



DESERT HEALTHCARE DISTRICT
Special Finance, Legal, Administration, & Real Estate Committee
March 15, 2023

The Special Finance, Legal, Administration, & Real Estate Committee of the Desert Healthcare District will be held at 4:00 PM, Wednesday, March 15, 2023, via Zoom using the following link:
<https://us02web.zoom.us/j/83743788340?pwd=VXljcEdUMWtLa3NvdHd3SGRXa0Mzd09>
Password: 108761

Members of the public can also participate by telephone, using the following dial in information:
Dial in #:(669) 900-6833 or (888) 788-0099
Webinar ID: 837 4378 8340
Password: 108761

I. CALL TO ORDER

II. APPROVAL OF AGENDA

III. PUBLIC COMMENT

At this time, comments from the audience may be made on items not listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Committee has a policy of limiting speakers to not more than three minutes. The Committee cannot take action on items not listed on the agenda. Public input may be offered on an agenda item when it comes up for discussion and/or action.

IV. APPROVAL OF MINUTES

1. F&A Meeting Minutes – February 15, 2023 – Pg. 3-6 **ACTION**

V. CEO REPORT

1. Activate Inclusion – Diversity, Equity, Inclusion (DEI) consulting/training, leadership development, and coaching services – \$14,940 – Pg. 7-12 **ACTION**

VI. CHIEF ADMINISTRATION OFFICER’S REPORT – Pg. 13 Information

1. LPMP Leasing Update – Pg. 14

VII. FINANCIAL REPORTS **ACTION**

1. District and LPMP Financial Statements – Pg. 15-25
2. Accounts Receivable Aging Summary – Pg. 26
3. District - Deposits – Pg. 27
4. District - Property tax receipts – Pg. 28
5. LPMP – Deposits – Pg. 29-30
6. District – Check Register – Pg. 31-32
7. Credit Card – Detail of Expenditures – Pg. 33
8. LPMP – Check Register – Pg. 34
9. CEO Discretionary Fund – Pg. 35
10. Retirement Protection Plan Update – Pg. 36
11. Grant Payment Schedule – Pg. 37



DESERT HEALTHCARE DISTRICT
Special Finance, Legal, Administration, & Real Estate Committee
March 15, 2023

VIII. OTHER MATTERS

- | | |
|---|---------------|
| 1. Audit Firm Selection for the FY23 Annual Audit – Pg. 38-67 | ACTION |
| 2. California Consulting - Consulting Services Agreement - Addendum #1 – Time Extension to March 31, 2024 – Pg. 68-69 | ACTION |
| 3. INPRO Construction – Las Palmas Medical Plaza Maintenance Service Agreement – 1 Year Extension to April 30, 2024, and Increase to \$11,485 per month – Pg. 70-71 | ACTION |
| 4. FOUNDANT – Grant Application Software Agreement – Pg. 72-82 | ACTION |
| 5. Desert Regional Medical Center - Seismic Assessment Update Report – Pg. 83-136 | Information |
| 6. Valuation Engagement Agreement – VMG Health – Additional Valuation Requirements for DRMC – Pg. 137-142 | Information |

IX. ADJOURNMENT

The undersigned certifies that a copy of this agenda was posted in the front entrance to the Desert Healthcare District offices located at 1140 North Indian Canyon Drive, Palm Springs, California, and the front entrance of the Desert Healthcare District office located at the Regional Access Project Foundation, 41550 Eclectic Street, Suite G 100, Palm Desert, California at least 72 hours prior to the meeting.

If you have any disability which would require accommodation to enable you to participate in this meeting, please email Andrea S. Hayles, Special Assistant to the CEO and Board Relations Officer, at ahayles@dhcd.org or call (760) 567-0298 at least 24 hours prior to the meeting.

Andrea S. Hayles

Andrea S. Hayles, Board Relations Officer



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
February 15, 2023

Directors Present	District Staff Present	Absent
Chair/Treasurer Arthur Shorr Vice-President Carmina Zavala, PsyD Director Leticia De Lara, MPA	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Eric Taylor, Accounting Manager Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Andrea S. Hayles, Board Relations Officer	

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Shorr called the meeting to order at 5:00 p.m.	
II. Approval of Agenda	Chair Shorr asked for a motion to approve the agenda.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the agenda. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting January 11, 2023	Chair Shorr motioned to approve the January 11, 2023, meeting minutes.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the January 11, 2023, meeting minutes. Motion passed unanimously.
V. Investment Portfolio 1. Q4 – 12/31/2022 – Investment Portfolio Statements Overview, Keith Stribling, CFA, Vice President, Senior Portfolio Manager, High Mark Capital Management	Keith Stribling, CFA, Vice President, Senior Portfolio Manager, High Mark Capital Management, commenced his presentation with the retirement plan describing the challenges and the performance report, including an overview of the District asset allocation summary and performance report, answering questions from the committee members.	
VI. CEO Report	There was no CEO Report.	
VII. Chief Administration Officer’s Report	Chris Christensen, CAO, provided an update on the	



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
February 15, 2023

	<p>auditing firm's Request for Proposals (RFP) detailing the two proposals received. One proposal is a solicitation from a CPA firm in Florida aligned with a proposed higher rate. The prior auditing firm Moss Levy & Hartzheim submitted a proposal for consideration.</p> <p>The Las Palmas Medical Plaza is 100% occupied but has upcoming vacancies with two leases expiring and leaving the medical plaza. A tenant on a one-year lease, a laboratory, is contending with other competitors in the complex, requesting to vacate early with five months remaining. Staff will present the recommended options for the committee's consideration.</p> <p>Lease expirations for renewal are forthcoming.</p>	
<p>VIII. Financial Reports</p> <ol style="list-style-type: none"> 1. District and LPMP Financial Statements 2. Accounts Receivable Aging Summary 3. District – Deposits 4. District – Property Tax Receipts 5. LPMP Deposits 6. District – Check Register 7. Credit Card – Detail of Expenditures 8. LPMP – Check Register 9. Retirement Protection Plan Update 10. Grant Payment Schedule 	<p>Chair Shorr reviewed the December financials with the committee.</p> <p>Chris Christensen, CAO, highlighted the property tax revenue at 9-10% higher than last year.</p> <p>The committee discussed the sponsorships listed on the CEO Discretionary Fund, the criteria and discretion for the CEO to disburse funds.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the January 2023 financials – items 1-10 and to forward to the Board for approval. Motion passed unanimously.</p>

DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
February 15, 2023

<p>IX. Other Matters</p> <p>1. CEO Discretionary Fund Increase from \$25,000 to \$50,000</p> <p>2. Development Director</p>	<p>Conrado Bárzaga, MD, CEO, described the consideration to increase the CEO Discretionary Fund by \$25k, with a significant improvement in opportunities and requests at events for visibility of the District.</p> <p>The committee discussed the upcoming budgeting cycle, the current overbudget of the property tax increases, and incorporating the \$50k into the next fiscal year.</p> <p>Dr. Bárzaga, CEO, described that in 2019, the board requested a senior development officer position and job description before the approval of the strategic plan in 2021. An out of state candidate was identified, COVID restrictions stalled the search process, and staff has pursued further recruitment, to no avail. The board determined when approving the strategic plan, the low priority of the position, with staff concentrating its efforts on high priority matters. In the meantime, the board approved California Consulting Group to identify grants and to date has secured \$1.3M from county funding opportunities. Staff has secured \$5M for distribution to support the</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve the CEO Discretionary Fund Increase from \$25,000 to \$50,000 effective immediately with inclusion in next year’s budget and forward to the Board for approval.</p> <p>Motion passed 2-0. (Chair Shorr voted present)</p>
--	--	---



**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
February 15, 2023**

	<p>Coachella Valley Equity Collaborative.</p> <p>The committee discussed the challenges of hiring for the position and contacting recruiters to fill the position, including the anticipated purpose and role of the position.</p> <p>Chair Shorr described his intent at the board meeting for a motion to modify the strategic plan low priority of the senior development officer for financial support.</p>	
X. Adjournment	Chair Shorr adjourned the meeting at 6:05 p.m.	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>

ATTEST: _____
 Arthur Shorr, Chair/Treasurer, Board of Directors
 Finance & Administration Committee Member
 Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: March 15, 2023
To: Finance & Administration Committee
Subject: Activate Inclusion DEI Training

Staff Recommendation:

Consideration to approve a contract in the amount of \$14,940 with Activate Inclusion for Board and Staff Development activities related to Diversity, Equity, and Inclusion (DEI)

Background:

- Reflecting demographic shifts happening in our country and our community, the Desert Healthcare District & Foundation has become increasingly more diverse, especially after the 2018 expansion.
- It is seemingly imperative to heighten our collective cultural awareness, learn about cultural interaction, and uncover hidden biases.
- Staff has explored opportunities to bring DEI training to the Board and the staff tailored to address the specific needs of the District.
- DEI training is crucial to building a safe and equitable workspace for all employees. It has the potential to help organizations uncover hidden biases, address unfair practices and behaviors, and to embrace colleagues of differing identities and backgrounds. It can also benefit the organization by building a more equitable, courageous, and compassionate culture, thus rising our growth potential and enriching how communities experience the District.
- Staff interviewed Activate Inclusion's DEI Executive Consultant Sindri Anderson (biography included), recommended by Director Zavala, who has experienced their training.
- At the request of the CEO, Activate Inclusion submitted the enclosed proposal, which staff recommends for approval.

Fiscal Impact:

\$14,940 for DEI training sessions.

**DEI Skill Development Proposal
Desert Healthcare District & Foundation
March 2, 2023**

Activate Inclusion has provided DEI consulting/training, leadership development and coaching services for over 16 years. We have partnered with organizations across sectors and industries to develop a strategic, data-based approach to addressing equity, inclusion, and diversity opportunities. We begin with a discovery process as the basis to co-creating the delivery plan. Unlike other firms who exclusively provide DEI training, we are organizational and leadership development experts who know how to create sustainable culture change.

We have worked with hundreds of organizations of all sizes and from non-profit, governmental, and for-profit sectors. We are avid learners and continue to develop and update material, ensuring the learning is relevant and actionable.

We have an array of training content (our Lego set) built to address self, others and organizational development. Our learning sessions help employees understand systemic issues, build new mindsets, and then adopt skills and practices to drive an equitable and inclusive work culture that yields equitable outcomes for clients and stakeholders.

For Desert Healthcare District, we are proposing the following approach.

Data-Gathering: We would interview all Board members individually and conduct a survey for the staff. The data would be used to customize the training content and offer insights for where ongoing awareness and development are needed. While maintaining strict confidentiality, the data also enables us to identify situations and scenarios that are realistic and relevant, ensuring that learning transfers easily into the real world.

Training: We recommend 6 hours of highly interactive education total with brief pre/post work assignments offered in two cohorts: (1) Board Members (2) all employees. Below is a sample curriculum for live virtual training utilizing three 2-hour modules. All sessions are highly interactive and center on real issues & opportunities for your organization. For Zoom sessions, the training team includes a facilitator and a producer who handles all interactive elements and trouble shoot any technical issues. We also provide a participant workbook with all content as well as exercises and space for personal notetaking.

Below is an overview of the potential training program.

Connection across Difference	Practicing Inclusion	Centering Equity
Welcome/Introduction	Debrief Prework	Debrief Prework
Exploring Identity	Understanding Implicit Bias & Microaggressions	Tools & Concept Review
Understanding Context & Terminology	Skills & Tools	Allying & Courageous Conversations
Dynamics of Power & Privilege	Scenario Applications	Application
Reflection & Take Aways	Reflection & Take Aways	Advancing Equity
Post-work Assignment	Post-work Assignment	Close & Next Steps

Sample Content

IDENTITY IS COMPLEX!

We are all comprised of a range of internal, external and organizational identities.

Reflection

Answer the questions on the worksheet



Activate
INCLUSION

PRIVILEGE DEFINED

“Unearned access to social power based on membership in a dominant social identity group”

- Rights, benefits and advantages beyond the advantages experienced by other individuals
- Varies by country, society, region, etc.
- Often invisible to those who have it, can be emotional and/or psychological...an automatic sense of belonging
- All of us have some form of privilege. Does not imply lack of work ethic or achievement based on effort

Activate
INCLUSION

COURAGEOUS CONVERSATIONS: A PARADIGM SHIFT

From

These messy conversations are necessary evils or distractions from the important work we do, and may harm relationships

I avoid these difficult conversations whenever possible.

To

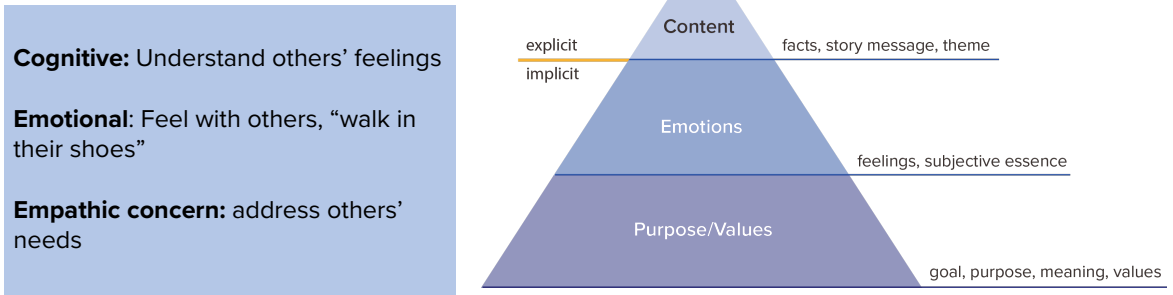
Done well, courageous conversations are critical opportunities to advance our culture, work and mission.

I scan my world for potential courageous conversations that build relational connection and an inclusive culture

Activate
INCLUSION

Credit: Social Transformation Project

APPLIED EMPATHY & DEEP LISTENING



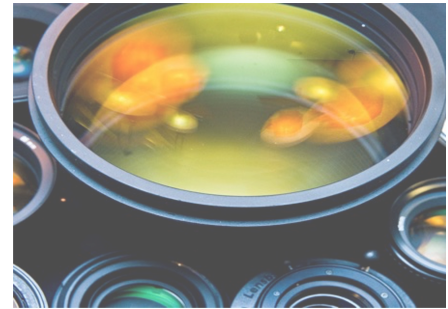
Regulate Your Emotions: Notice, Name, Breathe, Pause, Ask

Activate
INCLUSION

20

APPLY AN EQUITY LENS

- **Normalize** conversations about power, privilege and dominant culture patterns
- Address **hidden biases in every decision**, question assumptions about choices, resources and access.
- **Identify** who will benefit or be burdened by a given decision or action... micro or macro
- **Seek to understand** potential and existing unintended consequences
- **Develop strategies** to advance equity and mitigate negative impacts... interpersonal, between groups and systemically



Activate
INCLUSION

The Consulting Team



Tres Jiménez
Senior Consultant, Coach

By diagnosing and assessing needs with her clients, Tres is able to co-create innovative and customized solutions for personal and organizational growth and development. Tres' working style is collaborative, strategic, and directly tied to their vision, culture, and goals. Her authentic and energetic facilitation style ignites passion in the process of design co-creation and implementation of individual and team learning, problem solving, innovation and effectiveness. She has provided DEI, leadership development and coaching services to a wide variety of organizations and across all sectors.

Prior to joining Activate, Tres held leadership roles in the manufacturing and buying functions of the top apparel and home-décor corporations. Tres gained the reputation as an “intra-preneur” by launching several new categories and collaborations. Tres' success in leading and mentoring led her to the world of Organizational Effectiveness where she collaborated with business leaders to assess, motivate and develop individual people and teams. Tres is certified as an innovation facilitator and qualified in leadership skill topics and assessment instruments as part of her coaching toolbox.

Prior to Activate, Tres held senior leadership roles in Gap, Banana Republic and Pier One. In addition to her work through Activate Inclusion, Tres serves on the board of a non-profit for manufacturers in San Francisco, where she also acts as an advisor, coaching and business mentorship to new and growing companies. Tres is also an avid outdoor adventurer and a running coach for a group of women that run long distance trail races.



Sindri Anderson
Executive Consultant

Sindri is committed to helping organizations build equitable, courageous, and compassionate cultures. At Activate, her portfolio includes high-stakes facilitation, diversity/equity/inclusion consulting, organizational development, and executive coaching engagements. Her approach is optimistic, practical, and results-based, while focusing on accelerated collective and individual development.

Sindri has held both internal management and external consulting positions, providing expertise in diversity/equity/inclusion, leadership development, executive coaching, organizational development and culture change. She has consulted to a variety of organizations in the public, private and not-for-profit sectors.

She started her career at Hewlett Packard in a divisional Organizational Development role and led diversity training for several sites. At Levi Strauss & Co., she headed up diversity programming, led the Americas' Training & Development team and launched the first global leadership development effort. At Context Integration and Wind River Systems, she was the head of Organizational Effectiveness, defining the role for the first time in both cases.

Sindri founded Activate Inclusion in 2021, birthed from a desire to create a strategic group of like-minded individuals all having a passion and commitment to diversity, equity, and inclusion. Previously, she had co-founded Enact Leadership and grew it to a diverse, seasoned team of 30 individuals.

She received her BA in Russian from Carleton College, an MFA in Theatre from the University of Iowa, and her MBA from the Haas School of Business, University of California, Berkeley.

Pricing Table

Data collection, analysis, design customization, training material design/production, project management, client communication	\$4000
Delivery: <ul style="list-style-type: none">• 2 Cohorts @ \$6000 each with 1 facilitator & 1 producer with follow up support for individuals as needed through training process• Debrief with sponsor, including organizational insights and recommendations report (Pricing would be the same for virtual and in-person)	\$12,600
Sub Total	\$16,600
10% courtesy discount	\$1660
Total	\$14,940

Note that any travel requested by the client will be billed additionally, to include a fee for travel time as well as costs such as airline, meals, hotel, car rental etc.



Chief Administration Officer's Report

March 15, 2023

Audit RFP update – The District received 4 proposals of 8 solicited. A recommendation will be made during the Committee meeting.

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

93.1% currently occupied –

Total annual rent including CAM fees is **\$1,348,282**.

Leasing Activity:

3 suites (1E-204, 2W-102, & 2W-103/104) are now vacant and available for lease. Rob Wenthold, our broker, will be showing the suites to prospective tenants.

Las Palmas Medical Plaza

Unit Rental Status

As of March 1, 2023

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly CAM	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To									
											\$ 0.69		
1E, 204	Vacant					880	1.78%						
2W, 102	Vacant					640	1.30%						
2W, 103-104	Vacant					1,878	3.81%						
Total - Vacancies						3,398	6.88%						
Total Suites - 32 - 29 Suites Occupied		\$64,959.90				49,356	93.1%	\$ 80,648.60	\$ 967,783.20	\$ 1.75	\$ 31,708.26	\$ 112,356.86	\$ 1,348,282.32
Summary - All Units													
			Occupied	45,958	93.1%								
			Vacant	3,398	6.9%								
			Pending	0	0.0%								
			Total	49,356	100%								

DESERT HEALTHCARE DISTRICT
FEBRUARY 2023 FINANCIAL STATEMENTS
INDEX
Year to Date Variance Analysis
Cumulative Profit & Loss Budget vs Actual - Summary
Cumulative Profit & Loss Budget vs Actual - District Including LPMP
Cumulative Profit & Loss Budget vs Actual - LPMP
Balance Sheet - Condensed View
Balance Sheet - Expanded View
Accounts Receivable Aging
Deposit Detail - District
Property Tax Receipts - YTD
Deposit Detail - LPMP
Check Register - District
Credit Card Expenditures
Check Register - LPMP
CEO Discretionary Fund Detail
Retirement Protection Plan Update
Grants Schedule

**DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
EIGHT MONTHS ENDED FEBRUARY 28, 2023**

Scope: \$25,000 Variance per Statement of Operations Summary				
Account	YTD		Over(Under)	Explanation
	Actual	Budget	Budget	
	4000 - Income	\$ 4,689,085	\$ 3,705,768	
4500 - LPMP	\$ 1,022,941	\$ 903,992	\$ 118,949	Higher rent revenue \$42k; higher CAM revenue \$77k
5000 - Direct Expenses	\$ 860,116	\$ 1,252,460	\$ (392,344)	Lower wage related expenses \$207k due to open positions; lower board expenses \$113k; lower education expense \$47k; lower health insurance expense \$29k; higher retirement expense \$4k
6445 - LPMP Expense	\$ 728,137	\$ 753,408	\$ (25,271)	Lower depreciation expenses \$22k; higher insurance expense \$10k; lower marketing expense \$9k; higher exterminating expense \$9k; higher deferred maintenance expense \$8k; higher property management expense \$7k; higher security expense \$6k; lower plumbing expenses \$5k; lower landscaping expense \$5k; lower HVAC expense \$4k; lower lighting expense \$4k; lower rubbish removal expense \$4k; lower interior building expense \$2k; lower roof repairs expense \$2k; lower vacant units expense \$2k; lower property taxes expense \$2k; lower medical waste expense \$2k; lower misc \$2k
6500 - Professional Fees Expense	\$ 757,038	\$ 712,152	\$ 44,886	Higher Professional Services expense \$61k; lower PR/Communications expense \$25k; higher legal expense \$9k
7000 - Grants Expense	\$ 640,355	\$ 2,666,664	\$ (2,026,309)	Budget of \$4 Million for fiscal year is amortized straight-line over 12-month fiscal year. As of February 28, 2023, there is \$3,359,644 remaining in the fiscal year grant budget.
Las Palmas Medical Plaza - Net	\$ 294,804	\$ 150,584	\$ 144,220	LPMP revenue higher \$119k; LPMP expenses lower \$25k

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2022 through February 2023

	MONTH			TOTAL		
	Feb 23	Budget	\$ Over Budget	Jul '22 - Feb 23	Budget	\$ Over Budget
Income						
4000 · Income	(382,912)	(56,333)	(326,579)	4,689,085	3,705,768	983,317
4500 · LPMP Income	191,059	112,999	78,060	1,022,941	903,992	118,949
4501 · Miscellaneous Income	0	0	0	4,500	4,500	0
Total Income	(191,853)	56,666	(248,519)	5,716,526	4,614,260	1,102,266
Expense						
5000 · Direct Expenses	91,153	151,920	(60,767)	860,116	1,252,460	(392,344)
6000 · General & Administrative Exp	38,712	42,495	(3,783)	347,490	339,960	7,530
6127 · Depreciation - Autos	3,287	3,750	(463)	9,861	30,000	(20,139)
6325 · CEO Discretionary Fund	3,402	2,083	1,319	25,346	16,664	8,682
6445 · LPMP Expenses	91,097	94,176	(3,079)	728,137	753,408	(25,271)
6500 · Professional Fees Expense	149,651	89,019	60,632	757,038	712,152	44,886
6700 · Trust Expenses	5,458	6,021	(563)	48,465	48,168	297
Total Expense Before Grants	382,760	389,464	(6,704)	2,776,450	3,152,819	(376,369)
7000 · Grants Expense	90,000	333,333	(243,333)	640,355	2,666,664	(2,026,309)
Net Income	(664,613)	(666,131)	1,518	2,299,721	(1,205,223)	3,504,944

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2022 through February 2023

	MONTH			TOTAL		
	Feb 23	Budget	\$ Over Budget	Jul '22 - Feb 23	Budget	\$ Over Budget
Income						
4000 · Income						
4010 · Property Tax Revenues	46,002	0	46,002	4,989,736	4,156,432	833,304
4200 · Interest Income						
4220 · Interest Income (FRF)	86,194	75,000	11,194	665,264	600,000	65,264
9999-1 · Unrealized gain(loss) on invest	(517,108)	(133,333)	(383,775)	(981,915)	(1,066,664)	84,749
Total 4200 · Interest Income	(430,914)	(58,333)	(372,581)	(316,651)	(466,664)	150,013
4300 · DHC Recoveries	2,000	2,000	0	16,000	16,000	0
Total 4000 · Income	(382,912)	(56,333)	(326,579)	4,689,085	3,705,768	983,317
4500 · LPMP Income	191,059	112,999	78,060	1,022,941	903,992	118,949
4501 · Miscellaneous Income	0	0	0	4,500	4,500	0
Total Income	(191,853)	56,666	(248,519)	5,716,526	4,614,260	1,102,266
Expense						
5000 · Direct Expenses						
5100 · Administration Expense						
5110 · Wages Expense	110,811	121,344	(10,533)	792,019	970,752	(178,733)
5111 · Allocation to LPMP - Payroll	(6,363)	(5,470)	(893)	(50,904)	(43,760)	(7,144)
5112 · Vacation/Sick/Holiday Expense	8,604	11,667	(3,063)	142,716	93,336	49,380
5114 · Allocation to Foundation	(28,475)	(27,936)	(539)	(224,566)	(223,488)	(1,078)
5119 · Allocation-FED FUNDS/CVHIP-DHCF	(36,798)	(13,823)	(22,975)	(168,218)	(110,584)	(57,634)
5120 · Payroll Tax Expense	8,722	9,633	(911)	64,913	77,064	(12,151)
5130 · Health Insurance Expense						
5131 · Premiums Expense	20,316	21,576	(1,260)	150,250	172,608	(22,358)
5135 · Reimb./Co-Payments Expense	806	1,950	(1,144)	8,597	15,600	(7,003)
Total 5130 · Health Insurance Expense	21,122	23,526	(2,404)	158,847	188,208	(29,361)
5140 · Workers Comp. Expense	452	399	53	3,893	3,192	701
5145 · Retirement Plan Expense	9,128	8,895	233	75,280	71,160	4,120
5160 · Education Expense	453	7,083	(6,630)	9,156	56,664	(47,508)
Total 5100 · Administration Expense	87,656	135,318	(47,662)	803,136	1,082,544	(279,408)
5200 · Board Expenses						
5210 · Healthcare Benefits Expense	1,222	1,096	126	29,099	45,868	(16,769)
5230 · Meeting Expense	952	2,667	(1,715)	6,482	21,336	(14,854)
5235 · Director Stipend Expense	1,323	3,465	(2,142)	18,591	27,720	(9,129)
5240 · Catering Expense	0	833	(833)	2,391	6,664	(4,273)
5250 · Mileage Reimbursement Expense	0	208	(208)	417	1,664	(1,247)
5270 · Election Fees Expense	0	8,333	(8,333)	0	66,664	(66,664)
Total 5200 · Board Expenses	3,497	16,602	(13,105)	56,980	169,916	(112,936)
Total 5000 · Direct Expenses	91,153	151,920	(60,767)	860,116	1,252,460	(392,344)

