

Memorandum Tulare Regional Medical Center

FROM: LARRY BLITZ, INTERIM CEO
TO: TULARE LOCAL HEALTHCARE DISTRICT BOARD OF DIRECTORS
RE: SPECIAL BOARD MEETING AGENDA - BUDGET AUTHORIZATION CAPITAL PROJECTS
DATE: SEPTEMBER 5, 2018

DISCUSSION AND ACTION ON MAINTENANCE PROJECTS RELATED TO OPENING TRMC

The project chart provided in the Board Packet provides a list of current scheduled capital projects for TRMC. Many of these projects are necessary for the reopening of the hospital while others are longer-term projects or enhanced projects that Adventist Health (AH) has a desire to begin – the cost paid by AH. The original estimate of TRMC capital costs is 1.4 million dollars in order for the hospital to reopen. The adjusted cost not presented in the chart to TRMC is 1,338,132 (continues to be within the 1.4 million estimate). The specific projects listed below are those chosen and paid by AH:

- PP.2 – Upgrades in the nurses call system 2 items each \$26,911
- PP.3 - Nurses Call System – ICU/PICU architects fees \$56,757
- PP.3 – 4 items - cabinet replacements \$14,846 (4) = \$59,384
- PP.3 – NPC 2 lights \$175,000 (3)= \$525,000
- PP.3 – Kitchen Repairs - \$80,000
- PP.3 - Architect Fees – ICU/PICU \$27,756

Total AH Investment -- \$802,719

It is important to note that all District Capital projects have experienced multiple bids when possible. At least two bids have been secured for each project. In addition, since AH has been present, each bid is reviewed by AH facility employees considering their vast project experience. The main barriers of obtaining bids is the number of accessible contractors in the Central Valley and attracting competent contractors that are willing to work with TRMC given the history of financial problems.

REQUESTED BOARD ACTION

Our management team is requesting Board approval of those items listed in the capital budget list. The management team in cooperation with AH will only approve those projects so listed in the capital budget list. This action will eliminate the need of board meetings to approve

individual projects. Any new projects over the allowable cost limitations will continue to be introduced and addressed by the Board.