

2016

PUBLIC HEALTH & SAFETY BOND

Quarterly Update



San Francisco
Health Network

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH



ZUCKERBERG
SAN FRANCISCO GENERAL
Hospital and Trauma Center

Full Health Commission
June 18, 2024

Topics & Presenters

Highlights Since September 2023 & preview of the planned 2024 November G. O Bond - Mark Primeau/Terry Saltz (DPH)

Project Budgets

- Mark Primeau (DPH)

Project Updates

- Joe Chin (SF Public Works)

Coordination w/ UCSF Research Center Project

- Mark Primeau (DPH)

Highlights Since September 2023 Report

Additional Funding Sources to Supplement 2016 Public Health and Safety

- 2020 Health and Recovery Bond - \$11.4M (PES Only)
- 2016 PHS Bond Interest Earnings - \$12,403,442 (DPH portion only)
- SFGH Foundation Capital Campaign (Phase 1) - \$18.4M (multiple projects)
- SFGH Foundation Capital Campaign - currently focused on next wave of funding and is on track to meet capital campaign goals (approximately \$21.5M).
- Finalizing November 2024 “Healthy, Safe, and Vibrant SF” GO Bond Program including \$66M critical infrastructure for both ZSFG and LHH
- General Funds “Pay-As-You-Go” Program - \$5M (pending approval)

Project Budget Deficit (as of Sept. 2023) – \$110.9M

Current Project Budget Deficit (as of June 2024) - \$33.5M

Psychiatric Emergency Services - Construction Notice-to-Proceed (NTP) issued on May 13, 2024

IT Infrastructure Project - Value engineering exercise (de-scoped) resulted in \$10M reduction to construction cost. Remaining IT scopes cost - approximately \$1.5M based on cost estimates/bids

November 2024 Healthy, Safe, and Vibrant GO Bond

Category	Example projects	Proposed Allocation	
Health Infrastructure	Chinatown Health Clinic; City Clinic; ZSFG Building 3; Critical Repairs & Renovations at LHH & ZSFGH	\$195.1M	*adjusted to \$205.1M+/-
Housing & Shelter for Families in Crisis	Flexible funding for shelter and housing infrastructure to end family homelessness	\$50M	
Vision Zero & Safe Streets	Pedestrian & Roadway Safety, Streetscape enhancements, e.g. Sloat Blvd and other high injury corridors.	\$68.9M	*adjusted to \$58.9M+/-
Vibrant Spaces	Improved Accessibility & Design for public spaces, e.g. Downtown, Harvey Milk Plaza, Active Recreation	\$76M	
Total		\$390M	

	Projects	Funding	Includes Projects such as:
Health & Housing Infrastructure (\$245M)	Chinatown Health Clinic	\$71.1M	Renovate SHR4 building; expand capacity; co-locate Child Development Center
	City Clinic	\$28M	Funds relocation + improvements of City Clinic
	ZSFGH Building 3	\$40M	Seismic Improvements
	Critical Repairs and Renovations @ LHH, ZSFGH	\$56M	Various Critical Renewals at Laguna Honda & ZSFGH, including investments for recertification, PES, etc.
	Family Shelter	\$50M	

increased to \$66M+/-

Project Budget: ZSFG Building 5

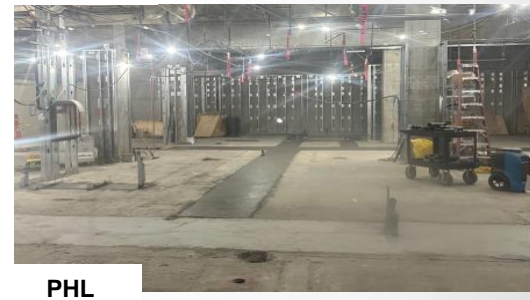
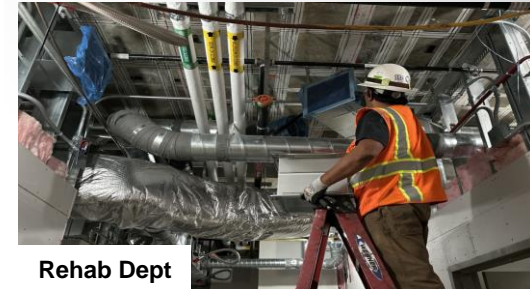
Total Budget: \$205.7 Million