Desert Healthcare District
Profit & Loss Budget vs. Actual
July 2022 through February 2023

	MONTH			TOTAL		
	Feb 23	Budget	\$ Over Budget	Jul '22 - Feb 23	Budget	\$ Over Budget
6000 · General & Administrative Exp						
6110 · Payroll fees Expense	187	208	(21)	1,781	1,664	117
6120 · Bank and Investment Fees Exp	5,025	4,500	525	43,994	36,000	7,994
6125 · Depreciation Expense	1,886	1,167	719	10,489	9,336	1,153
6126 · Depreciation-Solar Parking lot	15,072	15,072	0	120,576	120,576	0
6130 · Dues and Membership Expense	8,037	4,159	3,878	34,115	33,272	843
6200 · Insurance Expense	3,929	2,667	1,262	31,632	21,336	10,296
6300 · Minor Equipment Expense	0	42	(42)	0	336	(336)
6305 · Auto Allowance & Mileage Exp	462	500	(38)	3,926	4,000	(74)
6306 · Staff- Auto Mileage reimb	0	625	(625)	336	5,000	(4,664)
6309 · Personnel Expense	0	375	(375)	0	3,000	(3,000)
6310 · Miscellaneous Expense	0	42	(42)	0	336	(336)
6311 · Cell Phone Expense	656	725	(69)	5,095	5,800	(705)
6312 · Wellness Park Expenses	0	83	(83)	0	664	(664)
6315 · Security Monitoring Expense	0	50	(50)	353	400	(47)
6340 · Postage Expense	201	333	(132)	1,492	2,664	(1,172)
6350 · Copier Rental/Fees Expense	377	500	(123)	3,269	4,000	(731)
6351 · Travel Expense	(2,469)	1,667	(4,136)	19,443	13,336	6,107
6352 · Meals & Entertainment Exp	469	875	(406)	17,981	7,000	10,981
6355 · Computer Services Expense	1,603	4,263	(2,660)	25,097	34,104	(9,007)
6360 · Supplies Expense	814	1,917	(1,103)	7,476	15,336	(7,860)
6380 · LAFCO Assessment Expense	205	208	(3)	1,640	1,664	(24)
6400 · East Valley Office	2,258	2,517	(259)	18,795	20,136	(1,341)
Total 6000 · General & Administrative Exp	38,712	42,495	(3,783)	347,490	339,960	7,530
6127 · Depreciation - Autos	3,287	3,750	(463)	9,861	30,000	(20,139)
6325 · CEO Discretionary Fund	3,402	2,083	1,319	25,346	16,664	8,682
6445 · LPMP Expenses	91,097	94,176	(3,079)	728,137	753,408	(25,271)
6500 · Professional Fees Expense						
6516 · Professional Services Expense	135,751	72,094	63,657	637,909	576,752	61,157
6520 · Annual Audit Fee Expense	1,458	1,458	0	11,664	11,664	0
6530 · PR/Communications/Website	2,442	5,467	(3,025)	18,282	43,736	(25,454)
6560 · Legal Expense	10,000	10,000	0	89,183	80,000	9,183
Total 6500 · Professional Fees Expense	149,651	89,019	60,632	757,038	712,152	44,886
6700 · Trust Expenses						
6720 · Pension Plans Expense						
6721 · Legal Expense	0	167	(167)	0	1,336	(1,336)
6725 · RPP Pension Expense	5,000	5,000	0	40,000	40,000	0
6728 · Pension Audit Fee Expense	458	854	(396)	8,465	6,832	1,633
Total 6700 · Trust Expenses	5,458	6,021	(563)	48,465	48,168	297
Total Expense Before Grants	382,760	389,464	(6,704)	2,776,450	3,152,819	(376,369)
7000 · Grants Expense						
7010 · Major Grant Awards Expense	90,000	333,333	(243,333)	640,355	2,666,664	(2,026,309)
Net Income	(664,613)	(666,131)	1,518	2,299,721	(1,205,223)	3,504,944

Las Palmas Medical Plaza
Profit & Loss Budget vs. Actual
July 2022 through February 2023

	MONTH			TOTAL		
	Feb 23	Budget	\$ Over Budget	Jul '22 - Feb 23	Budget	\$ Over Budget
Income						
4500 · LPMP Income						
4505 · Rental Income	86,766	80,018	6,748	681,950	640,144	41,806
4510 · CAM Income	104,293	32,898	71,395	340,991	263,184	77,807
4513 · Misc. Income	0	83	(83)	0	664	(664)
Total 4500 · LPMP Income	191,059	112,999	78,060	1,022,941	903,992	118,949
Expense						
6445 · LPMP Expenses						
6420 · Insurance Expense	4,338	3,125	1,213	34,704	25,000	9,704
6425 · Building - Depreciation Expense	24,455	27,441	(2,986)	195,640	219,528	(23,888)
6426 · Tenant Improvements -Dep Exp	16,959	16,667	292	135,672	133,336	2,336
6427 · HVAC Maintenance Expense	0	1,333	(1,333)	6,702	10,664	(3,962)
6428 · Roof Repairs Expense	0	208	(208)	0	1,664	(1,664)
6431 · Building -Interior Expense	0	625	(625)	2,900	5,000	(2,100)
6432 · Plumbing -Interior Expense	0	667	(667)	1,619	5,336	(3,717)
6433 · Plumbing -Exterior Expense	0	208	(208)	0	1,664	(1,664)
6434 · Allocation Internal Prop. Mgmt	6,363	5,470	893	50,904	43,760	7,144
6435 · Bank Charges	(379)	42	(421)	(174)	336	(510)
6437 · Utilities -Vacant Units Expense	0	183	(183)	(78)	1,464	(1,542)
6439 · Deferred Maintenance Repairs Ex	0	1,250	(1,250)	17,518	10,000	7,518
6440 · Professional Fees Expense	11,150	11,150	0	89,200	89,200	0
6441 · Legal Expense	0	83	(83)	0	664	(664)
6458 · Elevators - R & M Expense	268	1,000	(732)	6,707	8,000	(1,293)
6460 · Exterminating Service Expense	550	333	217	11,695	2,664	9,031
6463 · Landscaping Expense	0	750	(750)	1,360	6,000	(4,640)
6467 · Lighting Expense	0	500	(500)	0	4,000	(4,000)
6468 · General Maintenance Expense	0	83	(83)	0	664	(664)
6471 · Marketing-Advertising	0	1,250	(1,250)	1,475	10,000	(8,525)
6475 · Property Taxes Expense	6,250	6,500	(250)	50,000	52,000	(2,000)
6476 · Signage Expense	369	125	244	748	1,000	(252)
6480 · Rubbish Removal Medical Waste E	1,148	1,500	(352)	10,312	12,000	(1,688)
6481 · Rubbish Removal Expense	2,651	3,058	(407)	20,512	24,464	(3,952)
6482 · Utilities/Electricity/Exterior	822	625	197	4,248	5,000	(752)
6484 · Utilities - Water (Exterior)	553	625	(72)	6,355	5,000	1,355
6485 · Security Expenses	15,600	9,208	6,392	79,843	73,664	6,179
6490 · Miscellaneous Expense	0	167	(167)	275	1,336	(1,061)
Total 6445 · LPMP Expenses	91,097	94,176	(3,079)	728,137	753,408	(25,271)
Net Income	99,962	18,823	81,139	294,804	150,584	144,220

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of February 28, 2023

		Feb 28, 23	Feb 28, 22
ASSETS			
Current Assets			
Checking/Savings			
	1000 · CHECKING CASH ACCOUNTS	4,827,982	1,805,791
	1100 · INVESTMENT ACCOUNTS	60,716,749	63,706,777
	Total Checking/Savings	65,544,731	65,512,568
Accounts Receivable			
	1201 · Accounts Receivable	187,900	29,291
	Total Accounts Receivable	187,900	29,291
Other Current Assets			
	1204.1 · Rent Receivable-Deferred COVID	56,628	116,540
	1270 · Prepaid Insurance -Ongoing	36,701	27,501
	1279 · Pre-Paid Fees	21,883	17,044
	1281 · CalFresh Receivable	0	16,337
	Total Other Current Assets	115,212	177,422
	Total Current Assets	65,847,843	65,719,281
Fixed Assets			
	1300 · FIXED ASSETS	5,092,611	4,925,729
	1335-00 · ACC DEPR	(2,520,690)	(2,296,891)
	1400 · LPMP Assets	6,902,494	7,185,101
	Total Fixed Assets	9,474,415	9,813,939
Other Assets			
	1700 · OTHER ASSETS	3,499,745	3,935,220
	Total Other Assets	3,499,745	3,935,220
	TOTAL ASSETS	78,822,102	79,468,440

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of February 28, 2023

				Feb 28, 23	Feb 28, 22
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
2000 · Accounts Payable				12,179	159,282
2001 · LPMP Accounts Payable				3,799	15,051
Total Accounts Payable				15,978	174,333
Other Current Liabilities					
2002 · LPMP Property Taxes				11,970	12,616
2003 · Prepaid Rents				0	11,048
2131 · Grant Awards Payable				4,338,224	3,427,400
2133 · Accrued Accounts Payable				199,550	139,550
2141 · Accrued Vacation Time				103,723	74,515
2145 · Payroll Liability				(588)	0
2188 · Current Portion - LTD				4,934	4,934
2190 · Investment Fees Payable				9,386	9,625
Total Other Current Liabilities				4,667,199	3,679,688
Total Current Liabilities				4,683,177	3,854,021
Long Term Liabilities					
2171 · RPP-Deferred Inflows-Resources				492,802	675,732
2280 · Long-Term Disability				2,981	16,281
2281 · Grants Payable - Long-term				3,520,000	4,990,000
2290 · LPMP Security Deposits				64,960	61,028
Total Long Term Liabilities				4,080,743	5,743,041
Total Liabilities				8,763,920	9,597,062
Equity					
3900 · *Retained Earnings				67,758,461	67,408,928
Net Income				2,299,721	2,462,451
Total Equity				70,058,182	69,871,379
TOTAL LIABILITIES & EQUITY				78,822,102	79,468,440

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of February 28, 2023

			Feb 28, 23	Feb 28, 22
ASSETS				
Current Assets				
Checking/Savings				
1000 · CHECKING CASH ACCOUNTS				
		1010 · Union Bank - Checking	0	1,097,466
		1012 · Union Bank Operating - 9356	4,471,304	638,099
		1046 · Las Palmas Medical Plaza	356,178	69,726
		1047 · Petty Cash	500	500
		Total 1000 · CHECKING CASH ACCOUNTS	4,827,982	1,805,791
1100 · INVESTMENT ACCOUNTS				
		1130 · Facility Replacement Fund	63,508,868	64,156,354
		1135 · Unrealized Gain(Loss) FRF	(2,792,119)	(449,577)
		Total 1100 · INVESTMENT ACCOUNTS	60,716,749	63,706,777
		Total Checking/Savings	65,544,731	65,512,568
Accounts Receivable				
		1201 · Accounts Receivable		
		1204 · LPMP Accounts Receivable	60,415	(9,142)
		1205 · Misc. Accounts Receivable	0	(750)
		1211 · A-R Foundation - Exp Allocation	127,485	39,183
		Total Accounts Receivable	187,900	29,291
Other Current Assets				
		1204.1 · Rent Receivable-Deferred COVID	56,628	116,540
		1270 · Prepaid Insurance -Ongoing	36,701	27,501
		1279 · Pre-Paid Fees	21,883	17,044
		1281 · CalFresh Receivable	0	16,337
		Total Other Current Assets	115,212	177,422
		Total Current Assets	65,847,843	65,719,281
Fixed Assets				
1300 · FIXED ASSETS				
		1310 · Computer Equipment	94,651	91,275
		1320 · Furniture and Fixtures	50,846	33,254
		1321 · Mobile Medical Unit	197,214	59,500
		1322 · Tenant Improvement - RAP #G100	32,794	24,594
		1325 · Offsite Improvements	300,849	300,849
		1331 · DRMC - Parking lot	4,416,257	4,416,257
		Total 1300 · FIXED ASSETS	5,092,611	4,925,729

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of February 28, 2023

		Feb 28, 23	Feb 28, 22
	1335-00 · ACC DEPR		
	1335 · Accumulated Depreciation	(225,898)	(215,373)
	1337 · Accum Deprec- Solar Parking Lot	(2,080,107)	(1,899,243)
	1338 · Accum Deprec - LPMP Parking Lot	(204,824)	(182,275)
	1339 · Accum Deprec - Autos	(9,861)	0
	Total 1335-00 · ACC DEPR	(2,520,690)	(2,296,891)
	1400 · LPMP Assets		
	1401 · Building	8,705,680	8,705,680
	1402 · Land	2,165,300	2,165,300
	1403 · Tenant Improvements -New	2,271,406	2,250,926
	1404 · Tenant Improvements - CIP	129,550	129,550
	1406 · Building Improvements		
	1406.1 · LPMP-Replace Parking Lot	676,484	676,484
	1406.2 · Building Improvements-CIP	459,999	877,933
	1406 · Building Improvements - Other	2,153,527	1,582,543
	Total 1406 · Building Improvements	3,290,010	3,136,960
	1407 · Building Equipment Improvements	444,268	423,000
	1409 · Accumulated Depreciation		
	1410 · Accum. Depreciation	(8,055,015)	(7,792,047)
	1412 · T I Accumulated Dep.-New	(2,048,705)	(1,834,268)
	Total 1409 · Accumulated Depreciation	(10,103,720)	(9,626,315)
	Total 1400 · LPMP Assets	6,902,494	7,185,101
	Total Fixed Assets	9,474,415	9,813,939
	Other Assets		
	1700 · OTHER ASSETS		
	1731 · Wellness Park	1,693,800	1,693,800
	1740 · RPP-Deferred Outflows-Resources	836,699	494,388
	1742 · RPP - Net Pension Asset	969,246	1,747,032
	Total Other Assets	3,499,745	3,935,220
	TOTAL ASSETS	78,822,102	79,468,440

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of February 28, 2023

			Feb 28, 23	Feb 28, 22
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
		2000 · Accounts Payable	12,179	159,282
		2001 · LPMP Accounts Payable	3,799	15,051
		Total Accounts Payable	15,978	174,333
Other Current Liabilities				
		2002 · LPMP Property Taxes	11,970	12,616
		2003 · Prepaid Rents	0	11,048
		2131 · Grant Awards Payable	4,338,224	3,427,400
		2133 · Accrued Accounts Payable	199,550	139,550
		2141 · Accrued Vacation Time	103,723	74,515
		2145 · Payroll Liability	(588)	0
		2188 · Current Portion - LTD	4,934	4,934
		2190 · Investment Fees Payable	9,386	9,625
		Total Other Current Liabilities	4,667,199	3,679,688
		Total Current Liabilities	4,683,177	3,854,021
Long Term Liabilities				
		2171 · RPP-Deferred Inflows-Resources	492,802	675,732
		2280 · Long-Term Disability	2,981	16,281
		2281 · Grants Payable - Long-term	3,520,000	4,990,000
		2290 · LPMP Security Deposits	64,960	61,028
		Total Long Term Liabilities	4,080,743	5,743,041
		Total Liabilities	8,763,920	9,597,062
Equity				
		3900 · *Retained Earnings	67,758,461	67,408,928
		Net Income	2,299,721	2,462,451
		Total Equity	70,058,182	69,871,379
TOTAL LIABILITIES & EQUITY			78,822,102	79,468,440

Desert Healthcare District
A/R Aging Summary
As of February 28, 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	COMMENT
Aijaz Hashmi, M.D., Inc.	1,896	0	0	0	0	1,896	2022 Excess CAM Fees - Paid in March
Arthritis & Rheumatic Care Clinic, Inc	1,056	0	0	0	0	1,056	2022 Excess CAM Fees - Paid in March
Brad A. Wolfson, M.D.	1,896	0	0	0	0	1,896	2022 Excess CAM Fees - Paid in March
Coachella Valley Volunteers in Medicine-	(3,123)	0	0	0	0	(3,123)	Prepaid
Cohen Musch Thomas Medical Group	2,843	0	0	0	0	2,843	2022 Excess CAM Fees - Paid in March
Cure Cardiovascular Consultants	1,896	0	0	0	0	1,896	2022 Excess CAM Fees - Paid in March
Derakhsh Fozouni, M.D.	3,626	6,414	0	0	0	10,040	2022 Excess CAM Fees; slowpay
Desert Family Medical Center	2,131	0	0	0	0	2,131	2022 Excess CAM Fees
Desert Healthcare Foundation-	62,426	65,058	0	0	0	127,484	Due From Foundation
Desert Oasis Healthcare	(1,359)	0	0	0	0	(1,359)	Prepaid
Desert Regional Medical Center	3,370	0	0	0	0	3,370	2022 Excess CAM Fees
EyeCare Services Partners Management LLC	3,983	0	0	0	0	3,983	2022 Excess CAM Fees
Global Premier Fertility	1,987	0	0	0	0	1,987	2022 Excess CAM Fees
Laboratory Corporation of America	3,168	0	0	0	0	3,168	2022 Excess CAM Fees - Paid in March
Palmtree Clinical Research	6,145	0	0	0	0	6,145	2022 Excess CAM Fees - Paid in March
Pathway Pharmaceuticals, Inc.	1,532	0	0	0	0	1,532	2022 Excess CAM Fees
Peter Jamieson, M.D.	1,742	0	0	0	0	1,742	2022 Excess CAM Fees
Quest Diagnostics Incorporated	2,451	(4,154)	0	0	0	(1,703)	2022 Excess CAM Fees; prepaid
Ramy Awad, M.D.	2,212	40	0	0	0	2,252	2022 Excess CAM Fees - Paid in March
Steven Gundry, M.D.	3,181	(5,743)	0	0	0	(2,562)	2022 Excess CAM Fees; prepaid
Tenet HealthSystem Desert, Inc	3,731	0	0	0	0	3,731	2022 Excess CAM Fees - Paid in March
Tenet HealthSystem Desert, Inc.	18,881	0	0	0	0	18,881	2022 Excess CAM Fees - Paid in March
WestPac Labs, Inc.	614	0	0	0	0	614	2022 Excess CAM Fees - Paid in March
TOTAL	126,285	61,615	0	0	0	187,900	

Desert Healthcare District
Deposit Detail
February 2023

Type	Date	Name	Amount
Deposit	02/02/2023		2,469
		IEHP Foundation - Director Expense Reimbursement (Conrado Bárzaga)	(2,469)
TOTAL			(2,469)
Deposit	02/02/2023		2,000
		T-Mobile - Cell Tower Lease	(2,000)
TOTAL			(2,000)
Deposit	02/07/2023		44,725
		Riverside County Treasurer - Property Tax	(44,725)
TOTAL			(44,725)
Deposit	02/07/2023		81
		Jana A Trew - Shirt Reimbursement	(81)
TOTAL			(81)
Deposit	02/14/2023		1,277
		Riverside County Treasurer - Property Tax	(1,277)
TOTAL			(1,277)
Deposit	02/14/2023		162
		Sergio A Rodriguez - Shirt Reimbursement	(162)
TOTAL			(162)
		TOTAL	50,714

DESERT HEALTHCARE DISTRICT										
PROPERTY TAX RECEIPTS FY 2022 - 2023										
RECEIPTS - EIGHT MONTHS ENDED FEBRUARY 28, 2023										
	FY 2021-2022 Projected/Actual					FY 2022-2023 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance	Receipts %	Receipts \$	Act %	Actual Receipts	Variance
July	2.5%	\$ 182,825	2.2%	\$ 162,345	\$ (20,480)	0.0%	\$ -	0.0%	\$ 3,676	\$ 3,676
Aug	1.6%	\$ 117,008	0.2%	\$ 11,529	\$ (105,479)	0.0%	\$ -	2.2%	\$ 175,271	\$ 175,271
Sep	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	0.0%	\$ 3,382	\$ 3,382
Oct	2.6%	\$ 190,138	0.0%	\$ 130	\$ (190,008)	2.6%	\$ 208,624	0.0%	\$ -	\$ (208,624)
Nov	0.4%	\$ 29,252	2.5%	\$ 181,286	\$ 152,034	0.4%	\$ 32,096	2.5%	\$ 198,217	\$ 166,121
Dec	16.9%	\$ 1,235,897	18.3%	\$ 1,337,681	\$ 101,784	16.9%	\$ 1,356,056	18.2%	\$ 1,458,481	\$ 102,425
Jan	31.9%	\$ 2,332,847	37.8%	\$ 2,763,324	\$ 430,477	31.9%	\$ 2,559,656	40.6%	\$ 3,259,483	\$ 699,827
Feb	0.0%	\$ -	2.5%	\$ 180,240	\$ 180,240	0.0%	\$ -	0.6%	\$ 46,002	\$ 46,002
Mar	0.3%	\$ 21,939	0.5%	\$ 35,819	\$ 13,880	0.3%	\$ 24,072	0.0%		
Apr	5.5%	\$ 402,215	6.1%	\$ 443,891	\$ 41,676	5.5%	\$ 441,320	0.0%		
May	19.9%	\$ 1,455,287	45.0%	\$ 3,288,706	\$ 1,833,419	19.9%	\$ 1,596,776	0.0%		
June	18.4%	\$ 1,345,592	0.7%	\$ 47,936	\$ (1,297,656)	22.5%	\$ 1,805,400	0.0%		
Total	100%	\$ 7,313,000	115.6%	\$ 8,452,887	\$ 1,139,887	100.00%	\$ 8,024,000	64.1%	\$ 5,144,512	\$ 988,080

**Las Palmas Medical Plaza
Deposit Detail - LPMP
February 2023**

Type	Date	Name	Amount
Deposit	02/02/2023		179
Payment	02/02/2023	Desert Oasis Healthcare	(179)
TOTAL			(179)
Deposit	02/06/2023		19,367
Payment	02/03/2023	Cure Cardiovascular Consultants	(3,212)
Payment	02/03/2023	Palmtree Clinical Research	(7,595)
Payment	02/03/2023	Brad A. Wolfson, M.D.	(3,699)
Payment	02/03/2023	Cohen Musch Thomas Medical Group	(4,862)
TOTAL			(19,368)
Deposit	02/07/2023		13,921
Payment	02/07/2023	EyeCare Services Partners Management LLC	(7,552)
Payment	02/07/2023	Ramy Awad, M.D.	(3,615)
Payment	02/07/2023	WestPac Labs, Inc.	(2,755)
TOTAL			(13,922)
Deposit	02/07/2023		4,272
Payment	02/07/2023	Global Premier Fertility	(4,272)
TOTAL			(4,272)
Deposit	02/07/2023		3,410
Payment	02/07/2023	Peter Jamieson, M.D.	(3,410)
TOTAL			(3,410)
Deposit	02/08/2023		9,514
Payment	02/08/2023	Derakhsh Fozouni, M.D.	(6,414)
Payment	02/07/2023	Aijaz Hashmi, M.D., Inc.	(3,101)
TOTAL			(9,515)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
February 2023**

Type	Date	Name	Amount
Deposit	02/13/2023		3,976
Payment	02/13/2023	Desert Family Medical Center	(3,976)
TOTAL			(3,976)
Deposit	02/14/2023		8,325
Payment	02/14/2023	Pathway Pharmaceuticals, Inc.	(2,522)
Payment	02/14/2023	Desert Regional Medical Center	(5,803)
TOTAL			(8,325)
Deposit	02/21/2023		46,573
Payment	02/21/2023	Tenet HealthSystem Desert, Inc	(6,494)
Payment	02/21/2023	Steven Gundry, M.D.	(5,743)
Payment	02/21/2023	Tenet HealthSystem Desert, Inc.	(34,336)
TOTAL			(46,573)
Deposit	02/24/2023		1,075
Payment	02/24/2023	Coachella Valley Volunteers in Medicine-	(1,075)
TOTAL			(1,075)
Deposit	02/24/2023		4,154
Payment	02/24/2023	Quest Diagnostics Incorporated	(4,154)
TOTAL			(4,154)
Deposit	02/28/2023		5,711
Payment	02/28/2023	Coachella Valley Volunteers in Medicine-	(3,123)
Payment	02/28/2023	Desert Oasis Healthcare	(2,588)
TOTAL			(5,711)
		TOTAL	120,477

