is \$9,988,000.

Background

To comply with 2002 and 2008 SB 1953 seismic requirements, the campus reviewed the structural and non-structural elements of the acute care areas of the Medical Center. This resulted in the need for the following projects: SB1953 Moffitt 2002, SB1953 Moffitt/Long 2008 Phase 1 and SB1953 Moffitt/Long 2008 Phase 2. SB1953 Moffitt/Long 2008 Phase 1 presented for approval in this action item would satisfy the anchorage requirements in Moffitt and Long Hospitals for non-structural components including equipment and piping. SB1953 Moffitt/Long 2008 Phase 2 would be presented in a future item and would satisfy the structural upgrades required in Moffitt Hospital for SB1953 2008 compliance. SB1953 Moffitt 2002 was previously approved and all work has been completed.

Consultant teams performed surveys of the UCSF Medical Center to compile the information to complete the non-structural evaluation. Surveys were performed to evaluate seismic anchorage and bracing of non-structural components, equipment, and piping.

SB 1953 requires systems identified as Non-structural Performance Category 2 (NPC 2) to be braced and/or retrofitted to meet NPC 3 requirements by January 1, 2008, for buildings to remain in operation until January 1, 2030. Moffitt and Long Hospitals and the Central Utility Plant are currently rated NPC 2 and thus, need non-structural upgrading by 2008 to meet this NPC 3 requirement.

Project Description

The proposed project scope for SB1953 Moffitt/Long 2008 Phase 1 includes upgrading the seismic anchorage or bracing of the components of the following systems in Moffitt Hospital to meet 2008 SB 1953 requirements to achieve NPC 3 ratings.

- Interior nonbearing walls and partitions
- Storage racks over 5 feet tall
- Floor cabinets and book stacks over 5 feet tall
- Suspended ceilings and light fixtures
- Wall-hung cabinets and storage shelving
- Mechanical equipment anchorage
- Electrical equipment anchorage
- Plumbing equipment anchorage
- Medical equipment anchorage
- Steel piping larger than 2 ½ inch diameter
- Cast iron piping
- Fire sprinklers

The scope includes all mandatory code upgrades occasioned by the seismic work, and all associated patching and refinishing of the affected building elements.

Construction of the SB1953 Moffitt/Long 2008 Phase 1 project would start in March 2005, with completion required before December 31, 2007.

Hospital Funding – State Lease Revenue Bonds

The 2000 State Budget Act included \$600 million of state lease revenue bonds to be issued by the State Public Works Board (SPWB) to provide the Medical Centers of University of California with funding for the reconstruction projects that would be required to comply with SB1953. UCSF Medical Center has been allocated \$25 million for the projects identified in the discussion item presented at the November 2000 Regents' meeting. As in previous SPWB funding for other University projects since the mid 1980s, the SPWB would lease the UCSF Library building from The Regents using the asset transfer mechanism and issue state lease revenue bonds to finance all or a portion of the costs associated with seismic upgrading required for compliance with SB1953. The University would build or renovate the project under an agreement with the SPWB. SPWB retains ownership of the Library building through the earlier of the term of the lease or full repayment of the SPWB bonds used for the project, after which ownership is passed to the University.

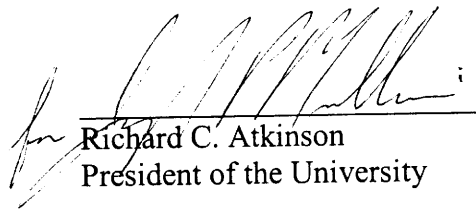
The University would pay rent to the Board for that facility. This rent would constitute the revenue from which the Board would repay interest and principal on the bonds. Financing arrangements between the state and the University are still being discussed.

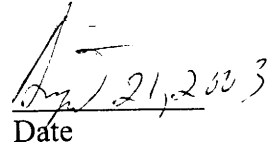
If the Legislature fails to appropriate sufficient funds to make the rental payments, The Regents are obligated to pay rent from any lawfully available funds. When the obligations are retired the site and facility leases would terminate and The Regents would obtain clear title to those facilities.

Financial Feasibility

The total project cost is \$9,988,000, to be funded by state lease revenue bond funds. Additional Financial Information is provided in Attachment 1.

Approved by:


Richard C. Atkinson
President of the University


Date

Attachment

PROJECT STATISTICS
SB1953 MOFFITT/LONG 2008 Phase 1
CAPITAL IMPROVEMENT BUDGET
SAN FRANCISCO CAMPUS
CCCI 4019

<u>Cost Category</u>	<u>Amount</u>	<u>% of Total</u>
Site Clearance	0	
Building	8,126,000	81.4%
Exterior Utilities	0	
Site Development	0	
A/E Fees	680,000	6.8%
Campus Administration	434,000	4.3%
Surveys, Tests, Printing	92,000	0.9%
Special Items	250,000	2.5%
Contingency	406,000	4.1%
<u>Total</u>	\$9,988,000	100%
Group 2 & 3 Equipment	0	
Total Project	\$9,988,000	

Project Statistics

Gross Square Feet (GSF)	662,278
Assignable Square Feet (ASF)	446,510
Ratio ASF/GSF (%)	67%
Building Cost/GSF	\$12.3
Building Cost/ASF	\$18.2

Comparable University Projects at CCCI 4019

Project statistics and comparable projects are not supplied for this particular project for the following reasons. Improvement work carried out inside hospital buildings must be performed in a way that will not compromise ongoing hospital operations in adjacent floors or spaces. Considerations of logistics, access, noise, vibration, multiple moves, and sepsis issues (protection from infection, dust, etc.) impact both design and construction trades in planning and conducting the work. Logically then, the cost increment often far exceeds that of normal (i.e., non-hospital) renovation. All these factors substantially influence the cost of improvement work (and of new construction) within the functioning hospital environment. For these reasons, renovation and improvement projects in hospitals are not directly comparable with one another. Additionally, a project such as this cannot be accurately represented with the standard project statistics.