	Bond Budget ³	Other Fund Sources ⁴	Bond Expended as of 4/26/2024 ²	% Expended/ Budget	Bond Encumbered as of 4/26/2024 ²	% Bond Expended+ Encumbered / Budget
Purchase, Construction, & Mobilization	\$108,117,246	\$28,194,623	\$ 67,034,159	62.0%	\$38,955,598	98.0%
Project Control	\$95,319,209	\$10,745,183	\$ 90,441,113	94.9%	\$3,706,348	98.8%
Finance Costs¹	\$2,242,889	\$0	1,721,180.00	76.7%	\$0	76.7%
Total	\$205,679,344	\$38,939,805	\$ 159,196,452	77.4%	\$42,661,947	98.1%

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 1st sale include all 3 agencies and 3rd sale includes 2 agencies, DPH has segregated out it's portion of the finance costs.
2. PeopleSoft financial data as of 4-26-2024. Financial data are subject to revision based on ongoing Public Works labor and non-labor clean-up effort.
3. \$18M has been allocated from Building 5 component to fund CHC Component Projects
4. Other Fund Sources include \$11.4M (2020 Health and Recovery Bond for PES Project), \$15.2M (SFGH Foundation Capital Campaign for 2016 PHS projects only), and \$12.4M (2016 PHS Bond Interest Earnings)

ZSFG Building 5 – Project Updates

- **Rehabilitation Department Relocation (Phase 3) (Phase – Construction)**
 - ❑ 45% overall completed. Urology Space-Continuing with overhead utility piping/ductwork installations. 3A/3C Restrooms-ZSFG released restrooms to start new phase. Constructing infection control barriers, hazardous material abatement, and wall framing.
- **Dialysis (DR) (Phase – Construction)**
 - ❑ 65% overall completed. Majority of wall framing is completed. Target to complete all sheetrock installation and start painting by end of July 2024. Continuing with overhead utility piping/ductwork installation. Started the installation of dialysis equipment tubing/piping.
- **Public Health Laboratory (PHL) (Phase – Construction)**
 - ❑ 45% overall completed. 90% of underslab plumbing excavation and installation is completed. Proceeding with the mold cleaning of the interior secondary infection control containment which will allow wall framing to start. Continuing with miscellaneous HVAC equipment support structure and concrete pad at roof and basement level.
- **Clinical Laboratory Automated Track Replacement (CL) (Phase – Constrn)**
 - ❑ 72% overall completed. Main Space- 90% of the utility piping and ductwork has been completed. New clin lab track equipment is targeted to be delivered by the of July 2024 and office furniture being delivered by end of June 2024. Project is targeting completion by end of 3Q, 2024.



ZSFG Building 5 – Project Updates

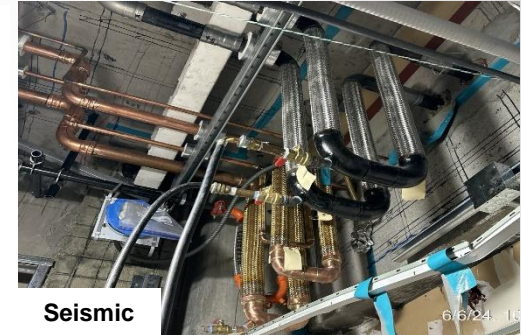
- **Seismic Upgrade (SU) (Phase – Construction)**

- ❑ 52% overall locations completed.

Ground level & L1- Column enlargement in progress at 4 locations.

Ward 3M/L3 Seismic Joint – Took over the entire 3M area to proceed with all structural improvements. Includes new flexible piping connections at the new seismic joint and new steel beams and columns to support concrete slab. 3M/L3 corridor to be reopen on July 15.

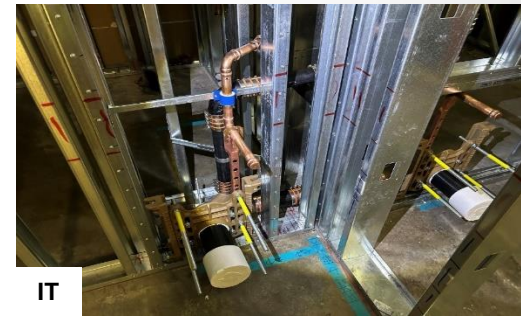
Ward 4M/L4 Seismic Joint – targeting to start at the end of July.



Seismic

- **IT Infrastructure (IT) (Phase – Construction)**

- ❑ 19% completed. Majority of wall framing at two restrooms/showers is completed. Final field coordination to start installation of chilled water piping (CHWL). Finalizing negotiation/bidding of the reduced mechanical, plumbing and electrical scopes.