Desert Healthcare District
Check Register
As of February 28, 2023

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1012 - Union Bank Operating - 9356				
Bill Pmt -Check	02/02/2023	1478	Meghan Kane - Expense Reimbursement	(38)
Bill Pmt -Check	02/02/2023	1479	OneFuture Coachella Valley - Grant Payment	(68,063)
Bill Pmt -Check	02/02/2023	1480	So.Cal Computer Shop	(810)
Bill Pmt -Check	02/02/2023	1481	Strategies 360, Inc.	(22,250)
Bill Pmt -Check	02/02/2023	1482	Underground Service Alert of Southern Cal	(2)
Liability Check	02/03/2023		QuickBooks Payroll Service	(57,448)
Bill Pmt -Check	02/07/2023	1483	First Bankcard (Union Bank)	(4,323)
Bill Pmt -Check	02/07/2023	1484	California Consulting	(4,250)
Bill Pmt -Check	02/07/2023	1485	First Bankcard (Union Bank)	(849)
Bill Pmt -Check	02/07/2023	1486	Staples Credit Plan	(527)
Bill Pmt -Check	02/07/2023	1487	State Compensation Insurance Fund	(427)
Bill Pmt -Check	02/07/2023	1488	Larry L. Simon - Appraisal Services	(3,250)
Bill Pmt -Check	02/07/2023	1489 - VOID	NetFile	0
Bill Pmt -Check	02/07/2023	1490	Spitfire Strategies, LLC	(6,300)
Bill Pmt -Check	02/07/2023	1491	Bloom in the Desert Ministries	(150)
Check	02/08/2023	Auto Pay	Calif. Public Employees' Retirement System	(17,726)
Bill Pmt -Check	02/08/2023	ACH 021023	NetFile	(1,000)
Bill Pmt -Check	02/09/2023	1492	Alejandro Espinoza Santacruz - Expense Reimbursement	(107)
Bill Pmt -Check	02/09/2023	1493	Desert AIDS Project - Grant Payment	(103,673)
Bill Pmt -Check	02/09/2023	1494 - VOID	Rogers, Carole	0
Bill Pmt -Check	02/09/2023	1495	Zendle, Les - Stipend	(221)
Bill Pmt -Check	02/14/2023	1496 - VOID	Alianza Nacional De Campesinas Inc	0
Bill Pmt -Check	02/14/2023	1497 - VOID	California CareForce	0
Bill Pmt -Check	02/14/2023	1498 - VOID	LoopUp LLC	0
Bill Pmt -Check	02/14/2023	1499 - VOID	Mangus Accountancy Group, A.P.C.	0
Bill Pmt -Check	02/14/2023	1500	PolicyMap, Inc.	(5,237)
Bill Pmt -Check	02/14/2023	1501	Rogers, Carole - Medical Premium Reimbursement	(10,273)
Bill Pmt -Check	02/14/2023	1502	Alianza Nacional De Campesinas Inc - Grant Payment	(10,000)
Bill Pmt -Check	02/14/2023	1503	California CareForce - Grant Payment	(10,000)
Bill Pmt -Check	02/14/2023	1504	LoopUp LLC	(24)
Bill Pmt -Check	02/14/2023	1505	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	02/14/2023	1506	CoPower Employers' Benefits Alliance	(1,750)
Bill Pmt -Check	02/14/2023	1507	VMG Health	(112,917)
Bill Pmt -Check	02/15/2023	1508	Regional Access Project Foundation	(180)
Bill Pmt -Check	02/15/2023	1509	Rogers, Carole - Stipend	(331)
Liability Check	02/17/2023		QuickBooks Payroll Service	(57,272)
Bill Pmt -Check	02/21/2023	1510	Ernest Enterprises	(373)

Desert Healthcare District
Check Register
As of February 28, 2023

Type	Date	Num	Name	Amount
Bill Pmt -Check	02/21/2023	1511	Palms to Pines Printing	(2,274)
Bill Pmt -Check	02/21/2023	1512	Principal Life Insurance Co.	(2,061)
Bill Pmt -Check	02/21/2023	1513	Regional Access Project Foundation	(2,000)
Bill Pmt -Check	02/21/2023	1514	Spectrum (Time Warner)	(325)
Bill Pmt -Check	02/21/2023	1515	The Write Translator	(261)
Bill Pmt -Check	02/21/2023	1516	HIV+Aging Research Project-Palm Springs - Grant Payment	(10,000)
Bill Pmt -Check	02/21/2023	1517	Voices for Children - Grant Payment	(27,000)
Bill Pmt -Check	02/21/2023	1518	Palms To Pines Parasports - Grant Payment	(10,000)
Bill Pmt -Check	02/21/2023	1519	State Compensation Insurance Fund	(25)
Bill Pmt -Check	02/23/2023	1520	Visual Edge IT (Image Source)	(84)
Bill Pmt -Check	02/23/2023	1521	Larry L. Simon - Appraisal Services	(2,250)
Bill Pmt -Check	02/28/2023	1522	Desert Recreation Foundation	(500)
Bill Pmt -Check	02/28/2023	1523	Frazier Pest Control, Inc.	(33)
Bill Pmt -Check	02/28/2023	1524	Ready Refresh	(50)
Bill Pmt -Check	02/28/2023	1525	So.Cal Computer Shop	(1,511)
Bill Pmt -Check	02/28/2023	1526	Pueblo Unido CDC - Grant Payment	(11,250)
Bill Pmt -Check	02/28/2023	1527	Verizon Wireless	(772)
TOTAL				(570,667)

Desert Healthcare District									
Details for Credit Card Expenditures									
Credit card purchases - January 2023 - Paid February 2023									
Number of credit cards held by District personnel -2									
Credit Card Limit - \$25,000 - Conrado, \$20,000 - Chris									
Credit Card Holders:									
Conrado Bárzaga - Chief Executive Officer									
Chris Christensen - Chief Administration Officer									
Routine types of charges:									
Office Supplies, Dues for membership, Computer Supplies, Meals, Travel including airlines and Hotels, Catering, Supplies for BOD meetings, CEO Discretionary for small grant & gift items									
Statement									
Year	Month	Total	Expense						
Year	Charged	Charges	Type	Amount	Purpose	Description	Participants		
		\$ 5,171.77							
Chris' Statement:									
2023	January	\$ 849.06	District						
			GL	Dollar	Description				
			6360	\$ 178.25	Calchamber - 2023 Posters and Pamphlets				
			6360	\$ 37.50	Nespresso - coffee for RAP office				
			6355	\$ 250.76	Zoom videoconference/webinar expense				
			6355	\$ 78.00	Microsoft Office subscription				
			6355	\$ 239.88	Adobe Pro Annual Subscription				
			6490	\$ 64.67	Ace Hardware - Key duplication for Las Palmas Medical Plaza				
				\$ 849.06					
Conrado's Statement:									
2023	January	\$ 4,322.71	District						
			GL	Dollar	Description				
			6352	\$ (0.30)	Credit from January 2023 payment				
			6325	\$ 1,443.66	Wal-mart -Clothing for migrant children left in Coachella Valley during the holidays, donated to the Galilee Center	CEO Discretionary Fund			
			6355	\$ 60.00	Grammarly quarterly plan				
			6325	\$ 2,500.00	Donation to The Girlfriend Factor	CEO Discretionary Fund			
			6352	\$ 94.35	Ritz Carlton Meeting - Conrado Barzaga & Marty Massiello (Eisenhower)				
			5240	\$ 25.00	Uber Eats - 01/24/23 Board Meeting Food				
			5240	\$ 200.00	Grubhub - 01/24/23 Board Meeting Food				
				\$ 4,322.71					

**Las Palmas Medical Plaza
Check Register - LPMP
As of February 28, 2023**

Type	Date	Num	Name	Amount
1000 · CHECKING CASH ACCOUNTS				
1046 · Las Palmas Medical Plaza				
Bill Pmt -Check	02/02/2023	10687	Desert Air Conditioning Inc.	(216)
Bill Pmt -Check	02/02/2023	10688	Imperial Security	(1,950)
Bill Pmt -Check	02/02/2023	10689	Stericycle, Inc.	(1,147)
Bill Pmt -Check	02/07/2023	10690	Palm Springs Disposal Services Inc	(2,651)
Bill Pmt -Check	02/14/2023	10691	Frazier Pest Control, Inc.	(550)
Bill Pmt -Check	02/14/2023	10692	Frontier Communications	(268)
Bill Pmt -Check	02/14/2023	10693	Imperial Security	(3,213)
Bill Pmt -Check	02/14/2023	10694	Southern California Edison	(822)
Bill Pmt -Check	02/21/2023	10695	Imperial Security	(3,588)
Check	02/24/2023		Bank Service Charges	(644)
Bill Pmt -Check	02/28/2023	10696	Best Signs, Inc.	(369)
Bill Pmt -Check	02/28/2023	10697	Imperial Security	(3,400)
Bill Pmt -Check	02/28/2023	10698	INPRO Environmental Management Services	(11,150)
Bill Pmt -Check	02/28/2023	10699	Desert Water Agency	(553)
Bill Pmt -Check	02/28/2023	10700	Imperial Security	(3,400)
TOTAL				(33,921)

**Desert Healthcare District
CEO Discretionary Fund
July 2022 through February 2023**

Date	Name	Memo	Amount
6325 - CEO Discretionary Fund			
07/14/2022	Regional Access Project Foundation	Nonprofit Desert Fast Pitch sponsorship	5,000
08/24/2022	Coachella Valley Economic Partnership	2022 CVEP Economic Summit - Silver Sponsorship	5,000
10/20/2022	UC Riverside Foundation	UCR SOM Celebration of Medical Education Gala - Bronze Sponsorship	5,000
11/03/2022	Blood Bank of San Bernardino	11.12.22 Thanks4Giving Gala	3,000
01/27/2023	First Bankcard (Union Bank)	Wal-mart -Clothing for migrant children left in Coachella Valley during the holidays, donated to the Galilee Center	1,444
01/27/2023	First Bankcard (Union Bank)	Donation to The Girlfriend Factor	2,500
02/27/2023	Desert Recreation Foundation	March 29, 2023 Bowling fundraiser	500
02/28/2023	Desert Healthcare Foundation-	The Girlfriend Factor Sponsorship	1,300
02/28/2023	Desert Healthcare Foundation-	2023 Farm to Fork Dinner Table Sponsor	1,602
TOTAL			25,346



MEMORANDUM

DATE: March 15, 2023
 TO: F&A Committee
 RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

	<u>January</u>	<u>February</u>
Active – still employed by hospital	74	72
Vested – no longer employed by hospital	58	58
Former employees receiving annuity	<u>7</u>	<u>7</u>
Total	<u>139</u>	<u>137</u>

The outstanding liability for the RPP is approximately **\$3.2M** (Actives - \$1.7M and Vested - \$1.5M). US Bank investment account balance \$4.6M. Per the June 30, 2022, Actuarial Valuation, the RPP has an Overfunded Pension Asset of approximately **\$1.0M**.

The payouts, excluding monthly annuity payments, made from the Plan for the eight (8) months ended February 28, 2023, totaled **\$224K**. Monthly annuity payments (7 participants) total **\$1.0K** per month.

**DESERT HEALTHCARE DISTRICT
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE
February 28, 2023**

TWELVE MONTHS ENDING JUNE 30, 2023

Grant ID Nos.	Name	Approved	6/30/2022	Current Yr	Total Paid Prior Yrs	Total Paid Current Yr	Open
		Grants - Prior Yrs	Bal Fwd	2022-2023	July-June	July-June	BALANCE
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 4,990,000		\$ -		\$ 4,990,000
2021-1136-BOD-01-26-21	Ronald McDonald House Charities - Temporary Housing & Family Support Services - 1 Yr.	\$ 119,432	\$ 11,944		\$ 11,944		\$ -
2021-1171-BOD-03-23-21	Blood Bank of San Bernardino/Riverside Counties - Bloodmobiles for Coachella Valley - 18 Months	\$ 150,000	\$ 15,000		\$ 15,000		\$ -
2021-1266-BOD-04-27-21	Galilee Center - Our Lady of Guadalupe Shelter - 1 Yr.	\$ 150,000	\$ 15,000		\$ 15,000		\$ -
2021-1277-BOD-04-27-21	Lift To Rise - United Lift Rental Assistance 2021 - 8 Months	\$ 300,000	\$ 30,000		\$ 30,000		\$ -
2021-1280-BOD-05-25-21	Desert AIDS Project - DAP Health Expands Access to Healthcare - 1Yr.	\$ 100,000	\$ 10,000		\$ 10,000		\$ -
2021-1296-BOD-11-23-21	Coachella Valley Volunteers In Medicine - Improving Access to Healthcare Services - 1 Yr.	\$ 154,094	\$ 84,752		\$ 69,342		\$ 15,410
2021-1289-BOD-12-21-21	Desert Cancer Foundation - Patient Assistance Program - 1 Yr.	\$ 150,000	\$ 82,500		\$ 67,500		\$ 15,000
2022-1301-BOD-01-25-22	UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr.	\$ 113,514	\$ 62,433		\$ 51,081		\$ 11,352
2022-1302-BOD-01-25-22	Vision To Learn - Palm Springs, Desert Sands, and Coachella Valley School Districts 1 Yr.	\$ 50,000	\$ 27,500		\$ 22,500		\$ 5,000
2022-1303-BOD-01-25-22	CSU San Bernardino Palm Desert Campus Street Medicine Program - 1 Yr.	\$ 54,056	\$ 29,731		\$ 24,325		\$ 5,406
2022-1306-BOD-02-22-22	Olive Crest Treatment Center - General Support for Mental Health Services - 1 Yr.	\$ 123,451	\$ 67,898		\$ 55,553		\$ 12,345
2022-1311-BOD-04-26-22	Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.	\$ 102,741	\$ 56,508		\$ 46,233		\$ 10,275
2022-1313-BOD-04-26-22	Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities 1 Yr.	\$ 76,790	\$ 42,235		\$ 34,555		\$ 7,680
2022-1314-BOD-05-24-22	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 60,000	\$ 60,000		\$ 54,000		\$ 6,000
2022-1325-BOD-06-28-22	Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs.	\$ 150,000	\$ 150,000		\$ 33,750		\$ 116,250
2022-1327-BOD-06-28-22	Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs.	\$ 50,000	\$ 50,000		\$ 11,250		\$ 38,750
2022-1328-BOD-06-28-22	El Sol - Expanding Access to Educational Resources for Promotoras - 2 Yrs.	\$ 150,000	\$ 150,000		\$ 33,750		\$ 116,250
2022-1331-BOD-06-28-22	Pueblo Unido - Improving Access to Behavioral Health Education and Prevention Services - 2 Yrs.	\$ 50,000	\$ 50,000		\$ 22,500		\$ 27,500
2022-0965-BOD-06-28-22	Desert Healthcare Foundation - Behavioral Health Initiative Expansion - 3 Yrs.	\$ 2,000,000	\$ 2,000,000		\$ 2,000,000		\$ -
2022-22-15-BOD-06-28-22	Carry over of remaining Fiscal Year 2021/2022 Funds*	\$ 2,566,566	\$ 2,566,566		\$ 2,566,566		\$ -
2022-1323-Mini-07-21-22	Alianza Nacional De Campesinas, Inc - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1321-Mini-07-25-22	Theresa A. Mike Scholarship Foundation - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1324-BOD-07-26-22	Galilee Center - Our Lady of Guadalupe Shelter - 2 Yr.			\$ 100,000		\$ 22,500	\$ 77,500
2022-1332-BOD-07-26-22	Alianza CV - Expanding and Advancing Outreach Through Increasing Capacity Development - 2 Yrs.			\$ 100,000		\$ 22,500	\$ 77,500
2022-1322-Mini-08-13-22	Hanson House Foundation, Inc. - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1329-BOD-09-27-22	DPMG - Mobile Medical Unit - 3 Yrs.			\$ 500,000		\$ 50,000	\$ 450,000
2022-1350-BOD-09-27-22	JFK Memorial Foundation - Behavioral Health Awareness and Education Program - 1 Yr.			\$ 57,541		\$ 25,893	\$ 31,648
2022-1355-BOD-09-27-22	Joslyn Center - The Joslyn Wellness Center - 1 Yr.			\$ 85,000		\$ 38,250	\$ 46,750
2022-1361-BOD-09-27-22	DAP Health - DAP Health Monkeypox Virus Response - 1 Yr.			\$ 586,727		\$ 205,383	\$ 381,344
2022-1364-Mini-10-25-22	Al Horton Memorial Rotary Foundation - Mini Grant			\$ 5,000		\$ 5,000	\$ -
2022-1356-BOD-10-25-22	Blood Bank of San Bernardino/Riverside Counties - Coachella Valley Therapeutic Apheresis Program - 1 Yr.			\$ 140,000		\$ 63,000	\$ 77,000
2022-1358-BOD-10-25-22	Foundation for Palm Springs Unified School District - School-Based Wellness Center Project - 1 Yr.			\$ 110,000		\$ 49,500	\$ 60,500
2022-1362-BOD-10-25-22	Jewish Family Service of the Desert - Mental Health Counseling Services for Underserved - 2 Yrs.			\$ 160,000		\$ 36,000	\$ 124,000
2022-1326-BOD-12-20-22	TODEC - TODEC's Equity Program - 2 Yrs.			\$ 100,000		\$ -	\$ 100,000
2022-1330-BOD-12-20-22	OneFuture Coachella Valley - Building a Healthcare Workforce Pipeline - 2 Yrs.			\$ 605,000		\$ 68,063	\$ 536,937
2022-1369-BOD-12-20-22	ABC Recovery Center - Cost of Caring Fund Project - 1 Yr.			\$ 332,561		\$ 74,826	\$ 257,735
2023-1357-Mini-01-09-23	Desert Recreation Foundation - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1333-BOD-01-24-23	Organizacion en California de Lideres Campesinas - Healthcare Equity for ECV Farmworker Women - 2 Yrs.			\$ 150,000		\$ -	\$ 150,000
2023-1363-BOD-01-24-23	Pegasus Riding Academy - Pegasus Equine Assisted Therapy - 1 Yr.			\$ 60,092		\$ -	\$ 60,092
2023-1375-Mini-01-30-23	California CareForce - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1374-Mini-02-10-23	Alianza Nacional De Campesinas, Inc - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1373-Mini-02-14-23	Palms To Pines Parasports - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1370-Mini-02-15-23	HIV+ Aging Research Project-Palm Springs - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1372-BOD-02-28-23	Reynaldo J. Carreon MD Foundation - Dr. Carreon Scholarship Program - 1 Yr.			\$ 50,000		\$ -	\$ 50,000
TOTAL GRANTS		\$ 16,670,644	\$ 10,552,067	\$ 3,206,922	\$ 5,174,849	\$ 725,915	\$ 7,858,225
Amts available/remaining for Grant/Programs - FY 2022-23:							
Amount budgeted 2022-2023			\$ 4,000,000			G/L Balance:	2/28/2023
Amount granted through February 28, 2023:			\$ (3,206,922)				
Financial Audits of Non-Profits; Organizational Assessments			\$			2131	\$ 4,338,224
Net adj - Grants not used: FY 21-22 Funds			\$ 2,566,566			2281	\$ 3,520,000
Matching external grant contributions			\$ -				
Balance available for Grants/Programs			\$ 3,359,644			Total	\$ 7,858,224
							\$ 0

* Value listed in Total Paid column reflects funds granted from carryover funds. Actual grant payments will be reflected under the respective grant.



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: March 15, 2023
To: Finance & Administration Committee
Subject: Selection of audit firm to perform the 06/30/2023 financial audits, tax return, and state controller's reports for the District, Foundation and Retirement Protection Plan

Staff Recommendation: Consideration to approve the selection of Moss, Levy, Hartzheim, LLP to perform the 6/30/2023 audits for the District, Foundation, and Retirement Protection Plan.

Background:

- At the January 2023 F&A Committee and Board of Director's meeting, a Request for Proposal was approved for selection of a new audit firm for the 6/30/2023 annual audit
- Eight firms were solicited. Two local firms, one Florida firm, and 5 California firms with healthcare district experience
- The local firms did not provide a proposal (one firm does not perform Single Audits)
- Four proposals were received, ranging in total fees from \$36,690 to \$94,500. Please see Fee Proposals Schedule included in the packet
- The firm's fee proposals are as follows:
 - Moss, Levy, Hartzheim, LLP - \$36,690
 - Davis Farr LLP - \$46,800
 - Thomas & Company, CPAs – 48,740
 - Moss Adams LLP - \$94,500
- Moss, Levy & Hartzheim LLP (MLH) performed the financial audits of the District/Foundation/RPP from 2014-2019
- As a result, MLH is very familiar with the District, Foundation, and RPP and will be very efficient and thorough with the audits
- Additionally, MLH performs Single Audits, which are required for the Foundation and its receipt of Federal funds
- The District F&A Committee and staff were pleased with the work MLH has performed over the past six years
- Staff recommends approval of engaging with Moss, Levy, Hartzheim, LLC for the 6/30/2023 financial audits
- Included in the packet for your review and consideration are the RFP fee proposals summary and the 4 proposals

Fiscal Impact:

\$36,690 for the audit fees for 6/30/2023 audit and is included in the FY23 budget

**DESERT HEALTHCARE DISTRICT
RFP FOR FINANCIAL AUDIT SERVICES FOR FYE 6/30/23
FEE PROPOSALS**

	Fee Proposals			
	District SCO	Foundation Single Audit 990	RPP SCO	Total
Moss, Levy & Hartzheim, LLP – Managing Partner – Craig Hartzheim, CPA, Managing Partner Website: www.mlhcpas.com Address: 5800 Hannum Avenue, Suite E, Culver City, CA 90230 - Desert Healthcare District Telephone: 310-670-2745 chartzheim@mlhcpas.com	\$ 17,290	\$ 13,910	\$ 5,490	\$ 36,690
Davis Farr LLP Website: www.davisfarr.com Address: 18201 Von Karman Avenue, Suite 1100, Irvine, CA 92612 – Beach Cities Auditors Telephone: 949-474-2020 Fax: 949-263-5520 admin@davisfarr.com	\$ 19,000 \$ 950	\$ 11,600 \$ 3,500 \$ 3,000	\$ 8,000 \$ 750	\$ 46,800
Thomas & Company, CPAs Florida firm, but experienced with the District's needs Website: www.jttcpa.com Address: 9710 Stirling Road, Susite #101, Cooper City, FL 33024 Telephone: 954-435-7272 Fax: 954-435-5558				\$ 48,740
Moss Adams LLP Website: www.mossadams.com Address: 2040 Main Street, Suite 900, Irvine, CA 92614 - Marin Healthcare District Telephone: 909-221-4000 Fax: 909-221-4001 submit doc through online portal	\$ 33,000 \$ 5,000	\$ 12,000 \$ 8,000 \$ 6,500	\$ 25,000 \$ 5,000	\$ 94,500
Clifton Larson Allen LLP Website: www.claconnect.com Address: 3401 Centrelake Drive, Suite 500, Ontario, CA 91761 – Grossmont/Fallbrook Auditors Telephone: 909-985-7286 Fax: 909-982-0847 derrick.debruyne@claconnect.com				Did not provide a proposal
JWT & Associates LLP Website: ?? Address: 1111 E. Herndon Avenue, Suite 211, Fresno, CA 93720 - Eden & Petaluma Healthcare District Telephone: 559-431-7708 Fax: 559-431-7685 Email: rjctcpa@aol.com				Did not provide a proposal
Maryanov Madsen Gordon & Campbell – Managing Partner – Steven T. Erickson, CPA Website: www.mmgccpa.com Address: 801 E. Tahquitz Canyon Way, Suite 200, Palm Springs, CA 92262 Telephone: 760-320-6642 Fax: 760-327-6854				DOES NOT DO SINGLE AUDITS
Osborne Rincon, CPAs – Managing Partner (President) – Lee M. Osborne, CPA Website: www.osbornerincon.com Address: 79-245 Corporate Centre Drive, Suite 101, La Quinta, CA 92253 Telephone: 760-777-9805 Fax: ?? ayoung@osbornerincon.com May not offer single audit				Unable to take on presently Lund & Guttry merger

DESERT HEALTHCARE DISTRICT
PROPOSAL FOR INDEPENDENT AUDIT SERVICES
For the Fiscal Year Ending June 30, 2023
=====

Submitted By:

Moss, Levy & Hartzheim, LLP
5800 Hannum Avenue, Suite E
Culver City, CA 90230
Phone: (310) 670-2745
Fax: (310) 670-1689
Email: mlhbh@mlhcpas.com
Website: www.mlhcpas.com

Submitted On:

January 25, 2023

Contact Person:

Craig A. Hartzheim, CPA: Partner:
Hadley Y. Hui, CPA: Partner
Wilson Lam, CPA: Partner

**DESERT HEALTHCARE DISTRICT
AUDIT PROPOSAL
TABLE OF CONTENTS**

Letter of Transmittal i

Technical Proposal:

Firm Experience..... 1
Engagement Team 4
Audit Approach..... 6
Fees 8
References..... 8
Why Select Our Firm..... 8

Appendices:

Appendix A – Current and/or Recently Completed Audits 9
Appendix B – Resumes..... 12
Appendix C – Peer Quality Review Report..... 19
Appendix D – Cost Proposal 20
Appendix E – References 24



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

Mr. Chris Christensen, CPA
Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, California 92262

Dear Mr. Christensen,

We are pleased to respond to the Desert Healthcare District's ("DHCD") Request for Proposal for independent auditing services. We have prepared our proposal to address each of the specifications included in DHCD's Request for Proposal.

After 65 years in public accounting and 45 years of performing local governmental and non-profit audits, it is extremely gratifying to witness the continued growth of Moss, Levy & Hartzheim, LLP. The firm is a regional full service public accounting firm with offices in Beverly Hills, Culver City, and Santa Maria and clients throughout the State of California, as well as thirty-one other states. We are pleased with not only the continuing development of the firm but also the progress and economic health of our clients. We understand that non-profit and governmental accounting are specialized industries with their own accounting standards and requirements, and that is why we strive to constantly improve the quality of our professional services. This degree of dedication, coupled with our ability to inform our clients of any new accounting and auditing issues is paramount to our success.

We feel that our size is such that we are large enough to provide a broad spectrum of services and experience backed by an in-house training program, professional development courses, and an extensive professional library, yet not so large as to become impersonal and rigid. Our informal style allows us to be flexible enough to complete our audits in a timely manner that is the most convenient for each client. Also, this style allows us to be more accessible to our clients when our clients have questions or concerns.

It is our understanding that we will perform an audit of DHCD's financial statements, the Desert Health Care Foundation's financial statements and the Desert Hospital Retirement Protection Plan's financial statements in accordance with auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, with the objective of expressing an opinion on the fair presentation of the basic financial statements.

In addition to the procedures deemed necessary to express our opinion on the basic financial statements, we understand that we will also be responsible for performing certain limited procedures involving the management's discussion and analysis (MD&A) and the required supplementary information (RSI), as mandated by auditing standards generally accepted in the United States of America.

