MEMORANDUM

To: Tulare Local District Hospital Board

From: Larry Blitz, Interim CEO

RE: Construction Changes – Board Action Needed

Date: August 16, 2018

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Item 1 – Nurse Call System Replacement – ICU/PICU – The Board passed a proposal from Siemens Corporation for nurse call system replacement (\$68,927) . Adventist Health has requested that for compatibility and reliability purposes, this project be changed and the new provider of such replacement will be Rauland. Rauland is the system being used at the Hanford facility and throughout the Adventist system. The Rauland system offers a five year warranty as compared to the one year warranty offered by Siemens. The Rauland system is considerably more expensive than the Siemens system and those costs over and above the Siemens system bid will be the responsibility of Adventist Health. Payment arrangements are being worked out.

The Christiansen Group Architectural bid of \$27,756 is a part of the Rauland system and will be included in the total cost of the nurse call project paid by the Adventist. It is important to note that even though the Siemens bid considers all the work that is required as one of the conditions to reopen the hospital, The Adventist choice is to have Rauland do the work.

Item 2 – Emergency Rental Chiller Installation – The Board approved the proposal to install a temporary Chiller as part of the reopening of the hospital, The Board action to approve the temporary chiller was due to time challenges of completing work on a permanent chiller by the reopening. The Emergency Chiller plan as presented to OSHPD was rejected due to OSHPD's insistence that chilled water piping and electrical also is needed to be completed enabling installation of the temporary chiller. Important – the additional work required by OSHPD is work that will be required for the permanent chiller. Thus, the additional funds being requested are funds that would have been requested later for the permanent chiller and will reduce the cost of permanent chiller installation later. These items to be completed are specific to life safety, NFPA 99 and Title 22, CA State Statutes. The total expense is \$296.558 of which is \$218,558 dollars over and above the original bid that was previously passed by the Board. It is determined that the Chiller repair is the responsibility of the District and Administration is proceeding with such project. The temporary chiller rental cost ranges from \$9,500 -\$10,500 per month depending on payment terms. It is estimated that the temporary chiller will be in-service from 2-6 months until the permanent chiller is completed.

Details of the above projects can be found in your Board packets. Each of these projects are reviewed by the TRMC team, Adventist Team and JLL (Jones, Lang, and LaSalle) and our inspector of Record (IOR).

Added 8/15

Action Items

- 1. To accept the recommendation of the TRMC Executive Team, Adventist Team and install the Rauland System at additional costs borne by the Adventist. No additional costs borne by the District
- 2. To accept the recommendation of the TRMC Executive Team and due to the new OSHPD requirements that have been communicated to TRMC contractors and the IOR. This recommendation will authorize an additional \$218,558 to be spent on the Chiller project presently with savings of such amount when the permanent chiller is installed.