IT

- **Psychiatric Emergency Services (PES) (Phase – Construction)**

- ❑ Construction NTP issued on May 13, 2024. Floor floating, floor scanning, and wall layout are completed. Hazardous material abatement and demolition will start in radiology rooms by end of June 2024



PES

- **Family Health Center (FHC) (Phase - Bidding)**

- ❑ Project has been separated into phases/scopes to align with funding commitments from SFGH Foundation Capital Campaign. Proceeding with bidding of the Phase 1 scopes (Ward 5C and 5E) with bids due by end of June 2024

UCSF Pride Hall



July 2023

Moves to Pride Hall are 100% Complete

Nov 2023

UCSF Vacates ZSFG Campus Spaces

Removal of Chemicals, Furniture, Equipment, Office & Lab Items

Cleaning of Affiliated Spaces

Surrender Work in Leased Spaces

We are here
(June 2024)

Work Activities for UCSF occupied spaces at ZSFG

Nov 2023

Nov 2024

Questions?

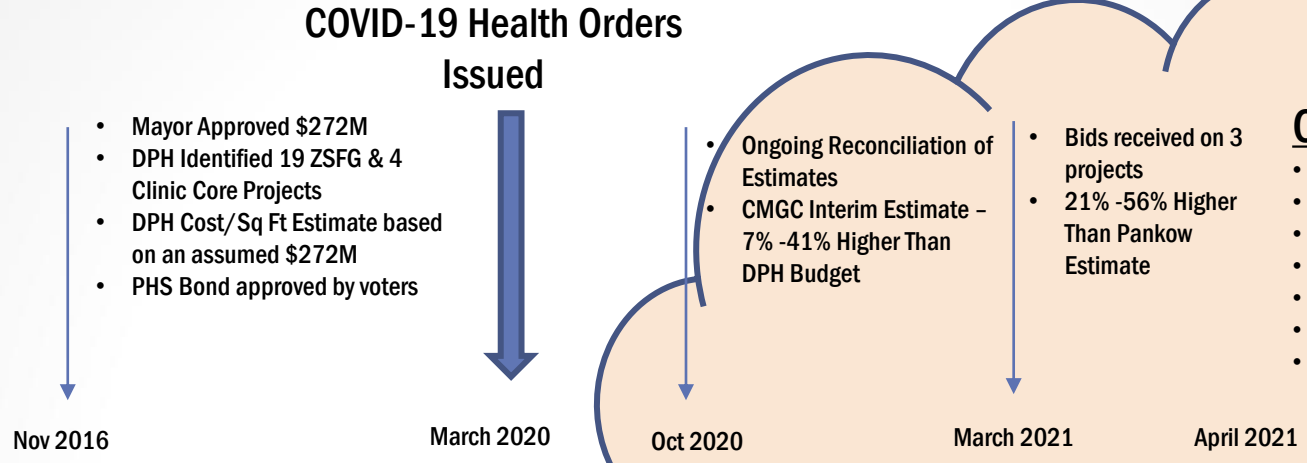


San Francisco Department of Public Health

Appendix

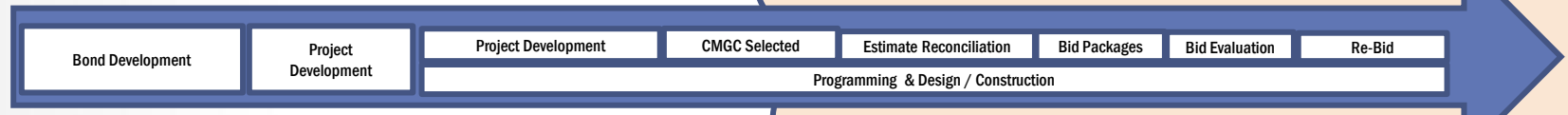
BOND PROGRAM IMPACTS – Historical Information

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



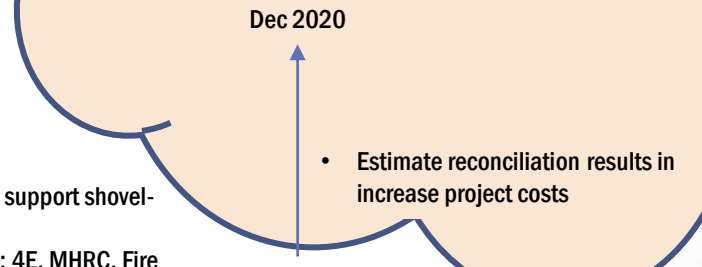
COVID-19 IMPACTS

- 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



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

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

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
		156,486,000	314,914,115

- Completed
- Funding Supplemented

Available Funding	204,000,000
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* Deficit	(110,914,115)
<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
Adjusted Deficit	(83,414,115)

***Deficit as of September 2023**