Our audit would be conducted in accordance with auditing standards generally accepted in the United States of America, including all applicable auditing standards issued by the American Institute of Certified Public Accountants.

It is our understanding that we will also be responsible for issuing an independent auditor's report on the financial statements of the Desert Healthcare Foundation (DHF) and preparing the Federal and State exempt 501(c)3 information tax returns. We will also issue an independent auditor's report on the financial statements of the Desert Health Retirement Protection Plan (RPP).

All noncompliance and significant deficiencies found during the audit will be communicated in writing. Non-reportable conditions discovered will be reported in a separate letter to management. All irregularities and illegal acts or indications of illegal acts of which we become aware of during the course of our audit will be immediately reported, in writing, to the DHCD's Board of Directors.

We will provide DHCD with the necessary amount of bound copies, one unbound copy, and an electronic version of all audit reports. The deadline for completion of the final reports is September 30, 2023.

We also understand that we will be responsible for preparing and electronic filing of the DHCD and RPP State Controller's Reports.

This proposal is a firm and irrevocable offer until April 15, 2023.

Thank you for your consideration and please do not hesitate to contact the authorized representatives listed below with any questions, problems, or concerns.

Craig A Hartzheim, CPA
Partner
5800 Hannum Ave
Suite E

Culver City, CA 90230
chartzheim@mlhcpas.com

Hadley Y Hui, CPA
Partner
5800 Hannum Ave
Suite E

Culver City, CA 90230
hhui@mlhcpas.com

Wilson Lam, CPA
Partner
5800 Hannum Ave
Suite E

Culver City, CA
90230
wlam@mlhcpas.com

Sincerely,



Craig A. Hartzheim, CPA
Partner

**DESERT HEALTHCARE DISTRICT
AUDIT PROPOSAL**

FIRM EXPERIENCE

Moss, Levy & Hartzheim, LLP is a regional firm that performs audits of non-profit and governmental entities throughout the State of California, from the Oregon border to the Mexico border. Our firm also performs review and compilation engagements as well as tax and consulting services to clients throughout the United States. The firm currently employs 28 professionals, all of whom are trained in nonprofit and governmental auditing and has annual gross revenues in excess of four million dollars. The firm has three offices in California: Beverly Hills, Culver City, and Santa Maria.

Our firm currently provides the following services:

Audit:

- Non-Profit
- Pensions
- Governmental (charter schools, school districts, cities, single audits, and special districts)
- Commercial
- Compliance
- Transient Occupancy Tax

Accounting Services:

- Reviews
- Compilations

Management Advisory Services (Non-Audit Clients):

- Data Processing Services
- Business Consultation
- Pension and Profit-Sharing Plan Assistance
- Acquisition and Mergers

Income Tax Services:

- Preparation
- Planning
- Tax Audits and Negotiations with Internal Revenue Service and Other Taxing Authorities

Moss, Levy & Hartzheim has an extensive background in auditing non-profit agencies, charter schools, school districts, and municipalities with over forty-five years of experience in this specialized field. We currently perform ten non-profit audits, one charter school audit, seven school district audits, the annual audit of the County Sanitation Districts of Los Angeles County (all 25 districts), over twenty city audits, and over thirty-two special district audits. We are also on the master lists and have signed master contracts with the County of San Diego and the County of Los Angeles for Compliance and Financial Audits. Therefore, our firm has significant experience in auditing and preparing financial statements for all types of nonprofit and governmental entities.

Please see *Appendix A – Current and/or Recently Completed Governmental Audits* for a list of recent audits performed by the firm.

Recent local auditing experiences include the following:

1. Non-Profit Agencies

Currently our firm audits ten non-profit agencies throughout the State of California.

FIRM EXPERIENCE (Continued)

Recent local auditing experiences include the following: (Continued)

2. Special Districts

Currently our firm audits in excess of thirty-two special districts including the County Sanitation Districts of Los Angeles County (all 25 Districts), recreation districts, utility districts, cemetery districts, community services districts, sanitary districts, water districts, fire districts, ambulance services districts, airport districts, and vector control districts.

3. Uniform Guidance

We have performed compliance audits in accordance with Title 2 U.S. Code of Federal Regulation Part 200, Subpart F, *Uniform Administrative Requirements, Cost Principle and Audit Requirements for Federal Awards* (Uniform Guidance), for our municipal clients who are required to have compliance audits (which is the majority of our municipal clients) and for all of our school district clients.

4. Federal and State Grant Programs and the Single Audit

Almost all of our school district clients, each of our municipal clients, and the majority of our special district clients receive federal and state grants which require compliance audits. Some of our most commonly audited federal programs are as follows:

School District Major Programs:

- Senior Nutrition Programs
- Child Nutrition Programs
- Title I, II, III and VI
- Migrant Education
- Vocational Education
- Special Education
- Head Start

Municipal Major Programs:

- ARPA Act (2021)
- Cares Act Program
- Community Development Block Grant Funds (CDBG)
- Federal Emergency Management Act Funds (FEMA)
- Section 8 Housing Assistance Payments
- Transportation Enhancement Act (TEA)
- Airport Improvement Program (AIP)
- Economic Development Grants (EDA)
- Home Investment Partnerships Program (HOME)
- Capitalization Grants for State Revolving Funds
- Highway Planning and Construction
- Surveys, Studies, Investigations, and Special Purpose Grants

Other Common Municipal Programs:

- COPS Grants (including LLEBG)
- Asset Seizure Funds
- Retired Senior Volunteer Program

5. School Districts

Currently our firm audits one charter schools and seven school districts throughout the State of California. We have also performed audits of student bodies for nearly all of our school district clients.

FIRM EXPERIENCE (Continued)

Recent local auditing experiences include the following: (Continued)

6. Income Tax Services

The firm provides non-profit information, tax exempt reporting services and other tax services such as planning, preparation, and tax audits as well as negotiations with the Internal Revenue Service and other taxing authorities on behalf of our clients.

7. Bond Reporting

The firm has assisted many of our clients in properly reporting and accounting for bond issuance costs and discounts or premiums, as well as reviewing debt covenant requirements. Many of our clients' audited statements have been included in official debt issuance statements.

8. State Controller's Report and Street Report

We have prepared State Controller's Reports and Street Reports for numerous special districts, cities, and redevelopment agencies. We feel this experience allows us to help assist our clients in their preparation of the State Controller's Reports or prepare the reports as a separate engagement for our clients.

9. CSMFO and GFOA Award Programs

The firm has or is currently auditing the following entities that have participated in and have received the CSMFO and/or GFOA Award Programs:

City of Bellflower
City of Calabasas
City of Covina
City of Culver City
City of El Centro
City of Eureka
City of La Mirada
City of La Palma
City of Lompoc

City of Paso Robles
City of San Gabriel
City of Santa Maria
City of Westlake Village
County Sanitation Districts of
Los Angeles County
Encina Wastewater Authority
Los Angeles County Flood Control District

FIRM EXPERIENCE (Continued)

Recent local auditing experiences include the following: (Continued)

10. Joint Powers Authorities

We have audited the following joint powers authorities (JPAs):

County of San Diego – Emergency Services Organization
Data Processing Joint Powers Agency
Encina Wastewater Authority
Exclusive Risk Management Authority of California
Humboldt/Del Norte Hazardous Materials Response Authority of City of Eureka
North Coast Emergency Medical Services
Public Agency Self Insurance System
San Diego Geographic Information Source
Santa Barbara Water Purveyors Joint Powers Agency

Santa Barbara County Special Education Local Plan Area Joint Powers Agency
Tracy Area Public Facilities Financing Authority
Transportation Authority of Marin
West Contra Costa Integrated Waste Management Authority

In addition to the joint powers agencies listed above, the vast majority of our governmental clients are members of joint powers agencies. As such, our firm has experience in reviewing JPA statements and disclosing the appropriate JPA information in the financial statements for each governmental client.

11. Other Audits

The firm has also assisted several clients in reviewing franchise financial statements as part of reviewing franchise request for rate increases. In addition, the firm has performed transient occupancy tax audits for ten municipalities and has performed various audits of operating lease charges (such as use of a sewage treatment plant based on percentage of use by our client and actual expense as recorded by the treatment plant operator).

12. Investment Compliance

In addition to financial statement audits, we also review our clients' compliance with their investment policies and examine investment types, including, but not limited to, an evaluation of maturity dates (short-term or long-term), types and category, and collateral to ensure proper disclosure of risk in the basic financial statements.

ENGAGEMENT TEAM

DHCD will have one partner, one manager, and one supervising senior assigned to the audits on a full-time basis. In addition, one staff accountant will be assigned to the audits on a full-time basis.

The audit work will be completed by staff from our Culver City office.

The Culver City office is currently staffed by five certified public accountants (three partners and two managers). In addition, the Culver City office has nine employees, ranging from managers, senior accountants, to staff accountants. All certified public accountants, managers, senior accountants, and staff accountants are part of the governmental and non-profit audit practice.

**DESERT HEALTHCARE DISTRICT
AUDIT PROPOSAL**

ENGAGEMENT TEAM (Continued)

The firm will maintain staff continuity on the engagement throughout the term of the contract, barring any terminations, illnesses, or other unforeseen circumstances (departure from the firm, promotion, or assignment to another office). At the written request of the District, any Moss, Levy & Hartzheim, LLP employee assigned to the audit can be removed and replaced by another qualified employee. DHCD retains the right to approve or reject replacements.

In the last three years we have had three professional staff who have left the firm.

Please see *Appendix B – Resumes* for the Partners and Audit Manager’s qualifications and experience.

It is the firm’s policy to have our partners and audit managers involved in the managing function of our audits. Having both the partner and audit manager involved in the engagement allows DHCD to receive immediate response to questions about accounting and audit topics, concerns, and findings.

It is expected that Mr. Hadley Y Hui, CPA would be the technical (concurring) partner in charge of DHCD’s audits. He will be responsible for reviewing DHCD’s financial statements and all other required statements and reports. He may also be responsible for addressing any of DHCD’s questions or concerns that arise during the year. He has assisted numerous non-profit agencies, charter schools, school districts, and municipalities.

Mr. Craig A. Hartzheim, CPA will be the engagement partner assigned to the audits. As engagement partner, he will oversee the day-to-day operations of the audits, review all audit areas, and be on-site for a majority of the fieldwork. He has assisted many non-profit agencies, charter schools, school districts, and municipalities. It is the firm’s policy during the first year on the audit engagement to have a partner on-site for a majority of the fieldwork. This policy enables the partner to become acquainted with DHCD’s daily operations and key personnel.

Mr. Cody Hartzheim will be the manager/supervising senior assigned to the audits. He will oversee the day-to-day operations of the audits and perform more difficult audit sections.

No complaints have been leveled by the State Board of Accountancy or any other agency against any of the staff assigned to DHCD’s audits. In addition to the supervisory staff listed above, one staff accountant will be assigned to the audits. All staff accountants have degrees from accredited colleges or universities, have received in-house non-profit and governmental audit training, and at present, have at least one year of non-profit and governmental auditing experience. All staff accountants will be directly supervised by the manager assigned to the audit at all times. All partners, managers, and staff members have worked on numerous non-profit engagements together. Consistently working together will provide DHCD with a knowledgeable, proficient, and efficient audit team.

The firm conducts an annual firm-wide two-day training seminar to update all governmental auditors on new pronouncements and improved audit techniques. In addition to this firm sponsored seminar, each governmental auditor attends the annual governmental accounting conference and many other continuing education courses and is updated on current accounting/auditing issues through our journals and supplements, which we receive on a regular basis.

**DESERT HEALTHCARE DISTRICT
AUDIT PROPOSAL**

AUDIT APPROACH

Our firm will utilize the current year's budget, and our knowledge of DHCD's systems to determine materiality for the different audit sections. We will select a sample of transactions to determine to what extent the systems are functioning as described to us. The extent of our sample size will depend upon our assessment of the internal control structure and the results of our assessment in accordance with the *Statements on Auditing Standards*.

The selection of transactions for testing will be made using a combination of random, systematic, and haphazard sampling techniques. We will identify the strength of the systems upon which we can rely in planning our substantive tests. Our internal control review will meet all of the following requirements of AICPA: Statement on Auditing Standards (SAS) No. 55, *Consideration of the Internal Control Structure in a Financial Statement Audit*, as amended by SAS No. 78; SAS No. 99, *Consideration of Fraud in a Financial Statement Audit*; SAS No. 106, *Audit Evidence*; SAS No. 107, *Audit Risk and Materiality in Conducting an Audit*; SAS No. 108, *Planning and Supervision*; SAS No. 109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*; and SAS No. 110, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained*.

It is estimated that the sampling size for transaction testing for compliance with systems as actually implemented would be as following:

- I. Minimum of 60 disbursement items, including automatic and manual checks
- II. Minimum of 40 payroll checks/direct deposits.
- III. Minimum of 40 receipt items.

We have extensive knowledge in auditing computer systems. We have assisted numerous clients with the implementation of accounting software and database business systems. This assistance has provided our firm with a thorough background in computer systems with respect to both the software applications aspect and also insight into auditing such systems. It is our policy to have a computer specialist as part of the audit team and to be used on an as-needed basis. This individual assists the audit team in documenting the computer system internal control structure and highlighting strengths and weaknesses relating to the computer structure of DHCD.

In addition, all of our staff is equipped with not only word processing and spreadsheet capabilities, but also various functional software, such as PPC Audit – e-Tools, Creative Solutions Accounting, Adobe Acrobat, random sampling software, Lacerte Tax Program, and Easy Accounting Software, which contain amortization programs and depreciation programs, and other applications.

We will perform preliminary analytical review procedures using the current year's working trial balance and the current fiscal year's budget. In the preliminary stage, we will adopt ratio analysis procedures to compare the relationships between account balances and classes of transactions against budgets and industry statistics. This may include budgets, trial balances, and/or draft financial statements to help us identify the source of individual fluctuations. Any unexpected trends or deviations will be discussed with relevant DHCH staff to obtain explanations.

We will communicate with the governing body and Audit Committee at the beginning of the audit, either in person or through written communication. We will also interview one or two Board members to discuss the audit process and determine if there are any additional areas to examine.

As part of our audit procedures we usually request a working trial balance in excel format and access to view general ledger detail directly from the software system. This increases our efficiency and provides for less disruption of DHCD staff.

AUDIT APPROACH (Continued)

As part of our audit engagements, we issue management letters if we note certain observations or recommendations that we feel need to be disclosed. Our firm's philosophy regarding the management letter is that the management letter is to help management improve its internal control and accounting procedures and not to criticize the management in charge. For this reason, we present our management letters to management in draft form for open discussion prior to issuance.

We will also present the audit results to the Audit Committee and/or Board of the Directors at the end of our audit.

Please see *Appendix C – Peer Quality Review Report* for a copy of our firm's July 26, 2022 quality review report, which includes a review of governmental and non-profit engagements.

We will also review the following documents in order to determine compliance with laws and regulations:

- (a) Minutes of the governing body with special attention to: indications of new revenue sources; expense authorizations and related appropriations, including any special or restrictive provisions; authorization for bank or other debt incurred; awards to successful bidders; authorization for new leases entered into; net position restrictions; and authorization for significant new employees hired
- (b) New agreements and amendments to new agreements including but not limited to grant agreements; debt and lease agreements; labor agreements; joint venture agreements; and other miscellaneous agreements
- (c) Administrative Code
- (d) Investment Policy

The main extent of our work would be what is required to enable us to express an opinion on the financial statements in accordance with:

- 1. *AICPA Audit Standards*
- 2. *Laws of the State of California*
- 3. Our firm's own additional standards and procedures

The audit will be conducted in accordance with auditing standards generally accepted in the United States of America. The primary purpose of the audit is to express an opinion on the financial statements, and such an audit is subject to the inherent risk that material errors, fraud, or other illegal acts may exist and not be detected by us. If conditions are discovered which lead to the belief that material errors, fraud, or other illegal acts may exist, or if any other circumstances are encountered that require extended service, we will promptly advise management and/or other appropriate officials.

Our audit would begin in May. We will schedule up to approximately one week of interim fieldwork. We will prepare narrative flow charts and other documentation of the internal control structure and of the major systems, such as revenue and cash receipts, purchasing and cash disbursements, payroll and personnel, property and equipment, grant compliance, investment activities, and the budget process. We will gain this information through discussions with appropriate DHCD staff and the review of available documented policies, organizational charts, manuals, programs, and procedures. Once we obtain this information, we will evaluate the systems of internal controls and revise our standard audit programs.

The year-end audit fieldwork will include an analytical review of all significant statement of net position and revenues and expense accounts, which includes a comparison of the current year's budget to the year-end trial balance. It is our firm's policy to perform substantive tests on all balance sheet accounts. Analytical procedures will be used to supplement the substantive tests, not supplant them. We will perform analytical procedures on all balance sheet and revenue and expense accounts.

**DESERT HEALTHCARE DISTRICT
AUDIT PROPOSAL**

AUDIT APPROACH (Continued)

The primary objective of the year-end audit work is to audit the final numbers that will appear in the DHCD's financial statements. Our fieldwork would also consist of procedures required under SAS No. 99, *Consideration of Fraud in a Financial Statement Audit*.

We will perform procedures such as:

- (a) Confirmations by positive and negative circularization including but not limited to all cash and investment accounts; selected receivable and revenue balances; all bonds, loans, notes payable, and capital leases; all notes receivable; all insurance carriers; all legal firms employed on DHCD business; and other miscellaneous confirmations deemed necessary
- (b) Physical verifications and observations
- (c) Analysis and review of evidential material
- (d) Interviews and investigative efforts
- (e) Electronic data processing testing for computer and software reliability
- (f) Numerous other procedures

FEES

Please see *Appendix D – Cost Proposal* for the fees and billing rates associated with the audit and preparation of tax returns.

There are no additional charges for questions on technical matters that may arise throughout the year. However, if DHCD needs a report prepared or an opinion on an accounting or audit matter in writing, then the firm will charge DHCD according to quoted hourly rates.

REFERENCES

Please see *Appendix E – References* for a list of similar audit engagements performed by the local office.

WHY SELECT OUR FIRM

Moss, Levy & Hartzheim, LLP has been auditing all the three entities non-profit organizations for 45 years. Because of our extensive experience with non-profit organizations, we can efficiently serve DHCD. Our firm conducts itself in the highest professional standard and includes a partner being on-site for a majority of the fieldwork, which will ensure that the quality of work performed will be of the highest standard. Also, our firm is flexible and will work with DHCD to schedule the audit fieldwork at a mutually convenient time. In addition, we do not require clients to create new schedules to provide to us. Our firm has the experience and knowledge to work with the schedules that DHCD usually prepares.

Under penalties of perjury, I declare that I am entitled to represent the firm, empowered to submit the bid, and I am an authorized signer. There are no and have never been any financial interests between any officials or employees of the Desert Healthcare District and Moss, Levy & Hartzheim, LLP.

Respectfully Submitted,



Craig A Hartzheim, CPA
Partner

Moss, Levy & Hartzheim, LLP is an Equal Opportunity Employer

DESERT HEALTHCARE DISTRICT
APPENDIX A – CURRENT AND/OR RECENTLY COMPLETED AUDITS

NONPROFIT ORGANIZATIONS

Boys & Girls Club of Santa Maria Valley, Santa Maria, CA
Boy Scouts of America, Verdugo Hills Council
Buellton Business Association/Chamber of Commerce, Buellton, CA
Camp Ocean Pines, Cambria, CA
Central Coast Commission for Senior Citizens, Santa Maria, CA
Coastal Business Finance, Santa Maria, CA
Consumer Attorneys Association of Los Angeles, Los Angeles, CA
Discovery Museum, Santa Maria, CA
Elks Lodge, Santa Maria, CA
Grace Bible Church, Arroyo Grande, CA
Habitat for Humanity, Santa Maria, CA
House of Yahweh
Life Options, Vocational and Resource Center, Lompoc, CA
Lompoc Valley Chamber of Commerce, Lompoc, CA
Meals on Wheels, Lompoc, CA
Meals on Wheels, Santa Maria, CA
Midland School Corp, Los Osos, CA
Northern California Indian Development Council
Piedras Blancas Lighthouse, Cambria, CA
Santa Maria Chamber of Commerce, Santa Maria, CA
Santa Maria Independent Living Environment, Santa Maria, CA
Santa Maria Valley Human Society, Santa Maria, CA
Santa Ynez Valley Airport Authority, Santa Ynez, CA
St. Elmo's Village, Los Angeles, CA
Tammis Day Foundation
Temple Beth El, Santa Maria, CA
Turlock Regional Aviation Association, Turlock, CA
United Way, Santa Maria, CA
Valley Haven, Santa Ynez Valley, CA
Viking Charities, Inc., Solvang, CA
YMCA, West End Council

DESERT HEALTHCARE DISTRICT

APPENDIX A – CURRENT AND/OR RECENTLY COMPLETED AUDITS

SCHOOL DISTRICTS

Acton-Agua Dulce Unified School District
Ballard School District
Bellflower Unified School District
Beverly Hills Unified School District
Blochman Union School District
Bradley Elementary School District
Buellton Union School District
Calipatria Unified School District
Carpinteria Unified School District
Casmalia School District
Castaic Union School District
Cayucos Elementary School District
Coast Unified School District
Cold Springs School District
College Elementary School District
Eastside School District
Garvey School District
Goleta Union School District
Graves School District
Hughes-Elizabeth Lakes Union School District
Lancaster School District
Manhattan Beach Unified School District
Mark Twain Union Elementary School District
Mission School District
Montecito Union School District
Orcutt Union School District
Pacific Unified School District
Palmdale School District
Pleasant Valley Union School District
Rosemead School District
San Ardo Elementary School District
San Lucas School District
San Miguel Joint Union School District
Santa Maria Joint Union High School District
Shandon Unified School District
Solvang Elementary School District
Torrance Unified School District
Vallecito Union School District
Wilsona School District

CITIES AND REDEVELOPMENT AGENCIES*

Alhambra, CA
Arroyo Grande, CA
Atascadero, CA
Bellflower, CA
Buellton, CA
Dinuba, CA
Duarte, CA
El Centro, CA
Eureka, CA
Greenfield, CA
Grover Beach, CA
Healdsburg, CA
Holtville, CA
Hughson, CA
La Mirada, CA
La Palma, CA
Lindsey, CA
Ojai, CA
Paso Robles, CA
San Gabriel, CA
Santa Maria, CA
Taft, CA
Westlake Village, CA
Willits, CA

PUBLIC FINANCING AUTHORITIES

The majority of our Municipalities issue debt and do so through an established Public Financing Authority.

OTHER SCHOOL ENTITIES

Academia Semillas del Pueblo Charter School
Albert Einstein Academy
Antelope Valley Schools Transportation District
Bright Star Secondary Charter Academy
East Bay Regional Occupational Program
Garr Academy of Mathematics and Entrepreneurial Studies
Pacoima Charter School
Santa Ynez Valley Charter School
Southern California Regional Occupational Center
Stella Middle Charter Academy
Synergy Charter Academy
Tri-Valley Regional Occupational Program

DESERT HEALTHCARE DISTRICT

APPENDIX A – CURRENT AND/OR RECENTLY COMPLETED AUDITS

COUNTIES

Los Angeles County, CA (Master List)
San Diego County, CA (Master List)

SANITATION DISTRICTS

Carpinteria Sanitation District, CA
Cayucos Sanitation District, CA
County Sanitation Districts of Los Angeles County, CA
- All 25 Districts
Encina Wastewater Authority, CA
Montecito Sanitation District, CA
Orange County Sanitation District, CA - Internal Audits

UTILITY DISTRICTS

Georgetown Divide Public Utility District

WATER/IRRIGATION DISTRICTS

Aldercroft Heights County Water District, CA
Foothill Municipal Water District, CA
Main San Gabriel Basin Watermaster, CA
Marina Water District, CA
North Marin Water District, CA
Sweetwater Springs Water District, CA
Valley County Water District, CA
Valley of the Moon Water District, CA

AMBULANCE SERVICES DISTRICT

Cambria Community Healthcare District
North Coast Emergency Medical Services

CEMETERY DISTRICTS

Arroyo Grande Cemetery District, CA
Atascadero Cemetery District, CA
Gridley-Biggs Cemetery District, CA
San Miguel Cemetery District, CA
Santa Maria Cemetery District, CA

COMMUNITY SERVICES DISTRICTS

Cambria Community Services District, CA
Cuyama Community Services District, CA
Groveland Community Services District, CA
Heritage Ranch Community Services District, CA
Los Alamos Community Services District, CA
Nice Community Services District, CA
Rancho Murieta Community Services District, CA
Santa Ynez Community Services District, CA
Vandenberg Village Community Services District, CA

RECREATION AND PARK DISTRICTS

Conejo Recreation and Park District, CA
Isla Vista Recreation and Park District, CA
Mountains Recreation and Conservation Authority, CA
Rancho Simi Recreation and Park District, CA
Hayward Recreation and Park District, CA

BUILDING AUTHORITY

County of San Diego Regional Building Authority, CA

FIRE PROTECTION DISTRICTS

Cayucos Fire Protection District, CA
Lakeport Fire Protection District, CA
Orcutt Fire Protection District, CA

OTHER DISTRICTS

Beach Cities Health District
County of San Diego Emergency Services Organization
County of San Diego First 5 Commission
County of San Diego In-Home Supportive Services
Public Authority
County of San Diego Health and Human Services Agency
Child Development Program Grant
County of San Diego MIOCR Grant
County of San Diego RLETC Grant
County of Los Angeles Delta Sigma Theta, Head Start
Program, Inc.
County of San Diego DA Office of Auto Ins. Fraud
Grant, Urban Auto Fraud Grant, WC Ins Fraud Grant
Los Angeles County Flood Control District
Marin/Sonoma Mosquito and Vector Control District
San Diego Geographic Information Source
Tracy Area Public Facilities Financing Agency
West Contra Costa Integrated Waste Management
Authority

TRANSPORTATION DEVELOPMENT ACT

Arroyo Grande, CA
Calexico, CA
El Centro, CA
Grover Beach, CA
Holtville, CA
Paso Robles, CA
San Luis Obispo County and Cities Area Planning
Council:
Local Transportation Fund
State Transit Assistance Fund
South County Area Transit, CA
South County/San Luis Obispo Transit, CA
Transportation Agency for Monterey County, CA
Transportation Authority of Marin
Association of Monterey Bay Area Governments
Santa Cruz Regional Transportation Commission

TRANSIENT OCCUPANCY TAX AUDITS

Represented the following municipalities and/or counties
in the audit of the hotel "bed tax" records:

Arroyo Grande, CA
Bellflower, CA
Bishop, CA
Calexico, CA
Carmel, CA
Ojai, CA
Pismo Beach, CA
Santa Maria, CA
South Lake Tahoe, CA
Whittier, CA

Craig A. Hartzheim, C.P.A. – Partner

- California licensed C.P.A. with 38 years of audit experience with governmental, non-profit, and commercial entities
- Engagement/Technical (Concurring) Partner for governmental and non-profit audits (Culver City office), currently including 12 school district audits, 17 municipal audits, and 40 special district audits (including Los Angeles County Flood Control District and the County Sanitation Districts of Los Angeles County)
- Has assisted governmental clients with year-end closing, key position interviews, preparation of award winning CAFRs, and preparation of State Controller’s Reports
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - 2022, 2021, and 2020 School District Conference*
 - 2022, 2021, and 2020, GAAS Update*
 - Single Audits of Governmental Entities*
 - Preparing Governmental Financial Statements*
 - Yellow Book, Government Auditing Standards*
 - GAAS Guide*
 - Other Comprehensive Basis of Accounting (OCBOA) Statements*
 - Audit Standards update*
 - Fraud in Audits*
 - Auditing update*
- Bachelor of Science degree in Accounting from Marquette University, was conferred in 1982
- Member of the following:
 - American Institute of Certified Public Accountants
 - California Society of Certified Public Accountants
- Knowledgeable in all areas of tax law including non-profit and payroll tax issues

Ron A. Levy, C.P.A. – Consultant

- California licensed C.P.A. with 45 years of audit experience with governmental and non-profit entities
- Technical (Concurring)/Engagement Partner in charge of all governmental and non-profit audits, currently including 35 school district audits, 12 non-profit, 4 charter schools, 32 municipal audits, and over 75 special district audits
- Has assisted governmental clients with year-end closing, key position interviews, preparation of award winning CAFRs, and preparation of State Controller's Reports
- Has met or exceeded all continuing education requirements, including recent courses in the following:
 - 2022, 2021, and 2020 School District Conference*
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - GASB 34 Training Seminars*
 - Planning a Governmental Audit Engagement*
 - Auditor's Reports on Audits of Local Governments*
 - Governmental Accounting Update*
 - Audits of State and Local Governments*
 - Compliance Auditing, Auditing Sampling, and Concluding the Audit*
 - The Single Audit Act*
- Member of the following:
 - American Institute of Certified Public Accountants
 - California Society of Municipal Finance Officers
 - California Society of Certified Public Accountants
 - California Association of School Business Officials
 - Kiwanis Club
- Bachelor of Science degree from Oregon State University, was conferred in 1977
- Taught accounting courses at a branch of La Verne College and Chapman College
- Knowledgeable in all areas of tax law including non-profit tax issues

Hadley Y. Hui, C.P.A. – Partner

- California licensed C.P.A. with 24 years of audit experience with governmental, non-profit, and commercial entities
- Engagement Partner in charge of 10 non-profit, 20 school districts and related audits, 11 municipal audits, 26 special district audits, and 8 special audits for the County of San Diego
- Supervisor for the CSS and DPSS Monitoring Projects for Los Angeles County
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - 2022, 2021, and 2020 School District Conference*
 - 2022, 2021, and 2020, GAAS Update*
 - Yellow Book, Governmental Auditing Standards*
 - Fraud in Audits*
 - GAAS Guide*
 - Risk-Based Auditing Part 1, Part 2*
 - Accounting and Auditing Update*
 - Guide to Auditing Control Course 1, Course 2*
- Extensive knowledge of database systems, networking, and various accounting software
- Bachelor of Arts degree in Economics with a minor in Accounting from University of California – Los Angeles was conferred in 1997
- Member of the following:
 - American Institute of Certified Public Accountants
 - California Society of Certified Public Accountants
- Knowledgeable about all areas of tax law including non-profit and payroll tax issues

Wilson Lam, C.P.A., C.F.E. – Partner

- California licensed C.P.A. with 13 years of audit experience with governmental and commercial entities.
- Auditing manager for 4 special district audits, 3 municipal audits, and 9 school district audits
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - 2022, 2021, and 2020 Single Audit Compliance*
 - GASB 34 Training Seminars*
 - Internal Control and Fraud in Governmental Engagements*
 - Government Auditing Standards – Yellow Book*
 - Advanced Fraud Techniques*
 - Risk-Based Auditing Part 1, Part 2*
 - 2019 Accounting and Auditing Update*
 - Guide to Auditing Control Course 1, Course 2*
- Bachelor of Arts in Accounting and Finance from California State University - Fullerton was conferred in 2005.

Terry Robertson, C.P.A – Manager

- California licensed C.P.A. with 24 years of audit experience with governmental, nonprofit, and commercial entities
- Manager for the Los Angeles County CAFR Audit
- Manager for 9 municipal audits, 4 joint power authority audits, and 21 special district audits
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - 2022, 2021, and 2020 Single Audit Compliance*
 - 2022, 2021, and 2020, GAAS Update*
 - GASB 34 Training Seminars*
 - Auditors' Responsibilities for Detection of Fraud*
 - Internal Control and Fraud in Governmental Engagements*
 - Government Auditing Standards – Yellow Book*
 - Implementing SAS 112 & 114*
 - Advanced Fraud Techniques*
 - Grants Management*
- Bachelor of Science degree in Accounting from University of Quinnipiac, was conferred in 1998

Edward R. Eisenhauer, C.P.A. – Senior Accountant

- California licensed CPA with 25 years of experience, and 10 years of audit experience with governmental, non-profit, and commercial entities
- Auditor for 8 non-profit, 18 municipal audits, and 9 special district audits
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - 2022, 2021, and 2020 School District Conference*
 - Accounting and Auditing Standards Update: Risk Assessment Standards*
 - Advanced Audit Standards Workshop: Understanding Risk Assessment*
 - GASB 34 Seminars*
 - GAAS Update*
 - Auditors' Responsibilities for Detection of Fraud*
 - Internal Control and Fraud in Governmental Engagements*
 - Government Auditing Standards – Yellow Book*
 - Implementing SAS 112 & 114*
 - Advanced Fraud Techniques*
 - Grants Management*
- Bachelor of Science degree in Accounting from University of Wisconsin – Whitewater conferred in 1982
- Knowledgeable about all areas of tax law including non-profit and payroll tax issues

Cody Hartzheim – Senior Accountant

- Auditor with 8 years of audit experience with governmental and commercial entities
- Auditor for 6 non-profit, 10 municipal audits, 11 special district audits, and 4 school district audits
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - Governmental Auditing Standards – Yellow Book*
 - 2022 Accounting and Auditing Standards Update: Risk Assessment Standards*
 - 2022, 2021, and 2020 Single Audit Compliance*
 - 2019, 2018, and 2017 School District Conference*
- Bachelor of Science in Accounting and Finance from Marquette University, was conferred in 2013

Nickolas Hartzheim – Staff Accountant

- Auditor with 2 years of audit experience with governmental and special districts
- Auditor for 6 municipal audits, non-profit, and 4 special district audits
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - 2022, 2021, and 2020 GAAS Update*
 - Auditors' Responsibilities for Detection of Fraud*
 - Government Auditing Standards (GAO) Updates and Changes*
 - Internal Control and Fraud in Governmental Engagements*
 - Government Auditing Standards – Yellow Book*
 - Implementing SAS 112 & 114*
- Bachelor of Science in Business/Administration from San Jose University was conferred in 2018

Susan Chin – Staff Accountant

- Auditor with 12 years of audit experience with governmental and commercial entities.
- Auditor for 2 special district audits, 3 municipal audits, and 3 school district audits.
- Staff accountant for the Los Angeles County DMH Monitoring Projects.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2022, 2021, and 2020 Governmental Accounting Conference*
 - 2022 and 2021 GAAS Update*
 - Auditors' Responsibilities for Detection of Fraud*
 - Government Auditing Standards (GAO) Updates and Changes*
 - Internal Control and Fraud in Governmental Engagements*
 - Government Auditing Standards – Yellow Book*
 - Implementing SAS 112 & 114*
- Bachelor of Arts from University of California – Los Angeles was conferred in 1992

DESERT HEALTHCARE DISTRICT
APPENDIX C – PEER QUALITY REVIEW REPORT

Our Peer Review included reviews of governmental (including municipalities, school districts) and non-profit engagements. In the past five (3) years our firm has not been required to submit under any Federal or State desk review or field review of our audits.



Patrick D. Spafford, CPA
Todd C. Landry, CPA

Licensed by the California Board of Accountancy
Member American Institute of Certified Public Accountants

Report on the Firm's System of Quality Control

To Moss, Levy & Hartzheim, L.L.P.
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Moss, Levy & Hartzheim, L.L.P. (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Deficiency Identified in the Firm's System of Quality Control

We noted the following deficiency during our review:

1. The firm's quality control policies and procedures addressing engagement performance requires a review of all engagements prior to issuance. Although this review took place, the Firm should consider a more thorough review of the files prior to completion and lockdown. This contributed to audit engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, not conforming to professional standards in all material respects in the areas of audit planning, risk assessment, and documentation of testing specific to major program compliance. A similar finding was noted on the Firm's previous peer review.

Opinion

In our opinion, except for the deficiency previously described the system of quality control for the accounting and auditing practice of Moss, Levy & Hartzheim, L.L.P. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)*, or *fail*. Moss, Levy & Hartzheim, L.L.P. has received a peer review rating of *pass with deficiency*.

July 26, 2022

DESERT HEALTHCARE DISTRICT
APPENDIX D – COST PROPOSAL

1) TOTAL ALL-INCLUSIVE MAXIMUM PRICE

The total All-Inclusive Maximum Price is after a discount. The Total All-Inclusive Maximum Price for the proposal shall not exceed the following:

Name of Firm	<u>Moss, Levy & Hartzheim, LLP</u>
Address	<u>5800 Hannum Avenue, Suite E</u>
	<u>Culver City, CA 90230</u>
Contact Name	<u>Craig A. Hartzheim, CPA</u>
Contact Phone #	<u>(310) 670-2745</u> Fax # <u>(310) 670-1689</u>
Contact E-mail	<u>mlhbh@mlhcpas.com</u>

Desert Healthcare District	
	FY 2022- 23
DHCD Audit	\$ 18,200
Discount	(910)
Total for Fiscal Year (not-to exceed)	\$ 17,290

Desert Healthcare Foundation	
	FY 2022- 23
DHF Audit	\$ 14,660
Discount	(750)
Total for Fiscal Year (not-to exceed)	\$ 13,910

	FY 2022- 23
RPP Audit	\$ 6,190
Discount	(700)
Total for Fiscal Year (not-to exceed)	\$ 5,490

Future year fee increases will not exceed 3% as long as DHCD activity does not increase by an extraordinary amount.

Our firm will be accessible throughout the year to answer any questions without any form of billing.

**DESERT HEALTHCARE DISTRICT
APPENDIX D – COST PROPOSAL**

**2) RATES BY PARTNER, MANAGER, SUPERVISORY AND STAFF LEVEL TIMES HOURS
ANTICIPATED FOR EACH**

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2022-23 DESERT HEALTHCARE DISTRICT FINANCIAL STATEMENTS
AND PREPARATION OF STATE CONTROLLER’S REPORT

	Hourly Rates	Hours	Total
Partners	\$ 180	20	\$ 3,600
Managers	140	42	5880
Senior	120	42	5040
Staff	95	36	3420
Other (specify)			
Clerical	65	4	260
Discount			\$ (910)
Total		144	\$ 17,290

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2022-23 DESERT HEALTHCARE FOUNDATION FINANCIAL
STATEMENTS, SINGLE AUDIT & REQUIRED TAX RETURN

	Hourly Rates	Hours	Total
Partners	\$ 180	24	\$ 4,320
Managers	140	30	4,200
Senior	120	30	3,600
Staff	95	24	2,280
Other (specify)			
Clerical	65	4	260
Discount			\$ (750)
Total		112	\$ 13,910

DESERT HEALTHCARE DISTRICT
APPENDIX D – COST PROPOSAL

2) RATES BY PARTNER, MANAGER, SUPERVISORY AND STAFF LEVEL TIMES HOURS ANTICIPATED FOR EACH (CONTINUED)

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2022-23 DESERT HOSPITAL RETIREMENT PROTECTION PLAN FINANCIAL STATEMENTS AND STATE CONTROLLER'S REPORT

	Hourly Rates	Hours	Total
Partners	\$ 180	10	\$ 1,800
Manager	140	12	1,680
Senior	120	12	1,440
Staff	95	12	1,140
Other (specify):			
Clerical	65	2	130
Discount			(700)
Total		48	\$ 5,490


3) PROFESSIONAL RATES FOR ADDITIONAL SERVICES

Schedule of Professional Fees for Additional Services	Standard Hourly Rates	Quoted Hourly Rates
Partner	\$ 225	\$ 180
Manager	155	145
Supervisory Staff	125	120
Staff Accountant	115	95
Clerical	75	65

4) MANNER OF PAYMENT

Progress payments will be made on the basis of hours work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with Moss, Levy & Hartzheim, LLP's cost proposal. Interim billing shall cover a period of no less than one calendar month.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. A. Hartzheim', with a large, sweeping flourish at the end.

Craig A Hartzheim, CPA
Partner

DESERT HEALTHCARE DISTRICT
APPENDIX E – REFERENCES

CITY OF BELLFLOWER

2018 to Present

(480 Hours)

Audit of Basic Financial Statements Comprehensive Annual Financial – GFOA Certificate of Achievement
– GASB Standards and Single Audit
Engagement Partner – Craig A Hartzheim, CPA
Contact: Tae Rhee (562) 804-1424

NORTHERN CALIFORNIA INDIAN DEVELOPMENT COUNCIL

2021 to Present

(340 Hours)

Audit of Financial Statements, Single Audit & Exempt Org. Tax Returns
Engagement Partner – Craig A. Hartzheim, CPA
Contact: Chris Byfield, Finance Director (707) 445-8451

CITY OF EL CENTRO

2007 to Present

(650 Hours)

Audit of Basic Financial Statements, Single Audit Report, and GANN Limit Review Report, and
Preparation of City's State Controller Report
Received GFOA Certificate of Achievement in Financial Reporting
Contact: Richard Ramirez, Finance Director; (760) 337-4573
Engagement Partner – Craig A. Hartzheim, C.P.A

CITY OF DUARTE

2017 to Present

(400 Hours)

Audit of basic Financial Statements- GASB Standards
Contact: Dan Jordan, City Manager (626) 357-7931
Engagement Partner – Craig A. Hartzheim, C.P.A



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: March 15, 2023
To: Finance & Administration Committee
Subject: Consideration to approve Addendum #1 to the Consulting Services Agreement with California Consulting, Inc. to Provide Grant Writing Services – Extension to March 31, 2024

Staff recommendation: Consideration to approve a Consulting Services Agreement with California Consulting, Inc. to Provide Grant Writing Services – Extension to March 31, 2023

Background:

- In April 2022 the F&A Committee and Board approved a contract with California Consulting Group to provide grant writing services to the District
- California Consulting actively works with the District staff to identify local, state, and federal funding opportunities
- To date, California Consulting has successfully secured a grant for almost \$1.3million from Riverside County. To date, staff has secured outside funding in the amount of **\$5,140,977** including the aforementioned grant to support local nonprofits in their collective response to COVID-19
- California Consulting is also exploring infrastructure grants to help secure seismic retrofitting dollars and is working to ensure our hospital is listed as a critical infrastructure asset by the County of Riverside, a condition to pursue infrastructure grants
- The services continue at a flat monthly rate of \$4,250 per month, plus reimbursement of out-of-pocket fees
- Staff recommends approval of the draft addendum to the agreement for California Consulting, Inc. to extend the March 31, 2024
- Draft Addendum #1 is attached for your review

Fiscal Impact:

\$4,250 per month. The fee FY23 annual budget includes the monthly fee and will be included in the FY24 budget

**CONSULTING SERVICES AGREEMENT
ADDENDUM #1**

This Professional Services Agreement (“Agreement”) was entered into on April 18, 2022 by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and California Consulting, (“Consultant”) as follows:

R-E-C-I-T-A-L-S

1. This Addendum extends and revises the termination date in Section 3.1 to March 31, 2024.
2. All other terms and conditions of the original service agreement remain unchanged.

“District”:

Desert Healthcare District

“Consultant”:

California Consulting

By: _____
Conrado Barzaga, CEO

By: _____
Steve Samuelian, CEO

Date: _____

Date: _____



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: March 15, 2023
To: Finance & Administration Committee
Subject: Addendum #1 to the Property Management/ Maintenance Agreement with INPRO-EMS Construction for property maintenance services for Las Palmas Medical Plaza – Extends to April 30, 2024 and increases compensation to \$11,485 per month

Staff recommendation: Consideration to approve a Property Management - Maintenance Agreement with INPRO-EMS Construction for property maintenance services for Las Palmas Medical Plaza - Extends to April 30, 2024 and increases compensation to \$11,485 per month

Background:

- INPRO-EMS Construction (INPRO) has been the onsite property maintenance company for the Las Palmas Medical Plaza (LPMP) since 2017.
- INPRO continues to maintain a positive working relationship with the LPMP tenants and District staff.
- INPRO frequently responds to maintenance issues outside of the scope of work, often times at no extra cost.
- Staff recommends a 3% increase to \$11,485 per month.
- Staff recommends approval of the draft addendum to the management/maintenance agreement for the period May 1, 2023 – April 30, 2024.
- Draft Addendum #1 is attached for your review.

Fiscal Impact:

\$11,485 per month. The Las Palmas Medical Plaza FY23-24 annual budget will be adjusted to accommodate the increase.

NOTE: The property maintenance fees are passed on to the LPMP tenants through the CAM charges.

**LAS PALMAS MEDICAL PLAZA
PROPERTY MANAGEMENT/MAINTENANCE AGREEMENT
ADDENDUM #1**

This Property Management/Maintenance Agreement (“Agreement”) was entered into on April 18, 2022 by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and INPRO-EMS (“Manager”) as follows:

R-E-C-I-T-A-L-S

1. This Addendum extends and revises the termination date in Section 1 to April 30, 2024.
2. This Addendum increases the compensation to \$11,485 per month (a 3% increase).
3. All other terms and conditions of the original agreement remain unchanged.

“District”:

Desert Healthcare District

By: _____
Conrado Barzaga, CEO

Date: _____

“Consultant”:

INPRO-EMS

By: _____
Rick Lykins, Owner

Date: _____



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: March 15, 2023
To: Finance & Administration Committee
Subject: Grant Management Software – Foundant Grant Lifecycle Manager (GLM)

Staff Recommendation:

Consideration to approve the purchase of Foundant Grant Lifecycle Manager (GLM) software effective April 1, 2023.

Background:

Since 2008, the Desert Healthcare District/Foundation has been utilizing Blackbaud Grantmaking (formerly GIFTS) as its primary grants management software. Blackbaud Grantmaking has since become an antiquated system that is far less user-friendly for applicants / grantees and more cumbersome than newer and simpler software options with more features.

Discussion:

DHCD/F staff researched and compared three software options (Foundant Technologies Grant Lifecycle Manager, Submittable, and WizHive) to Blackbaud Grantmaking. Presentations were given to staff by representatives of Foundant and WizHive, along with the opportunity to have a discussion and receive feedback from local grantmaking organizations currently using each of those grant management software platforms.

Staff recommends Foundant Technologies Grant Lifecycle Manager software:

- User-friendly interface for applicants and grantees
 - Ability to invite other staff members within the grantee organization to collaborate on an application without sharing account login information
 - Google Translate integration to increase accessibility
 - Ability to communicate with applicants/grantees within the platform by allowing District staff to add comments to sections of an application or report that require additional details, thus reducing email correspondence
 - Ability to list open grant and RFP opportunities and requirements within the platform to simplify the grantee's ability to apply for funding
- User-friendly interface for District staff
 - Dynamic drag and drop software (no coding required) that allows staff to quickly and easily revise application or report forms without interrupting applications and/or reports that are in-progress
 - Easy to identify the process/flow of a request with Grant Lifecycle Manager
 - Ability to see applications in progress (before submitted)
 - Ability to create question branching (new questions based on applicant's responses) on applications and reports

Timeline:

- 8 – 10 week migration process (*depending on Blackbaud*)
- 6 –10 week training, configuration, and implementation (setting up processes and user workflows, building application and report forms, creating auto emails, etc.)
This can occur concurrently with migration process.

Blackbaud Grantmaking

The current annual software subscription costs with a three-year contract:

- **Total Year 1:** \$ 21,785.49 (an increase of \$4K+)
- **Total Year 2:** \$ 23,528.33
- **Total Year 3:** \$ 25,410.60

Foundant Grant Lifecycle Manager

- Initial set-up fee:
 - Historical data migration fee is approximately \$1,000
(*we will receive a quote for the actual migration costs after meeting with Foundant's migration team*)
 - Advanced GLM Training fee for up to 3 staff members \$3,000
- Two-year contract subscription cost \$16,500 (**\$8,250 per year**)
 - Price increase is usually around 4.5% when the two-year contract is renewed.
Increase is limited to no more than 10%.

Fiscal Impact: Current line item expense in approved FY22/23 budget and to be carried over into FY23/24 budget

Savings: \$13,535.49 first year

Foundant Technologies, Inc. Contact:

Maggie Hickman
 maggie.hickman@foundant.com
 143 Willow Peak Drive
 Bozeman, MT 59718

Desert Healthcare District Contact:

Donna Craig
 dcraig@dhcd.org

, CA

Software and Services Chart (“Software and Services Chart”):

SKU & Qty.	Product Description	Subscription Term	Price (“Price”)	Cost (USD)
GLM2ADV 1	Grant Lifecycle Manager (GLM) - Advanced Two-Year Licensed Subscription Includes 5 GLM Grant Processes, hosting, maintenance and support with no limitations on the number of users or incoming requests.	-	\$16,500.00	\$16,500.00
GLMADVADMI N3-22 1	GLM Training for up to 3 Administrators: Advanced License GLM Training for up to 3 Administrators: Advanced License	-	\$3,000.00	\$3,000.00
Total:				\$19,500.00

Client Order Form for Grant Lifecycle Manager (“GLM”) and Scholarship Lifecycle Manager (“SLM”)

1. Foundant Technologies, Inc.’s Platform access and Services are provided in accordance with the terms and conditions listed in this Client Order Form (“Client Order Form”) as well as those set forth in the following, which are incorporated by reference, and collectively with any Statements of Work (“SOW”) represent the Agreement (the “**Agreement**”) between Desert Healthcare District, , CA (the “**Client**”), and Foundant Technologies, Inc., a Montana company located at 143 Willow Peak Drive, Bozeman, MT 59718 (“**Foundant Technologies**”):
 - a. Master Subscription Agreement (“**MSA**”) – <https://www.foundant.com/legal>
 - b. Data Processing Agreement (“**DPA**”) – <https://www.foundant.com/legal>
 - c. Service Level Agreement (“**SLA**”) – <https://www.foundant.com/legal>
 - d. Professional Services Agreement (“**PSA**”) – <https://www.foundant.com/legal>
2. All quoted prices are in U.S. dollars. All payments shall be in U.S. dollars and are due net thirty (30) days from the invoice date.
3. This Client Order Form is valid for ninety (90) days after issuance and shall become binding upon execution by Client and Foundant Technologies.
4. A five percent (5%) discount will be applied to Client purchases of access to two (2) SAAS subscriptions for Service Provider Software and a ten percent (10%) discount will be applied to Client purchases of access to three (3) or more SAAS subscriptions for Service Provider Software.
5. The term of the Agreement (the “Term”) begins on the later date signed by both Parties below (the “Effective Date”).
6. The Subscription Term(s) (“Subscription Term”) for the Software commences on the initial date shown for each Subscription Term shown in the Software and Services Chart.
7. The Software identified in this Client Order Form requires Client to pay the Fees in full and in advance. Client will be invoiced for the Fees upon execution of this Client Order Form. All Platform access rights include maintenance and support with no limitations on the number of users.
8. Unless otherwise specified in the SOW, the Fees for Professional Services are fixed and will be invoiced upon execution of this Client Order Form. Travel expenses associated with Professional Services will be invoiced monthly, if incurred. All Professional Services shall expire at the end of the Subscription Term and must be initiated within the first twelve (12) months of the Effective Date of this Client Order Form.
9. Fees do not take into account any sales tax. Foundant Technologies collects and remits sales tax from our Clients located in certain state and local jurisdictions. Foundant Technologies determines your local taxing jurisdiction based upon shipping address (i.e., the primary business location from which the Platform is accessed). In order to determine if you are exempt from sales tax, you must provide proof of your organization's state sales tax exemption. Please note that states do not recognize your 501(c)3 letter as proof of exemption.
10. Should Foundant Technologies’ Prices increase prior to your renewal date, we commit that your next renewal will be no more than a ten percent (10%) increase over your most current Price.
11. All GLM and SLM subscriptions include hosting, maintenance, and support with no limitations on the number of users.
12. GuideStar by Candid is licensed for up to one thousand (1,000) total lookups per Software subscription (as applicable) over the subscription term based on the items purchased via this Client Order Form.

13. Unless otherwise noted, client activity level is expected to be less than five thousand (5,000) online form submissions through GLM and/or SLM per week (as applicable). Any deviation from this expectation should be communicated by Client to Foundant Technologies at least thirty (30) days prior to the initiation of such activity and Foundant Technologies reserves the right to limit access to GLM and/or SLM (as applicable) if adequate notice is not provided.
14. Capitalized terms used but not defined herein have the meaning given in the Agreement.
15. If there are special conditions documented below, the order of precedence in the MSA shall apply.

Special Conditions:

By accepting this Client Order Form that references the MSA, DPA, SLA, PSA, and SOW(s), Client agrees to the terms and conditions of this collective Agreement. Any additional or different terms (whether included in your purchase order, your response to this proposal, or elsewhere) not expressly listed herein, shall be disregarded and shall not bind either Party.

Additionally, if you are entering into this Agreement on behalf of a Client or other legal entity, you warrant that: (i) you have the full legal authority to bind such entity and its Affiliates to these terms and conditions, and in the event such Affiliates exist, the term "Client" shall refer to such entity and its Affiliates; (ii) you have read and understand this Agreement; and, (iii) you agree, on behalf of Client, to this Agreement. If you do not have such legal authority, or if you do not agree with these terms and conditions, you must not accept this Agreement and shall not be permitted to use the Software or Services.

Desert Healthcare District		Foundant Technologies, Inc.	
By:		By:	
Name:		Name:	
Title:		Title:	
Date:		Date:	

Contact to receive invoice:

 Billing Contact(s) Name

 Billing Contact(s) Email

Is a Purchase Order required? (Check for Yes)

FIXED PRICE STATEMENT OF WORK

Foundant Technologies, Inc.

This Statement of Work (“**SOW**”), effective as of the later date signed by both Parties below is between Desert Healthcare District, , , CA (“**Client**”) and Foundant Technologies, Inc. (“**Foundant Technologies**” or “**Service Provider**”) (singularly, a “**Party**” and collectively, the “**Parties**”), and describes the Professional Services to be rendered by Service Provider for Client pursuant to the Client Order Form and the Professional Services Agreement (“**PSA**”).

Once executed by the Parties, this SOW shall be incorporated by reference into the PSA. In the event of any inconsistency or conflict between the terms and conditions of this SOW and the PSA, the terms and conditions of this SOW shall govern with respect to the subject matter of this SOW only. Capitalized terms used in this SOW shall have the meaning defined under the Agreement. This SOW may not be amended except in writing signed by a duly authorized representative of each Party.

1. PROJECT DESCRIPTION**1.1 Scope and Purpose of Document.**

Service Provider will render the following Professional Services to assist Client with the implementation of GLM.

1.2 Deliverable(s) / Professional Services.**A. Grant Lifecycle Manager (“GLM”) Setup:**

1. Foundant Technologies will create one (1) GLM site instance in a sandbox environment and one (1) GLM site instance in a live environment for the Client.
2. Foundant Technologies will brand the live and sandbox environments based on the Client’s website or brand standards within the product capabilities.
3. Foundant Technologies will import example process(es), data, and email templates into the Client’s sandbox environment.
4. Foundant Technologies will prepare the site by performing the following actions:
 - a. Adjusting site settings in sandbox and live within product capabilities and as supportable within client requirements.
 - b. Creating accounts in sandbox and live environments for necessary Client users.

B. GLM Training:

1. Foundant Technologies will train the quantity of site administrators as stated in the Client Order Form.
2. Training calls and Foundant Courses; Foundant will train administrators on one complete process using an established training syllabus and access to Foundant Courses.
 - a. Standard remote training calls and Foundant courses include:
 - Eligibility Quiz, Letter of Intent, and Application;
 - Evaluations;
 - Decisions and follow-ups;
 - Testing the process;
 - Workflows and site management;
 - Pre-go-live discussion; and,
 - Reports and data sets.

- C. GLM transfer to Live Environment:
1. After completion of training and all processes are finalized in the sandbox environment, the system is configured and will be transferred to the live environment.
- D. GLM Post Go-Live Support:
1. Foundant Technologies will provide a mutually agreed upon amount of check-in calls throughout the first forty-five (45) days after Client goes live. Any requirement by Client to extend beyond that number of calls and days must be mutually agreed to by both parties.
 - a. Client will own the agenda for check-in calls.
 2. A transition will then occur to the Client Success and Client Support teams.
- E. Project Management:
1. Schedule Management: managing timeline of project to ensure desired go-live date.
 2. Scope Management: ensures all contracted deliverables are successfully delivered resulting in Client acceptance.
 3. Ensures Foundant Technologies implementation specialist coordinates and establishes all requisite data discovery and design and training calls.
 4. Reviewing assigned homework.
 5. Resource Management: ensures proper resourcing is established for a successful delivery.
 6. Managing expectations and project escalations as needed.

2. CLIENT RESPONSIBILITIES AND ASSUMPTIONS

Client acknowledges that timely provision of and access to office accommodations, facilities, equipment (if applicable), assistance, cooperation, complete and accurate information, and data from Client's officers, agents, and employees (collectively, "**Cooperation**") are essential to the rendering of the Professional Services. Service Provider will not be responsible for any deficiency in performing the Professional Services if such deficiency results from Client's failure to provide full Assistance. Client acknowledges that if Service Provider's cost of providing Professional Services is increased because of Client's failure to meet the obligations listed in this SOW, failure to provide full Cooperation, or because of any other circumstance outside of Service Provider's control, then Client agrees to pay Service Provider for such increased costs. Such increased costs may include time during which Service Provider resources are under-utilized because of delays.

Client acknowledges that Service Provider's ability to render the Professional Services depends upon Client's fulfillment of the following responsibilities and assumptions:

2.1 Client Responsibilities.

- 1) Maintain at least one unexpired Subscription Term(s) to the Software identified in a Client Order Form prior to the commencement of Professional Services for the Professional Services Period (as defined below).
- 2) Provide Service Provider with unhindered access to the relevant (i) documentation and (ii) functional, technical and business resources having adequate skills and knowledge to support the performance of Professional Services, as requested by Service Provider.

- 3) Provide a safe and healthy workspace to all Service Provider personnel performing Professional Services at any location directed by Client for Professional Services to be performed (a “**Client Site**”).
- 4) Provide any notices, and obtain any consents, necessary for Service Provider to perform Professional Services.
- 5) If, while performing Professional Services, Service Provider requires access to other vendor’s products that are part of Client’s system, Client will be responsible for acquiring all identified products and the necessary access and licensing rights for Service Provider to access such products on Client’s behalf.
- 6) Be responsible for having Client’s designated attendee, as agreed between the Parties, attend project team administrator training.
- 7) Administrators will complete assigned tasks prior to the training call(s).
- 8) Administrators are expected to dedicate time (4-8 weeks in total) to the full implementation of their site; starting with discovery and ending with the site administrator being fully trained and self-sustaining in the Software.
- 9) Clients are responsible for establishing their internal business workflow processes based upon the product capabilities.
- 10) Administrators are responsible for building all eligibility, application, evaluation, and decision, and follow-up forms as applicable to Client’s workflows.
- 11) Administrators are responsible for testing all workflows prior to go-live.

2.2 Project Assumptions.

- 1) All Professional Services shall be performed remotely; however, at Client’s request and in Service Provider’s discretion, Service Provider may agree to provide Professional Services at a Client Site during the Professional Services Period. Client agrees to be responsible for any reasonable travel and out-of-pocket expenses incurred by Service Provider related to providing Professional Services at a Client Site.
- 2) All project documentation, presentations and project communications shall be in English.
- 3) Service Provider resources are not dedicated to any single project and are engaged across many projects for various Service Provider customers.
- 4) Any actions not expressly listed in Section 1.2 above or below in this project assumption four are outside the scope of the Professional Services.
 - A. GLM Data migrations, follow up migrations, merge template builds, custom report builds, and custom print packets are separate Professional Services.
- 5) Project timeline estimates listed herein are based on availability of Client resources and key decision-makers. Lack of access to these resources and decision-makers or any change to project objectives will impact project timelines and costs.

- 6) Administrators will understand their grant process(es) and will be able to answer questions from the training team when they arise.
- 7) Transparent, honest, and open communications and raises questions/concerns in a timely manner to the Foundant team.

2.3 Professional Services Acceptance.

In accordance with Section 4 of the PSA:

- Service Provider will provide notice to Client when all Professional Services are completed.
- Upon receipt of such notice and determining that all Deliverables meet the acceptance criteria, Client shall: respond to such notice with a confirmation notice that all Deliverables have been completed.

No further obligations shall be required by either Party under this SOW upon mutual agreement by the Parties, in writing, that all Deliverables satisfy the acceptance criteria.

3. FEES & INVOICES

3.1 Professional Services Fees.

A. Fees

All Professional Services listed in this SOW are included in the Price for the Professional Services in the Software and Services Chart of the Client Order Form (the "Professional Services Fees"). Any discounts to the Professional Services Fees are reflected in the Client Order Form.

Professional Services Fees and any applicable taxes are invoiced and shall be paid by Client in advance of Professional Services being performed. Upon invoicing, payment for the Professional Services Fees becomes due, as per the payment terms in the Client Order Form. Other expenses (if any) related to the providing of the Professional Services are specified in the Client Order Form. Such expenses will be invoiced monthly as they are incurred.

Expenses are not included in the fixed fees and are an additional cost to Client.

Client acknowledges that the Professional Services Fees are based on the information provided to Service Provider and included in this SOW. Any requirement(s) not included herein are outside the scope of this SOW, will be handled through the Change Control Process defined below, and may result in additional cost.

3.2 Travel Expenses.

None.

3.3 Payment of Invoices.

Unless otherwise noted in the Client Order Form, Professional Services Fees are due net 30 from invoice date.

4. PROJECT MANAGEMENT

4.1 Designated Project Managers.

Project Managers shall be assigned and identified by each respective Party by the time of the project kick-off meeting.

Client and Service Provider each shall direct all inquiries concerning the Professional Services to the other Party's Project Manager. Client's Project Manager shall have the authority to approve Professional Services on Client's behalf. Service Provider's project manager shall have the sole right to exercise direct control and supervision over the work assignments of Service Provider resources.

4.2 Changes to SOW.

Changes identified by either Party shall be governed by this Section and Section 4.7 of the PSA. All change requests will be responded to by the other Party in a timely manner by identifying any impact to the schedule, scope, and/or budget of this SOW. Specifically, changes will include, without limitation:

- a) Any scope items or work activities not listed in this SOW;
- b) Provision or development of service deliverable not included in this SOW;
- c) Any rework of completed or accepted Professional Services; or,
- d) Delays due to acceptance criteria modifications.

Changes accepted by both Parties will be documented, including cost and schedule changes. All accepted changes signed by both Parties shall constitute a Change Order. All Change Orders are subject to the terms of the Agreement. Service Provider shall not be obligated to perform any tasks related to any SOW changes including, but not limited to, changes in time, scope, cost, or contractual obligations unless the Change Order: (i) is a written instrument duly executed by the authorized representatives of both Parties; and, (ii) references this SOW and identifies the specific Sections contained herein which are to be amended or modified.

4.3 Professional Services Schedule.

Unless otherwise agreed to in writing, the Professional Services must be completed within twelve (12) months from the signature date of the Client Order Form ("**Professional Services Period**"). In order for Service Provider to provide additional Professional Services to Client after the Professional Services Period, both Parties agree to enter into a separate Client Order Form and SOW for such additional Professional Services.

5. SIGNATURES

This SOW shall constitute the entire understanding between the Parties and is intended as the final expression of the Parties' agreement regarding the Professional Services to be provided by Service Provider.

IN WITNESS WHEREOF, the Parties hereto have caused this SOW to be duly executed by their authorized representatives and shall become effective as of the last date executed below.

Desert Healthcare District	Foundant Technologies, Inc.



Foundant Technologies Subscription Contract for:
Desert Healthcare District
Date: February 15, 2023
Expires in 90 Days

By:		By:	
Name:		Name:	
Title:		Title:	
Date:		Date:	



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: March 15, 2023
To: Finance & Administration Committee
Subject: Phase 1 Construction Cost Estimate Seismic Update Report for
Desert Regional Medical Center - \$222,000,000

Staff Recommendation: Information Only

Background:

- The District Board has been engaged in assessing the seismic retrofit needs of DRMC over the previous few years
- In 2018 & 2019, the District Board enlisted the services of SGH to complete **Phase 0 (Preliminary High-Level Assessment)** and **Phase 1 (ASCE 41-17)** reports
- The ASCE 41-17 report originally included an estimate of both structural and nonstructural retrofit costs, with a range between \$119M - \$180M
- The COVID-19 pandemic interfered with the progress of the assessments
- The District has reconvened the seismic retrofit needs of DRMC
- In April 2022, the District Board approved an engagement with Simpson Gumpertz & Heger to provide a cost estimate update
- The cost estimate has now been updated to \$222,000,000
- The Phase 1 Construction Cost Estimate report is included in the packet for your review

Fiscal Impact:

Estimated retrofit costs - \$222,000,000

PHASE 1 CONSTRUCTION COST ESTIMATE

Desert Regional Medical Center
Palm Springs, California
2 August 2022

SGH Project 227208



Date Signed: 08/02/2022



PREPARED FOR
Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, CA 92262

PREPARED BY
Simpson Gumpertz & Heger Inc.
1999 Harrison Street, Suite 2400
Oakland, CA 94612
o: 415.495.3700

Table of Contents

CONTENTS		Page
1.	INTRODUCTION	1
1.1	Background	1
1.2	Objectives	2
1.3	Existing Buildings	2
1.4	Scope of Work	3
2.	DOCUMENT REVIEW	5
2.1	Construction Drawings	5
2.2	Codes and Standards	5
2.3	Information Provided by Others	6
3.	STRUCTURAL ANALYSIS/EVALUATION (SPC 4D)	8
4.	STRUCTURAL RETROFIT (SPC 4D)	9
4.1	Main Hospital & Additions (Building 1)	9
4.1.1	Description of Identified Deficiencies Requiring Retrofit	9
4.1.2	Main Hospital & Additions Conceptual Construction Cost Estimate	9
4.2	East Tower (Building 2)	10
4.2.1	Description of Identified Deficiencies Requiring Retrofit	10
4.2.2	East Tower Conceptual Construction Cost Estimate	11
4.3	North Wing (Building 4)	11
4.3.1	Description of Identified Deficiencies and the Proposed Retrofit	11
4.3.2	North Wing Conceptual Construction Cost Estimate	12
4.4	Material Testing for SPC 4D Projects	12
4.5	Cost Estimates for SPC 4D	13
4.6	Construction Schedule for SPC 4D Retrofit	14
5.	NONSTRUCTURAL EVALUATION (NPC 4/NPC 4D/NPC 5)	15
5.1	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Main Hospital & Additions (Building 1)	16
5.2	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings East Tower (Building 2)	17
5.3	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Woman & Infants Hospital (Building 3)	19
5.4	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings North Wing (Building 4)	20
5.5	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Central Plant (Building 5)	22

5.6	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Shipping/Receiving (Building 6)	24
5.7	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Surgery Wing (Building 7)	25
5.8	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings West Tower and West Tower Corridors (Building 8 and 8A through 8E)	27
5.9	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Lobby (Building 9)	29
5.10	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Admitting (Building 10)	30
5.11	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Elevator Tower and Elevator Tower Corridors (Buildings 11, 11.1, 11.2)	31
5.12	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Dinah Shore Waiting Area (Building 12)	33
5.13	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Medical Records Building (Building 13)	35
5.14	Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Public Spaces	36
5.15	NPC 4 Retrofit Construction Cost Model	38
5.16	Schedule for NPC 4 Evaluation Reports and Retrofit Construction	40
6.	CONCLUSIONS	41

APPENDICES

APPENDIX A – Conceptual Cost Estimate

1. INTRODUCTION

The Desert Healthcare District (DHD) commissioned Simpson Gumpertz & Heger Inc. (SGH) to evaluate the Desert Regional Medical Center (DRMC) to gain a more detailed understanding of potential design and construction work associated with attaining compliance with the Alquist Hospital Seismic Safety Act (AHSSA, aka SB 1953). This report provides updated fees and construction costs that were developed under Phase 1 of the referenced project, which builds upon the information presented in the Phase 0 report. Certain portions of the Phase 1 report are left in this report to help the reader. Detailed information related to structural retrofit work was not included herein but can be found in the Phase 1 report.

1.1 Background

The AHSSA (aka SB1953) was enacted in 1995 in response to hospital building's unexpected poor seismic performance during the 1994 Northridge earthquake. The AHSSA requires that all General Acute Care (GAC) hospital buildings comply with certain building code regulations by 1 January 2030. This requirement is intended to provide higher confidence that a building will retain a high level of functional recovery following a major earthquake. The 1995 California Building Code, Title 24 (CBC), with a few specific modifications, was designated the target building code regulation for attaining acceptable performance. Specific Structural Performance Category (SPC) and Nonstructural Performance Category (NPC) definitions primarily establish a common vocabulary for stakeholders, design professionals, contractors, and the California Department of Healthcare Access and Information (HCAI, formerly known as the California Office of Statewide Health Planning and Development, OSHPD).

The original AHSSA regulations require that buildings rated SPC 2 or NPC 2 comply with SPC 5 and NPC 4 by 1 January 2030. Because of the compliance timelines associated with the AHSSA, SPC 1 buildings and NPC 1 buildings are currently not a concern at many medical centers in California, including the DRMC, which does not have any SPC 1 or NPC 1 buildings. SPC 2 through SPC 4 and NPC 2 through NPC 4 are performance categories applicable to the DRMC. The introduction of DRMC compliance with the AHSSA and related standards is described in the Phase 0 report, so it is not repeated herein.

The DRMC comprises twenty independent buildings with approximately 550,000 sq ft of occupiable space. Seventeen of the twenty buildings were designed and constructed under a permit granted by OSHPD, now known as HCAI, which typically minimizes the need for seismic retrofit construction. However, these “compliant” buildings require engineering consulting to confirm that nonstructural systems comply with seismic performance regulations. Phase 0 results describe the existing status of the DRMC, general compliance with the AHSSA today and the defined scope of work, schedule, and fee for our work in Phase 1. This report presents an updated estimate of consulting service fees and construction costs associated with future retrofit work to attain both structural and nonstructural compliance at DRMC.

1.2 Objectives

Based on Phase 0 findings, the Phase 1 objective developed actionable structural retrofit strategies for three SPC 2 buildings, including a rough order of magnitude cost for the related construction. Additionally, the Phase 1 work describes the scope of engineering work and estimated professional fees associated with developing nonstructural evaluation reports and construction documents to attain NPC 4 compliance for twenty buildings at the DRMC. Phase 1 also includes a cost model appropriate for estimating potential construction costs to bring twenty buildings into compliance with NPC 4 requirements. This report updates costs presented in the Phase 1 report, considering a new economic climate and associated cost impact of various influences over the past three years.

1.3 Existing Buildings

The DRMC comprises twenty structurally separated buildings. The SPC/NPC ratings, posted by HCAI and listed in Table 1, are confirmed per our review of the documents listed above.

Table 1 – Existing Buildings and SPC/NPC Ratings

Building No.	HCAI Building No.	Building Name	SPC	NPC
1	BLD-01393	Main Hospital & Additions	2	2
2	BLD-02932	East Tower	2	2
3	BLD-01395	Woman & Infants Hospital	3	2
4	BLD-01396	North Wing	2	2
5	BLD-01397	Central Plant	4	2

Building No.	HCAI Building No.	Building Name	SPC	NPC
6	BLD-01398	Shipping/Receiving	4	2
7	BLD-01399	Surgery Wing	4	2
8	BLD-01400	West Tower (Sinatra Tower)	3	2
8A	BLD-03720	West Tower Corridor 1	3	2
8B	BLD-03721	West Tower Corridor 2	3	2
8C	BLD-03722	West Tower Corridor 3	3	2
8D	BLD-03723	West Tower Corridor 4	3	2
8E	BLD-03725	West Tower Corridor 5	3	2
9	BLD-01401	Lobby	3	2
10	BLD-01402	Admitting	4	2
11	BLD-01403	Elevator Tower	4	2
11.1	BLD-03764	Elevator Tower Corridor 1	3	2
11.2	BLD-03765	Elevator Tower Corridor 2	3	2
12	BLD-01404	Dinah Shore Waiting Area	3	2
13	BLD-03741	Medical Records Building	3	2

Buildings rated SPC 3, SPC 4, or SPC 5 may continue to function as a GAC building beyond 1 January 2030 without retrofit or analytical validation. Buildings rated SPC 2 must be analyzed and or retrofit to confirm compliance with SPC 4D before 1 January 2030.

Buildings rated NPC 2 must be evaluated to establish a record of existing conditions and required scope of work to bring the building into compliance with NPC 4 or NPC 4D. This report considers the effort required to bring the buildings into compliance with NPC 4.

1.4 Scope of Work

To complete the Phase 1 objectives (completed previously), SGH performed the following:

1. Per the AHSSA, a structural analysis using the *Seismic Evaluation and Retrofit of Existing Buildings*, ASCE 41-17, Damage Control performance level. SGH used the linear elastic analysis method with United States Geological Survey (USGS) based seismic design factors for:
 - Main Hospital & Additions (Building 1)
 - East Tower (Building 2)
 - North Wing (Building 4)

2. Work with Swinerton Builders (Swinerton) to develop a conceptual cost estimate for seismic retrofit concepts based on evaluation results described in Item 1.

3. Identify and describe scopes of work and estimated fee for developing nonstructural evaluation reports and construction documents for buildings that are rated NPC 2 but require only fire sprinkler bracing to achieve NPC 4 (based on Phase 0 results).
4. Identify and describe scopes of work and estimated fee for developing nonstructural evaluation reports and construction documents for buildings that are rated NPC 2 and were designed between 1973 and 1983, with construction documents that show details of equipment/systems bracing and anchorage (based on Phase 0 results).
5. Identify and describe scopes of work and estimated fee for developing nonstructural evaluation reports and construction documents for buildings that are rated NPC 2 and designed before 1973 (based on Phase 0 results).
6. Work with Swinerton to develop a representative cost model and strategy for executing archetypical construction activities associated with the identified scopes of work for each building as described in the construction document scopes of work.
7. Develop presentation materials for DHD.
8. Develop written documents describing scope of work and estimated fees for consulting, HCAI review and potential construction cost, including phasing and sequencing for scope of work described in Items 1-6.

To complete this report's objectives, SGH performed the following:

1. Work with Swinerton to update and revise representative cost models and strategies for executing archetypical construction activities associated with the scopes of work for each building as described in the construction document scopes of work and written directives identified and described in Phase 1.
2. Update this report and the related estimated fees for consulting, HCAI review, and potential construction cost for scopes of work described in Items 1-6.

2. DOCUMENT REVIEW

2.1 Construction Drawings

- Architectural, Electrical, HVAC, Plumbing and Structural drawings for the General Hospital Building dated 24 May 1950.
- Architectural, Electrical, HVAC, Plumbing and Structural drawings for Alterations & Additions to the Desert Hospital dated 5 March 1956.
- Architectural and Structural drawings for Alterations & Additions to the Desert Hospital dated 1 August 1962.
- Architectural, Electrical, Mechanical, Plumbing and Structural drawings for A-B-C Wings Remodel dated 10 February 1971.
- Electrical, Mechanical, Plumbing and Structural drawings for Desert Hospital dated February 1967 (East Tower drawings).
- Architectural, Electrical, Mechanical, Plumbing and Structural drawings for Desert Hospital Phase I Expansion dated 24 July 1991 (Women and Infants drawings).
- Architectural, Civil, Electrical, Mechanical, Plumbing and Structural drawings for Additions & Alterations to Desert Hospital Diagnostic & Treatment Center dated March 1971 (North Wing drawings).
- Architectural, Electrical, Mechanical, Plumbing and Structural drawings for Central Power Plant for Desert Hospital dated 30 October 1974.
- Architectural, Electrical, Mechanical, Plumbing and Structural drawings for Desert Hospital – Palm Springs Phase 1 Addition ‘Revised’ dated 4 February 1977.

2.2 Codes and Standards

- 2016 California Existing Building Code (CEBC).
- American Society of Civil Engineers (ASCE); ASCE 41-17, Seismic Evaluation and Retrofit of Existing Buildings.
- American Concrete Institute (ACI); ACI 318-14, Building Code Requirements for Structural Concrete.
- American Institute of Steel Construction (AISC); AISC 360, Specifications for Structural Steel Buildings.
- American Wood Council (AWC); NDS 2015, National Design Specification for Wood Construction.

2.3 Information Provided by Others

Mr. John T. Greenwood of Prest Vuksic Architects (PVA) provided documents that inform completed, HCAI-reviewed projects in the subject buildings and a description of the scopes of work completed as part of these projects. This data was used to develop cost models for work associated with attaining nonstructural seismic compliance. The referenced documents are listed below:

- Project Index dated November 28, 2018 (7 pages).
- Annotated architectural plans identified "PVA Mark Up 11-28-18", S-200 through S-206.
- Architectural plans (departments identified).
- Architectural, Electrical, Mechanical, Plumbing and Structural drawings for Desert Hospital Phase I Expansion dated 24 July 1991 (Women and Infants drawings).

Mr. John Austin of Swinerton developed construction cost estimates for conceptual seismic retrofit and nonstructural compliance retrofit work associated with attaining compliance with the AHSSA (as part of Phase 1). The referenced documents are listed below:

- Desert Regional Medical Center, Conceptual SPC 4 ROM Estimate Summary dated 14 December 2018.
- Desert Regional Medical Center, Conceptual SPC 4 ROM Estimate Floor by Floor Summary dated 14 December 2018.
- Desert Regional Medical Center, Conceptual NPC 4 ROM Estimate dated 19 December 2018.

Mr. John Austin, Mr. Brian Giambastiani, Mr. Christopher Spencer, Mr. Gerald Mejia, and Mr. Jared Backman of Swinerton developed updated construction cost estimates for conceptual seismic retrofit and nonstructural compliance retrofit work associated with attaining compliance with the AHSSA (this updated report). The referenced documents are listed below:

- Desert Regional Medical Center, 00 Narrative.PDF file dated 29 April 2022.
- Desert Regional Medical Center, Conceptual SPC 4 OPC (Opinion of Probable Cost) Estimate dated 25 April 2022.

- Desert Regional Medical Center, Opinion of Probable Cost Variance Report: January 11, 2019 VS. April 25, 2022.
- Desert Regional Medical Center, Conceptual SPC 4 ROM Estimate Variance Report December 13, 2018 Estimate VS. April 25, 2022 Estimate.
- Desert Regional Medical Center, 03 SPC NPC Escalation RPT – April 25-2022.PDF file dated 29 April 2022.

3. STRUCTURAL ANALYSIS/EVALUATION (SPC 4D)

SGH completed ASCE 41-17 Tier 2 Structural Seismic Evaluations for three buildings. The description of that analysis and our findings is provided in the Phase 1 report and is not repeated here.

4. STRUCTURAL RETROFIT (SPC 4D)

4.1 Main Hospital & Additions (Building 1)

4.1.1 Description of Identified Deficiencies Requiring Retrofit

The following deficiencies were identified in the structural analysis/evaluation for SPC 4D.

Following the description of each deficiency is a brief description of the proposed retrofit:

1. Walls and wall connections

- Deficiency: Several walls lack the strength necessary to resist forces transferred from the elevated steel addition. Other walls are overloaded because of irregularities and numerous openings in the existing structure.
- Retrofit: Increase the thickness of the deficient walls. Dowel a section of concrete on to the face of existing walls, diaphragms, and foundations.

2. Concrete columns and wall piers

- Deficiency: Shear critical columns frame interior and exterior openings.
- Retrofit: Add layers of fiber-reinforced polymer to increase the shear strength of columns and slender wall piers.

3. Steel braced frames

- Deficiency: Welded connection at the top and bottom of braces lack the strength necessary to meet the target performance objectives.
- Retrofit: Replace the existing braced frame system with reinforced concrete walls.

4. Foundations

- Deficiency: Existing foundations lack the strength necessary to support the retrofitted walls. New walls also require new footings.
- Retrofit: Cast and dowel new reinforced concrete footings around the existing footings. Cast new footings underneath the new walls.

4.1.2 Main Hospital & Additions Conceptual Construction Cost Estimate

Swinerton updated the conceptual cost estimate for the proposed retrofit elements described in Section 4.1.1. The 2018 estimated cost, including normal extra contractor general conditions, general requirements, insurance, and fees, 10% contingency and 20% escalation, is \$50,237,006. The 2022 estimated cost, including normal extra contractor general conditions,

general requirements, insurance, and fees, 10% contingency and 21% escalation, is \$64,012,430, a 27.4% increase. The updated cost estimates are provided for reference in Appendix A.

4.2 East Tower (Building 2)

4.2.1 Description of Identified Deficiencies Requiring Retrofit

The following deficiencies were identified in the structural analysis/evaluation for SPC 4D.

Following the description of each deficiency is a brief description of the proposed retrofit:

1. Chord and collector connections
 - Deficiency: The chords and collectors at the first floor are insufficient to resist diaphragm seismic forces and transfer loads into the basement walls.
 - Retrofit: This deficiency is mitigated by the addition of new walls between the second floor and foundation levels.
2. Steel special moment frame beams
 - Deficiency: The special moment frame beams are inadequately braced at their bottom flanges.
 - Retrofit: Brace the bottom flange using gusset plates and braces.
3. Steel special moment frame connections
 - Deficiency: Some special moment frame connections lack adequate strength to meet the target performance goals.
 - Retrofit: Reinforce existing connections with supplemental flange plates.
4. Story drift
 - Deficiency: Story drift at the second-floor level exceeds the acceptance criteria.
 - Retrofit: Add walls between the second-floor and foundation levels to stiffen the base of the structure and reduce story drift at the second-floor level.
5. Foundations
 - Deficiency: Inadequate uplift capacity for tensile loads in moment frame columns.
 - Retrofit: Add reinforced concrete walls at the first and basement levels to distribute column tensile loads into new reinforced concrete footings adjacent and connected to existing column footings.

4.2.2 East Tower Conceptual Construction Cost Estimate

Swinerton developed a conceptual cost estimate for the proposed retrofit elements described in Section 4.2.1. The 2018 estimated cost, including normal extra contractor general conditions, general requirements, insurance, and fees, 10% contingency and 20% escalation, is \$34,008,944. The 2022 estimated cost, including normal extra contractor general conditions, general requirements, insurance, and fees, 10% contingency and 21% escalation, is \$42,103,815, a 23.8% increase. The updated cost estimates are provided for reference in Appendix A.

4.3 North Wing (Building 4)

4.3.1 Description of Identified Deficiencies and the Proposed Retrofit

The following deficiencies were identified in the structural analysis/evaluation for SPC 4D. Following the description of each deficiency is a brief description of the proposed retrofit:

1. Metal deck diaphragm at the upper and lower roofs
 - Deficiency: The diaphragm has insufficient strength to transfer seismic forces from the diaphragm to the vertical elements of the seismic force resisting system. Roof braces are added to increase the strength of the diaphragm.
 - Retrofit: Add steel bracing in the perimeter framing bays at the upper roof and lower roof.

2. Shear transfer mechanism to transfer forces from the lower to upper roofs
 - Deficiency: The connection between the lower and upper roof diaphragms has insufficient strength to transfer seismic forces between levels.
 - Retrofit: Add supplemental steel connections and brace elements at the change in elevation between upper and lower roofs.

3. Chord and collector connections
 - Deficiency: The chords and collectors at the first floor are insufficient to resist diaphragm seismic forces and transfer loads into the basement walls.
 - Retrofit: Install steel members as chords and collectors at the upper roof and Fiber Reinforced Polymer (FRP) strengthening at the first-floor level.

4. Connections between the concrete bond beams and reinforced masonry walls
 - Deficiency: The existing detail between the concrete bond beams and reinforced masonry walls is not adequate to resist the seismic forces transferred between the two elements.
 - Retrofit: Add reinforced concrete element between the concrete bond beams and reinforced masonry walls.

5. Connections between the reinforced masonry walls and reinforced concrete basement walls
 - Deficiency: The existing detail between the reinforced masonry walls and reinforced concrete basement walls is not adequate to resist the seismic forces transferred between the two elements.
 - Retrofit: Add reinforced concrete element between the concrete bond beams and reinforced masonry walls.

4.3.2 North Wing Conceptual Construction Cost Estimate

Swinerton developed a conceptual cost estimate for the proposed retrofit elements described in Section 4.3.1. The 2018 estimated cost, including normal extra contractor general conditions, general requirements, insurance, and fees, 10% contingency and 20% escalation, is \$6,885,714. The 2022 estimated cost, including normal extra contractor general conditions, general requirements, insurance, and fees, 10% contingency and 21% escalation, is \$8,975,061, a 30.3% increase. The updated cost estimates are provided for reference in Appendix A.

4.4 Material Testing for SPC 4D Projects

The CBC and HCAI will require a certain level of material testing for any structural retrofit project. Our Phase 1 SPC 4D evaluations are based on rudimentary material properties anticipated for structures constructed around the dates indicated on the referenced construction drawings. The following materials are representative of the materials that will eventually require sampling and testing to determine appropriate design values for use when designing the final SPC 4D retrofits:

- Concrete
- Steel Reinforcing

- Structural Steel
- Metal Deck
- Masonry
- Mortar
- Grout
- Plywood
- Lumber

Without a specific material testing plan, Swinerton estimated a cost allowance for construction costs associated with anticipated material testing. The value established in 2018 was \$1,822,633, approximately 2% of the estimated construction cost. The same 2% estimate was used to establish 2022 material testing costs of \$2,301,826 in this report.

4.5 Cost Estimates for SPC 4D

SPC 4D retrofit costs (both 2018 and 2022) are presented in Table 2.

Table 2 – Cost Estimates for SPC 4D

Building	2018 Cost (Complete)	2022 Cost (Complete)	Cost Delta
Main Hospital	\$ 50,237,006	\$ 64,012,430	\$ 13,775,424
East Tower	\$ 34,008,944	\$ 42,103,815	\$ 8,094,871
North Wing	\$ 6,885,714	\$ 8,975,061	\$ 2,089,347
Subtotal	\$ 91,131,664	\$ 115,091,306	\$ 23,959,642
Materials Testing	\$ 1,822,633	\$ 2,301,826	\$ 479,193
Total	\$ 92,954,297	\$ 117,393,132	\$ 24,438,835

The cost estimate excludes costs related to:

- Permit fees
- Plan check fees
- Design fees
- Builder's risk
- Utility costs

- Payment or performance bond premiums
- Costs for testing and inspection
- Hazardous material identification, testing, and abatement
- Security guard services
- Owner's consultants and design fees
- Soil, structural, mechanical engineering fees
- Owner equipment
- Correction of existing code deficiencies beyond those associated with the AHSSA

4.6 Construction Schedule for SPC 4D Retrofit

SPC 4D retrofit costs as described for each of three buildings in the sections above, based on analytical results provided in the Phase 1 report, consider construction occurring while the DRMC is fully operational. This assumption includes installing proper infection control measures, preparing, and mobilizing contractors away from hospital entrances and construction activity is used to minimize disruption to existing operations and hospital staff. The estimated construction duration for this scenario is approximately thirty-six months—an increase from the original schedule presented in the Phase 1 report. If the identified buildings were vacant before, during and after construction, the duration could be reduced, resulting in potential construction cost savings. Because construction schedule is highly dependent on operational parameters, further study is necessary to establish a proper link between construction cost and schedule. Construction schedule is typically refined during the project design.

5. NONSTRUCTURAL EVALUATION (NPC 4/NPC 4D/NPC 5)

The AHSSA requires that buildings rated NPC 2 be evaluated and modified (if required) to comply with NPC 4 before 1 January 2030. The first requirement is submission of a full nonstructural engineering evaluation for NPC 2 buildings to HCAI for review and approval by 1 January 2024. The nonstructural evaluation must also consider elements required to achieve NPC 5. By 1 January 2026, the DRMC must submit a complete set of construction documents to bring all NPC 2 buildings into compliance with NPC 5. A building permit for all nonstructural retrofit projects must be received by 1 January 2028, with the construction work completed by 1 January 2030.

All twenty buildings will require a detailed nonstructural evaluation. The level of effort required for the evaluation report developed for each building varies as described in Section 1.4. All NPC retrofit projects will mitigate deficiencies identified in the associated nonstructural evaluation report. At this time, we assume that necessary infrastructure to achieve NPC 5 will be required as a separate construction project and was assigned a cost.

The following sections describe an assumed scope of work and level of effort required by a licensed structural engineer to develop a full nonstructural evaluation report for each building based on its age, specific building information, and regulatory requirements. Based on this assumed scope of work, SGH and Swinerton developed a cost model that describes an estimated cost for the construction associated with nonstructural compliance for NPC 4. NPC 4 is a conservative estimate of compliance and represents a realistic goal if no complete nonstructural evaluation report exists for each building. The nonstructural evaluation report may also explore the applicability of NPC 4D—a level of nonstructural seismic performance category that intends to reduce to the extent of nonstructural retrofit, effective 1 July 2019.

This report updates the Phase 1 work, which focused on NPC 4, not NPC 4D. NPC 4D is a significantly different scope of work that cannot be compared to NPC 4 in terms of consultation effort, fee, and estimated construction cost.

5.1 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Main Hospital & Additions (Building 1)

The Main Hospital & Additions building is the oldest building at DRMC. Because the building was originally constructed in the 1950s, with constant additions, modifications, and remodel projects occurring throughout the building's history, this building represents the greatest challenge for attaining nonstructural seismic compliance. The building is identified as a type that is "designed before 1973" as described in Section 1.4. The building comprises approximately 96,000 sq ft of occupiable space. Much of the space has been renovated over the last sixty years.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Identify specific wall types (for those being retrofit).
- Create construction details for ceiling and wall retrofit.
- Create anchorage details for equipment and components.
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$935,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.2 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings East Tower (Building 2)

The East Tower was built around 1966. Because the building was originally constructed in the 1960s, the building is identified as a type that is “designed before 1973” as described in Section 1.4. The building comprises approximately 40,000 sq ft of occupiable space. Much of the space has been renovated over the last fifty years.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Identify specific wall types (for those being retrofit).
- Create construction details for ceiling and wall retrofit.
- Create anchorage details for equipment and components.
- Develop test plan and test protocols for testing existing construction (optional).

- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$220,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.3 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Woman & Infants Hospital (Building 3)

The Woman & Infants Hospital was built around 1990. Because the building was originally constructed after 1983, the building only requires evaluation and retrofit of the fire sprinkler system. The building comprises approximately 88,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Review fire sprinkler system shop drawings if available.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying fire sprinkler systems in the building.
- Create construction details for bracing fire sprinkler systems.
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$200,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.4 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings North Wing (Building 4)

The North Wing was built around 1971. Because the building was originally constructed before 1973, the building is identified as a type that is “designed before 1973” as described in Section 1.4. The building comprises approximately 19,000 sq ft of occupiable space. Much of the space has been renovated over the last forty-five years.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Review all remodel project drawings associated with this building.

- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Identify specific wall types (for those being retrofit).
- Create construction details for ceiling and wall retrofit.
- Create anchorage details for equipment and components.
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$105,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.5 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Central Plant (Building 5)

The Central Plant was built around 1974. Because the building was originally designed after 1973, the building is identified as a type that is “designed between 1973 and 1983” as described in Section 1.4. The building comprises approximately 15,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Confirm original approved construction drawings show pertinent nonstructural details.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).

- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building (if required).
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit.
- Create anchorage details for equipment and components.
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$120,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.6 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Shipping/Receiving (Building 6)

The Central Plant was built around 1977. Because the building was originally designed after 1973, the building is identified as a type that is “designed between 1973 and 1983” as described in Section 1.4. The building comprises approximately 16,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Confirm original approved construction drawings show pertinent nonstructural details.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.

- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit (if required).
- Create anchorage details for equipment and components (if required).
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$60,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.7 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Surgery Wing (Building 7)

The Surgery Wing was built around 1977. Because the building was originally designed after 1973, the building is identified as a type that is “designed between 1973 and 1983” as described in Section 1.4. The building comprises approximately 105,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Confirm original approved construction drawings show pertinent nonstructural details.

- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit (if required).
- Create anchorage details for equipment and components (if required).
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$915,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.8 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings West Tower and West Tower Corridors (Building 8 and 8A through 8E)

The West Tower was built around 1977. Because the building was originally designed after 1973, the building is identified as a type that is “designed between 1973 and 1983” as described in Section 1.4. The buildings comprise approximately 110,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Confirm original approved construction drawings show pertinent nonstructural details.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).

- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit (if required).
- Create anchorage details for equipment and components (if required).
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$1,050,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.9 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Lobby (Building 9)

The Lobby was built around 1990. Because the building was originally constructed after 1983, the building only requires evaluation and retrofit of the fire sprinkler system. The building comprises approximately 6,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Review fire sprinkler system shop drawings if available.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying fire sprinkler systems in the building.
- Create construction details for bracing fire sprinkler systems.
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our

estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$25,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.10 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Admitting (Building 10)

The Admitting building was built around 1977. Because the building was originally designed after 1973, the building is identified as a type that is “designed between 1973 and 1983” as described in Section 1.4. The building comprises approximately 9,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Confirm original approved construction drawings show pertinent nonstructural details.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit (if required).
- Create anchorage details for equipment and components (if required).
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$50,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.11 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Elevator Tower and Elevator Tower Corridors (Buildings 11, 11.1, 11.2)

The Elevator Tower and Tower Corridors were built around 1977. Because the building was originally designed after 1973, the building is identified as a type that is “designed between 1973 and 1983” as described in Section 1.4. The buildings comprise approximately 16,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Confirm original approved construction drawings show pertinent nonstructural details.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit (if required).
- Create anchorage details for equipment and components (if required).
- Develop test plan and test protocols for testing existing construction (optional).

- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$110,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.12 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Dinah Shore Waiting Area (Building 12)

There are no available construction drawings for the Dinah Shore Waiting Area. We understand the building was built around 1977. Because the building was likely designed after 1973, the building is identified as a type that is “designed between 1973 and 1983” as described in Section 1.4. The building comprises approximately 2,000 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Confirm original approved construction drawings show pertinent nonstructural details.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.

- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit (if required).
- Create anchorage details for equipment and components (if required).
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$45,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.13 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Medical Records Building (Building 13)

The Medical Records Building was built around 1977. Because the building was originally designed after 1973, the building is identified as a type that is “designed between 1973 and 1983” as described in Section 1.4. The building comprises approximately 500 sq ft of occupiable space.

This building will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with this building.
- Confirm original approved construction drawings show pertinent nonstructural details.
- Review all remodel project drawings associated with this building.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing building to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the building.
- Create plans identifying distributed systems in the building.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit (if required).
- Create anchorage details for equipment and components (if required).
- Develop test plan and test protocols for testing existing construction (optional).
- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for this building.

We estimate a fee of approximately \$15,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for this building.

5.14 Scope of Work and Fee for Nonstructural Report and NPC 4 Retrofit Drawings Public Spaces

The public spaces are essentially corridors, entries, foyers, and stairways that are not necessarily included in individual buildings, as well as the engineering facility, which is a surrogate for elements associated with NPC 5. The public spaces comprise approximately 23,000 sq ft of occupiable space.

The public spaces will require the following scope of work to complete a nonstructural evaluation report:

- Review all original architectural drawings associated with public spaces.
- Confirm original approved construction drawings show pertinent nonstructural details.
- Review all remodel project drawings associated with public spaces.
- Develop and manage site investigations with hospital management and staff.
- Access areas to observe existing conditions above the ceiling.
- Access areas to observe wall construction.
- Walk through the existing public spaces to confirm all equipment and components are identified.
- Perform calculations to confirm adequacy of existing equipment anchorage (optional).
- Perform calculations to confirm adequacy of existing component construction (optional).
- Develop test protocols to confirm existing element anchorage (optional).
- Compile observation data into drawing form for use in report.
- Produce nonstructural evaluation report for submission to HCAI.
- Iterate with HCAI during the review phase.

The following scope of work is required to complete nonstructural retrofit construction documents:

- Create plans identifying equipment, components, and architectural elements in the public spaces.
- Create plans identifying distributed systems in the public spaces.
- Identify specific ceiling types on reflected ceiling plans (for those being retrofit).
- Create construction details for ceiling and wall retrofit (if required).
- Create anchorage details for equipment and components (if required).
- Develop test plan and test protocols for testing existing construction (optional).

- Produce calculation package for submission to HCAI.
- Produce construction drawings for submission to HCAI.
- Produce construction specifications for submission to HCAI.

A structural engineer can act as the “Designer of Record” for any HCAI project. Traditionally, structural engineers developed nonstructural evaluation reports and construction documents for nonstructural retrofit projects. Our estimate of scope and fee assumes that SGH will perform the work described above or contract with consultants to provide services, as necessary. Our estimate of fee for this work is based on previous experience and estimated construction cost associated with the anticipated nonstructural retrofit for the public spaces.

We estimate a fee of approximately \$20,000 is required to complete a nonstructural evaluation report and set of NPC 4 retrofit construction documents for the public spaces.

5.15 NPC 4 Retrofit Construction Cost Model

The existing buildings comprise approximately 550,000 sq ft. of occupiable space. Using an estimate of space for each building and department, we apply an estimate of cost for construction associated with typical retrofit work needed to bring the building into compliance with NPC 4. Because the DRMC does not have any recent nonstructural evaluation reports that include evaluation of required infrastructure to attain NPC 5 considering operational characteristics, we estimate a placeholder cost described as “FACILITIES – ENG” in the estimates provided in the appendix. This value represents a reasonable estimate for the cost required to construct NPC 5 infrastructure, which typically comprise valving and tanks for wastewater, water, and fuel.

Sections 5.1 through 5.14 describe the scope of work necessary to complete a nonstructural evaluation report that will define the actual scope of work necessary to bring each building at the DRMC into compliance with NPC 4. In consideration of the many areas that have been remodeled, the unit costs are individually developed considering potential savings associated with compliant work in remodeled areas. In addition to recognizing savings associated with previously completed work, costs are developed considering efficiencies related to

simultaneous construction, primarily for Building 1, Building 2, and Building 4; each of these buildings require both nonstructural and structural retrofit.

Without a detailed nonstructural evaluation report, our cost model presents uncertainty. To account for this uncertainty, Swinerton developed a cost model that considers a 10% contingency. The 2022 cost model presents costs associated with the contractor’s mark-up and escalation (calculated at 21%, assuming construction starts after 2026) and the 10% contingency. The cost estimates presented in the 2019 Phase 1 report included “Low” and “High” construction costs. This report (2022 values) establishes a single cost estimate using 2022 labor rates, equipment rates and material costs, considering certain factors that affect work in different clinical spaces. The escalation is uniquely calculated for the 2022 cost estimate, assuming contractor buyout at mid-year 2026 and construction completion mid-year 2029. Contractor markup costs include general requirements, general conditions, insurance, and a 5% fee. All pricing includes Infection Control Risk Assessment (ICRAs) during construction. The cost estimate assumes installation while hospital is in full operation.

Table 3 – NPC 4 Retrofit Construction Cost Model

Building Name	Estimate of Affected Area	Consulting Fee Estimate	NPC 4 Cost Estimate (High)	NPC 4 \$/SF Estimate (High)	NPC 4 Cost Estimate	NPC 4 \$/SF Estimate
			2018	2018	2022	2022
Main Hospital & Additions	95,913	\$935,000	\$9,257,332	\$97	\$11,244,995	\$117
East Tower	40,418	\$220,000	\$2,111,483	\$52	\$3,016,680	\$75
Woman & Infants Hospital	88,486	\$200,000	\$3,014,959	\$34	\$3,903,473	\$44
North Wing	18,790	\$105,000	\$1,026,092	\$55	\$1,254,916	\$67
Central Plant	15,159	\$120,000	\$1,455,919	\$96	\$1,789,992	\$118
Shipping/Receiving	15,742	\$60,000	\$847,801	\$54	\$1,042,337	\$66
Surgery Wing	105,266	\$915,000	\$8,787,497	\$83	\$13,730,307	\$130
West Tower (Sinatra Tower)	110,614	\$1,050,000	\$15,153,819	\$137	\$18,869,665	\$171
Lobby	6,214	\$25,000	\$203,307	\$33	\$287,530	\$46
Admitting	9,141	\$50,000	\$476,457	\$52	\$558,225	\$61
Elevator Tower	16,254	\$110,000	\$1,062,956	\$65	\$1,575,920	\$97
Dinah Shore Waiting Area	2,006	\$45,000	\$267,657	\$133	\$309,703	\$154
Medical Records Building	507	\$15,000	\$32,948	\$65	\$42,970	\$85

Building Name	Estimate of Affected Area	Consulting Fee Estimate	NPC 4 Cost Estimate (High)	NPC 4 \$/SF Estimate (High)	NPC 4 Cost Estimate	NPC 4 \$/SF Estimate
			2018	2018	2022	2022
Public Spaces/ NPC5	22,881	\$20,000	\$2,003,761	\$88	\$2,498,766	\$109
Total Medical Center	547,391	\$4,208,000	\$45,701,987	\$82	\$60,125,479	\$110

5.16 Schedule for NPC 4 Evaluation Reports and Retrofit Construction

Nonstructural Evaluation Reports are based on actual existing conditions that must be collected by the consultant team; we understand that this effort is being done by another consultant. Once collected, the data must be synthesized and documented in a format easily accepted and reviewed by HCAI. Data collection can take many months to complete and may depend on access and operational constraints (e.g., operating suites are available only on weekends). Report generation requires extensive documentation of both existing conditions and existing documents that may indicate compliant conditions. This report updates the previously developed consulting fee estimates for consistency, but those consulting fee values can be revised for inclusion in budgeting as information is developed by the consultant working on the nonstructural evaluation reports at DRMC.

NPC 4 retrofit costs are identified in the cost model (Table 3) above. The cost model uses a base assumption that construction work is performed on “straight time” in the fully operational medical center. This assumes that proper infection control measures are in place, and that remote construction preparation and mobilization is required to minimize disruption to existing operations and hospital staff. The estimated construction duration for this scenario is approximately thirty-six months, assumed to be coincident with the structural retrofit construction. Variations related to working hours (off-hours or weekends) can drastically affect the construction duration and construction cost. Because the schedule is highly dependent on operational parameters, further study, including meetings with operational staff, is necessary to establish a proper link between cost and schedule. Construction schedule is typically refined during the construction document development phases of a project.

6. CONCLUSIONS

The DRMC requires structural retrofit of three buildings and nonstructural retrofit of twenty buildings. Table 4 shows an approximate range of costs for nonstructural retrofit, structural retrofit, and total medical center retrofit project costs. These costs represent a reasonable estimate of construction and consulting fees as estimated by Swinerton and SGH, given experience with similar projects of scope and size completed in the last several years. Currently, we estimate an appropriate budget range to bring the DRMC into compliance with the AHSSA of approximately \$222,000,000, which includes estimates of soft costs associated with professional fees, inspection, etc. The professional fees identified in Section 5 are included in the 25% soft cost assumption. Future budgets should account for work that is currently being completed and have appropriate consideration for the uncertainty associated with this cost estimate being based on conceptual data. As more detailed data is developed, the cost estimate should be updated using the new data and revised according to economic conditions.

Table 4 – Nonstructural Retrofit, Structural Retrofit + “Soft” Costs

Building Name	Estimate of Affected Area	NPC 4 Cost Estimate Includes: Contingency & Escalation	NPC 4 \$/SF	SPC 4 Cost Estimate Includes: Contingency & Escalation	SPC 4 Cost Estimate \$/SF
		(2022)	(2022)	(2022)	(High)
Main Hospital & Additions	95,913	\$ 11,244,995	\$ 117	\$ 64,012,430	\$ 667
East Tower	40,418	\$ 3,016,680	\$ 75	\$ 42,103,815	\$1,042
Woman & Infants Hospital	88,486	\$ 3,903,473	\$ 44	-	-
North Wing	18,790	\$ 1,254,916	\$ 67	\$ 8,975,061	\$ 478
Central Plant	15,159	\$ 1,789,992	\$ 118	-	-
Shipping/Receiving	15,742	\$ 1,042,337	\$ 66	-	-
Surgery Wing	105,266	\$ 13,730,307	\$ 130	-	-
West Tower (Sinatra Tower)	110,614	\$ 18,869,665	\$ 171	-	-
Lobby	6,214	\$ 287,530	\$ 46	-	-
Admitting	9,141	\$ 558,225	\$ 61	-	-
Elevator Tower	16,254	\$ 1,575,920	\$ 97	-	-
Dinah Shore Waiting Area	2,006	\$ 309,703	\$ 154	-	-
Medical Records Building	507	\$ 42,970	\$ 85	-	-
Public Spaces/NPC 5	22,881	\$ 2,498,766	\$ 109	-	-
Material Testing				\$ 2,301,826	-
Subtotal		\$60,125,479		\$117,393,132	
Soft Costs ¹ (25% Subtotal)		\$ 15,031,370		\$ 29,348,283	
Total Retrofit Including Soft Costs	547,391	\$ 75,156,849	\$ 137	\$146,741,415	\$ 268

Footnote 1: Soft costs include those costs excluded by Swinerton and other project costs typical for this type of work.

I:\SF\Projects\2022\227208.00-DRMC\WP\001KSMoore-R-227208.00.cc_Phase 1 Update.docx

APPENDIX A

Desert Regional Medical Center, Palm Springs California

8-4-2022

Our Opinion of Probable Cost for the Desert Regional Medical Center in Palm Springs California is based on:

- 2022 labor rates, equipment rates and material costs.
- Simpson Gumpertz & Heger plans set dated 11/17/18
- Contractor Buyout assumes mid-year 2026 and completing mid-year 2029

Contractor markup costs are as follows:

- General Requirements
 - Cost of site requirements to perform and complete the project.
- General Conditions
 - Cost of job site offices, storage containers and Management: Project Manager, Engineers, and Superintendent.
- Subgaurd
 - Subcontractor Default Insurance is a two-party agreement between the insured (subcontractor) and the insurer (general contractor) in which the insurer undertakes to indemnify the insured against loss as a result of a contingent default.
- General Insurance is calculated at a rate of 1.1% of the total project cost.
- Includes a 5% General Contractor fee.
- 2022 costs escalation of 21% to mid-year 2026.
- All pricing includes Infection Control Risk Assessment (ICRAs) during construction.
- NPC pricing assumes installation while hospital is in full operation and includes a departmental difficulty factor as follows:
 - Critical Care, Med Surge & Corridors - 32% added cost
 - Labs – 22% added cost
 - Patient Care – 15% added cost
 - Administration, Building Mechanical and Penthouse/Roof – None added
- Please note that the compounding equations that are occurring in the estimate to build-up each unit cost and how the rounding function in Excel works, some of the cost per SF will be off by \$1-\$2 when calculated separately.



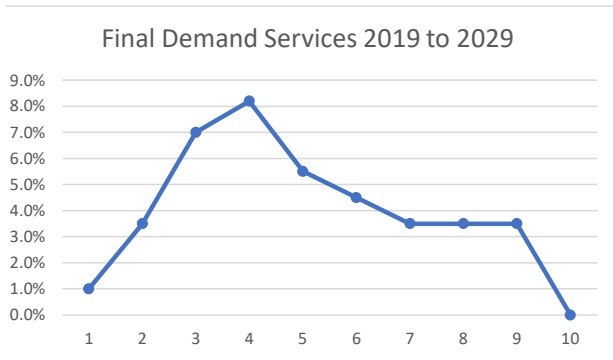
Confidential Swinerton Document

4/25/2022

Based on Bureau of Labor Statistics, producer price indexes, www.bis.gov/ppi

Associated General Contractors of America February 2022 Report

YEAR	Final Demand Services + Producer Price Index		Escalation per 1,000K Compounded	
2018	0.0%	Starting Point	\$1,000.00	0%
2019	1.0%		\$1,010.00	1.0%
2020	3.5%		\$1,045.35	4.5%
2021	7.0%		\$1,118.52	11.9%
2022	8.2%	Current Year	\$1,210.24	21.0%
2023	5.5%		\$1,276.81	27.7%
2024	4.5%		\$1,334.26	33.4%
2025	3.5%		\$1,380.96	38.1%
2026	3.5%	Contractor Buy-out	\$1,429.30	42.9%
2027	3.5%		\$1,479.32	47.9%
2028	0.0%	<i>Included in Buyout \$</i>	\$0.00	0.0%
2029	0.0%	Year of Completion	\$1,479.32	47.9%



Final Demand Services Assumed 2026 Sub Buyout	Compounded Escalation	
	Compounded FDS to 2026	42.9%
	Labor Breakout to 2024	17%
	Material Breakout 2024	26%

Year	Labor Rates	Compounded FDS to 2029	
2019	\$107.68	Labor Breakout to 2028	20%
2020	\$111.13	Material Breakout 2028	28%
2021	\$114.68		
2022	\$118.35	ContingencyToComplete 2026 to 2029	12%
2023	\$122.14		
2024	\$126.05		
2025	\$130.08		
2026	\$134.24	23%	4 year project starts in 2026
2027	\$138.54		Net % Add to Direct Work with 2026 Start
2028	\$142.97		20%
2029	\$147.55	37%	Labor increase 2019 to 2029

<https://www.bls.gov/news.release/ppi.nr0.htm>

The Producer Price Index for final demand increased 1.4 percent in March, seasonally adjusted, the U.S. Bureau of Labor Statistics reported today. This rise followed advances of 0.9 percent in February and 1.2 percent in January. (See table A.) On an unadjusted basis, final demand prices moved up 11.2 percent for the 12 months ended in March, the largest increase since 12-month data were first calculated in November 2010.



Desert Regional Medical Center
 Palm Springs California
 Conceptual SPC 4 OPC (Opinion of Probable Cost) Estimate
 April 25, 2022
 Pricing Assumes Contractor Buy-out in 2026 with Completion date of Mid Year 2029

SPC 4D OPC Retroft Costs	\$ 68,926,928	\$ 85,827,683	\$ 115,091,306
Location	Direct Cost Forecast 2022	Cost w/ Contractor GCs, GRs, Insurance & Fee 2022	Cost w/ 10% Contingency & 21.9% Escalation 2026
Main Hospital Retrofit Scheme	\$ 38,336,346	\$ 47,736,347	\$ 64,012,430
Wing A Strengthening Plan	\$ 3,405,010	\$ 4,239,912	\$ 5,685,543
Wing B Strengthening Plan	\$ 816,762	\$ 1,017,030	\$ 1,363,795
Wing C Strengthening Plan	\$ 5,437,555	\$ 6,770,834	\$ 9,079,403
Wing D & E Strengthening Plan	\$ 7,582,655	\$ 9,441,908	\$ 12,661,200
Wing F Strengthening Plan	\$ 2,705,524	\$ 3,368,913	\$ 4,517,571
Wing G Strengthening Plan	\$ 918,857	\$ 1,144,159	\$ 1,534,269
Wing H Strengthening Plan	\$ 17,469,983	\$ 21,753,591	\$ 29,170,649
	Direct Cost	Cost w/ Contractor Costs	Cost w/ Escalation & Contin.
Building 2 - East Tower Retrofit Scheme	\$ 25,215,516	\$ 31,398,313	\$ 42,103,815
Basement	\$ 4,631,580	\$ 5,767,234	\$ 7,733,618
1st Floor	\$ 7,575,580	\$ 9,433,098	\$ 12,649,387
2nd Floor	\$ 8,253,862	\$ 10,277,694	\$ 13,781,954
3rd Floor	\$ 1,409,110	\$ 1,754,621	\$ 2,352,873
4th Floor	\$ 1,553,817	\$ 1,934,810	\$ 2,594,498
Roof	\$ 1,791,567	\$ 2,230,856	\$ 2,991,484
	Direct Cost	Cost w/ Contractor Costs	Cost w/ Escalation & Contin.
Building 4 - North Wing Retrofit Scheme	\$ 5,375,066	\$ 6,693,022	\$ 8,975,061
Exterior Wall	\$ 3,061,313	\$ 3,811,941	\$ 5,111,652
Main Level	\$ 79,897	\$ 99,487	\$ 133,408
Roof	\$ 2,233,857	\$ 2,781,595	\$ 3,730,001
Project SPC 4D Totals	\$ 68,926,928	\$ 85,827,683	\$ 115,091,306

Exclusions

1. Permit fees, plan check fees, design fees, Builders Risk.
2. All utility costs.
3. Payment or performance bond premiums.
4. Testing and Inspection costs.
5. Hazardous material identification, abatement or testing.
6. Security guard service.
7. Owner's consultants.
8. Soil, structural, mechanical, engineering.
9. Owner equipment.
10. Correction of existing code deficiencies.



Project SPC 4D Totals	\$ 91,131,664	\$ 115,091,305	\$ 23,959,641
	December 13, 2018 Pricing	April 15, 2022 Pricing	Cost Delta +/-
Main Hospital Retrofit Scheme	\$ 50,237,006	\$ 64,012,430	\$ 13,775,424
Wing A Strengthening Plan	\$ 4,417,883	\$ 5,685,543	\$ 1,267,660
Wing B Strengthening Plan	\$ 1,011,782	\$ 1,363,795	\$ 352,013
Wing C Strengthening Plan	\$ 6,886,176	\$ 9,079,403	\$ 2,193,227
Wing D & E Strengthening Plan	\$ 9,912,203	\$ 12,661,200	\$ 2,748,997
Wing F Strengthening Plan	\$ 3,351,528	\$ 4,517,571	\$ 1,166,043
Wing G Strengthening Plan	\$ 1,138,255	\$ 1,534,269	\$ 396,014
Wing H Strengthening Plan	\$ 23,519,179	\$ 29,170,649	\$ 5,651,470
	Cost w/ Escalation & Contin.	Cost w/ Escalation & Contin.	
Building 2 - East Tower Retrofit Scheme	\$ 34,008,944	\$ 42,103,814	\$ 8,094,870
Basement	\$ 6,191,970	\$ 7,733,618	\$ 1,541,648
1st Floor	\$ 9,991,841	\$ 12,649,387	\$ 2,657,546
2nd Floor	\$ 11,031,863	\$ 13,781,954	\$ 2,750,091
3rd Floor	\$ 2,067,299	\$ 2,352,873	\$ 285,574
4th Floor	\$ 2,180,652	\$ 2,594,498	\$ 413,846
Roof	\$ 2,545,319	\$ 2,991,484	\$ 446,165
	Cost w/ Escalation & Contin.	Cost w/ Escalation & Contin.	
Building 4 - North Wing Retrofit Scheme	\$ 6,885,714	\$ 8,975,061	\$ 2,089,347
Exterior Wall	\$ 4,025,409	\$ 5,111,652	\$ 1,086,243
Main Level	\$ 103,821	\$ 133,408	\$ 29,587
Roof	\$ 2,756,484	\$ 3,730,001	\$ 973,517

Exclusions

1. Permit fees, plan check fees, design fees, Builders Risk.
2. All utility costs.
3. Payment or performance bond premiums.
4. Testing and Inspection costs.
5. Hazardous material identification, abatement or testing.
6. Security guard service.
7. Owner's consultants.
8. Utility costs.
9. Soil, structural, mechanical, engineering.
10. Owner equipment.
11. Correction of existing code deficiencies.



Difficulty Factor %r Added to Units
 Critical Care 32% Added to unit cost
 Med Surge & Corridors 32% Added to unit cost
 Labs 22% Added to unit cost
 Patient Care 15% Added to unit cost
 Administration 0% None added
 Building Mechanical 0% None added
 Penthouse/Roof 0% None added

546,884 GSF

Department	AREA (SQ. FT.)	Unit	Unit Cost w/ Contractor Costs					\$/w/ Contractor Mark-up - 2022	\$/SF	\$/w/Contingency 2022	21%	\$/SF	\$/w/Escalation - Year 2026	22%	\$/SF
			Equipment Bracing	Utility Bracing	Fire Sprinkler Bracing	Ceiling Bracing	Wall Bracing								
Building 1 - Main Hospital & Additions	95,913 SF	89 \$/SF						\$ 8,385,793	89 \$/SF	\$ 9,224,372	98 \$/SF	\$ 11,244,995	119 \$/SF		
OUTPATIENT MATERNAL FETAL	5,173	\$ 94.02	\$ 10.70	\$ 28.80	\$ 32.92	\$ 21.60	\$ -	\$ 486,385	\$ 94	\$ 535,024	\$ 103	\$ 652,222	\$ 126		
CARDIO PULMO	3,772	\$ 104.39	\$ 13.06	\$ 35.96	\$ 28.39	\$ 26.97	\$ -	\$ 393,756	\$ 104	\$ 433,131	\$ 115	\$ 528,010	\$ 140		
DR. LOUNGE	1,133	\$ 69.95	\$ 6.58	\$ 20.57	\$ 22.22	\$ 20.57	\$ -	\$ 79,256	\$ 70	\$ 87,181	\$ 77	\$ 106,279	\$ 94		
ACUTE REHAB	7,038	\$ 81.63	\$ 10.41	\$ 12.92	\$ 37.86	\$ 20.44	\$ -	\$ 574,508	\$ 82	\$ 631,958	\$ 90	\$ 770,391	\$ 109		
BUSINESS SERVICES	4,380	\$ 94.02	\$ 9.22	\$ 28.80	\$ 31.11	\$ 24.89	\$ -	\$ 411,788	\$ 94	\$ 452,967	\$ 103	\$ 552,191	\$ 126		
PHY THERAPY	4,936	\$ 107.89	\$ 10.41	\$ 34.07	\$ 37.86	\$ 25.55	\$ -	\$ 532,549	\$ 108	\$ 585,804	\$ 119	\$ 714,126	\$ 145		
THERAPY	4,631	\$ 107.89	\$ 10.41	\$ 34.07	\$ 37.86	\$ 25.55	\$ -	\$ 499,642	\$ 108	\$ 549,606	\$ 119	\$ 669,999	\$ 145		
POST PARTUM - BLDG 1	8,673	\$ 108.13	\$ 12.30	\$ 33.12	\$ 37.86	\$ 24.84	\$ -	\$ 937,789	\$ 108	\$ 1,031,568	\$ 119	\$ 1,257,535	\$ 145		
MED SURGE - BLDG 1	4,705	\$ 114.46	\$ 11.04	\$ 36.14	\$ 40.16	\$ 27.11	\$ -	\$ 538,525	\$ 114	\$ 592,378	\$ 126	\$ 722,140	\$ 153		
PEDIATRICS	4,180	\$ 107.89	\$ 10.41	\$ 34.07	\$ 37.86	\$ 25.55	\$ -	\$ 450,983	\$ 108	\$ 496,082	\$ 119	\$ 604,750	\$ 145		
GI - ENDO	1,669	\$ 106.00	\$ 8.52	\$ 34.07	\$ 37.86	\$ 25.55	\$ -	\$ 176,911	\$ 106	\$ 194,602	\$ 117	\$ 237,230	\$ 142		
BUSINESS SERVICES - MED RECORDS	7,430	\$ 69.95	\$ 6.58	\$ 20.57	\$ 22.22	\$ 20.57	\$ -	\$ 519,744	\$ 70	\$ 571,718	\$ 77	\$ 696,955	\$ 94		
FACILITIES - ENG	3,565	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 239,404	\$ 67	\$ 263,344	\$ 74	\$ 321,031	\$ 90		
ADMINISTRATION	11,665	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 783,351	\$ 67	\$ 861,686	\$ 74	\$ 1,050,441	\$ 90		
NON-PATIENT CARE	9,400	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 631,248	\$ 67	\$ 694,372	\$ 74	\$ 846,476	\$ 90		
MECH/ELEC	3,422	\$ 53.49	\$ 6.58	\$ 24.69	\$ 22.22	\$ -	\$ -	\$ 183,052	\$ 53	\$ 201,357	\$ 59	\$ 245,465	\$ 72		
PUBLIC CORRIDOR	10,141	\$ 93.37	\$ -	\$ 25.10	\$ 27.11	\$ 11.04	\$ 30.12	\$ 946,902	\$ 93	\$ 1,041,593	\$ 103	\$ 1,269,756	\$ 125		
Building 2 - East Tower	40,418 SF	56 \$/SF						\$ 2,249,645	56 \$/SF	\$ 2,474,610	61 \$/SF	\$ 3,016,680	75 \$/SF		
LAB	5,975	\$ 69.62	\$ 18.51	\$ 41.64	\$ -	\$ 9.46	\$ -	\$ 415,962	\$ 70	\$ 457,558	\$ 77	\$ 557,788	\$ 93		
ORTHO	9,733	\$ 49.78	\$ 7.57	\$ 23.66	\$ -	\$ 8.14	\$ 10.41	\$ 484,520	\$ 50	\$ 532,972	\$ 55	\$ 649,721	\$ 67		
MED SURGE - BLDG 2 - FLR 3	10,170	\$ 54.32	\$ 10.41	\$ 34.07	\$ -	\$ 9.84	\$ -	\$ 552,475	\$ 54	\$ 607,722	\$ 60	\$ 740,845	\$ 73		
SNF - BLDG 2	10,170	\$ 69.95	\$ 9.05	\$ 29.63	\$ -	\$ 22.22	\$ 9.05	\$ 711,413	\$ 70	\$ 782,554	\$ 77	\$ 953,974	\$ 94		
STAIRCASES	3,360	\$ 9.05	\$ -	\$ 9.05	\$ -	\$ -	\$ -	\$ 30,417	\$ 9	\$ 33,458	\$ 10	\$ 40,788	\$ 12		
MECH PENTHOUSE	1,010	\$ 54.32	\$ 24.69	\$ 29.63	\$ -	\$ -	\$ -	\$ 54,859	\$ 54	\$ 60,345	\$ 60	\$ 73,563	\$ 73		
Building 3 - Woman & Infants Hospital	88,486 SF	33 \$/SF						\$ 2,914,684	33 \$/SF	\$ 3,206,153	36 \$/SF	\$ 3,903,473	44 \$/SF		
LDRP	18,051	\$ 37.86	\$ -	\$ -	\$ 37.86	\$ -	\$ -	\$ 683,346	\$ 38	\$ 751,681	\$ 42	\$ 916,338	\$ 51		
NICU	8,148	\$ 43.45	\$ -	\$ -	\$ 43.45	\$ -	\$ -	\$ 354,052	\$ 43	\$ 389,457	\$ 48	\$ 474,768	\$ 58		
POST PARTUM - BLDG 3	3,421	\$ 37.86	\$ -	\$ -	\$ 37.86	\$ -	\$ -	\$ 129,507	\$ 38	\$ 142,457	\$ 42	\$ 173,663	\$ 51		
EMERGENCY DEPT.	12,801	\$ 36.61	\$ -	\$ -	\$ 36.61	\$ -	\$ -	\$ 468,629	\$ 37	\$ 515,492	\$ 40	\$ 628,412	\$ 49		
RADIOLOGY	25,328	\$ 28.39	\$ -	\$ -	\$ 28.39	\$ -	\$ -	\$ 719,120	\$ 28	\$ 791,033	\$ 31	\$ 964,310	\$ 38		
PUBLIC SPACE	1,120	\$ 39.75	\$ -	\$ -	\$ 39.75	\$ -	\$ -	\$ 44,519	\$ 40	\$ 48,971	\$ 44	\$ 59,698	\$ 53		
HELIPAD	10,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
MECH PENTHOUSE - BLDG 3	9,491	\$ 54.32	\$ 24.69	\$ 29.63	\$ -	\$ -	\$ -	\$ 515,511	\$ 54	\$ 567,062	\$ 60	\$ 686,283	\$ 72		
Building 4 - North Wing	18,790 SF	50 \$/SF						\$ 935,835	50 \$/SF	\$ 1,029,419	55 \$/SF	\$ 1,254,916	67 \$/SF		
ADMINISTRATION OFFICES (Basement)	9,395	\$ 49.38	\$ 6.58	\$ 15.64	\$ 24.69	\$ 2.47	\$ -	\$ 463,906	\$ 49	\$ 510,296	\$ 54	\$ 622,078	\$ 66		
NON-PATIENT CARE (First Floor)	9,395	\$ 50.23	\$ 6.58	\$ 15.64	\$ 23.04	\$ 2.47	\$ 2.50	\$ 471,930	\$ 50	\$ 519,123	\$ 55	\$ 632,838	\$ 67		
Building 5 - Central Plant	15,159 SF	88 \$/SF						\$ 1,334,861	88 \$/SF	\$ 1,468,347	97 \$/SF	\$ 1,789,992	118 \$/SF		
CENTRAL PLANT	15,159	\$ 88.06	\$ 24.69	\$ 32.92	\$ 29.63	\$ 0.82	\$ -	\$ 1,334,861	\$ 88	\$ 1,468,347	\$ 97	\$ 1,789,992	\$ 118		
Building 6 - Shipping/Receiving	15,742 SF	49 \$/SF						\$ 777,307	49 \$/SF	\$ 855,038	54 \$/SF	\$ 1,042,337	66 \$/SF		
EXTERIOR LOADING DOCK	15,742	\$ 49.38	\$ 6.58	\$ 20.57	\$ 22.22	\$ -	\$ -	\$ 777,307	\$ 49	\$ 855,038	\$ 54	\$ 1,042,337	\$ 66		
Building 7 - Surgery Wing	105,266 SF	97 \$/SF						\$ 10,239,179	97 \$/SF	\$ 11,263,097	107 \$/SF	\$ 13,730,307	130 \$/SF		
KITCHEN	9,606	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 645,081	\$ 67	\$ 709,589	\$ 74	\$ 865,027	\$ 90		
SPD	4,569	\$ 76.21	\$ 10.70	\$ 24.69	\$ 23.04	\$ 17.78	\$ -	\$ 348,188	\$ 76	\$ 383,007	\$ 84	\$ 466,905	\$ 102		
CENTRAL SUPPLY	3,044	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 204,417	\$ 67	\$ 224,858	\$ 74	\$ 274,114	\$ 90		
SHIPPING/REC	2,314	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 155,394	\$ 67	\$ 170,934	\$ 74	\$ 208,377	\$ 90		
PHARMACY	4,331	\$ 101.74	\$ 23.66	\$ 28.39	\$ 28.39	\$ 21.29	\$ -	\$ 440,632	\$ 102	\$ 484,695	\$ 112	\$ 590,869	\$ 136		
I/T	2,994	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 201,059	\$ 67	\$ 221,165	\$ 74	\$ 269,612	\$ 90		
ADMIN SERVICES	2,971	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 199,515	\$ 67	\$ 219,466	\$ 74	\$ 267,541	\$ 90		
ADMINISTRATIVE OFFICES	9,331	\$ 67.15	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ -	\$ 626,614	\$ 67	\$ 689,275	\$ 74	\$ 840,263	\$ 90		
CAFETERIA	6,810	\$ 77.23	\$ 7.57	\$ 23.66	\$ 25.55	\$ 20.44	\$ -	\$ 525,916	\$ 77	\$ 578,508	\$ 85	\$ 705,232	\$ 104		
OUTPATIENT SERVICES	1,067	\$ 101.74	\$ 23.66	\$ 28.39	\$ 28.39	\$ 21.29	\$ -	\$ 108,556	\$ 102	\$ 119,411	\$ 112	\$ 145,569	\$ 136		
SURGICAL/OR	23,624	\$ 162.29	\$ 18.47	\$ 57.35	\$ 43.45	\$ 43.02	\$ -	\$ 3,833,924	\$ 162	\$ 4,217,316	\$ 179	\$ 5,141,130	\$ 218		
CATH LAB	6,344	\$ 119.82	\$ 14.99	\$ 41.28	\$ 32.59	\$ 30.96	\$ -	\$ 760,141	\$ 120	\$ 836,155	\$ 132	\$ 1,019,317	\$ 161		



Difficulty Factor %r Added to Units	
Critical Care	32% Added to unit cost
Med Surge & Corridors	32% Added to unit cost
Labs	22% Added to unit cost
Patient Care	15% Added to unit cost
Administration	0% None added
Building Mechanical	0% None added
Penthouse/Roof	0% None added

546,884 GSF

Unit Cost w/ Contractor Costs

Department	AREA (SQ. FT.)	Unit	Equipment Bracing	Utility Bracing	Fire Sprinkler Bracing	Ceiling Bracing	Wall Bracing	\$/w/ Contractor Mark-up - 2022	\$/SF	\$/w/Contingency 2022	\$/SF	\$/w/Escalation - Year 2026	\$/SF
MECH PENTHOUSE	13,061	\$ 54.32	\$ 24.69	\$ 29.63	\$ -	\$ -	\$ -	\$ 709,418	\$ 54	\$ 780,360	\$ 60	\$ 951,299	\$ 73
PUBLIC CORRIDOR	15,200	\$ 97.39	\$ -	\$ 37.15	\$ 40.16	\$ 9.04	\$ 11.04	\$ 1,480,324	\$ 97	\$ 1,628,357	\$ 107	\$ 1,985,052	\$ 131
Building 8 - West Tower	110,614 SF	127 \$/SF						\$ 14,071,781	127 \$/SF	\$ 15,478,959	140 \$/SF	\$ 18,869,665	171 \$/SF
MECH/ELEC	7,780	\$ 96.75	\$ 27.49	\$ 29.63	\$ 19.75	\$ 3.29	\$ 16.59	\$ 752,750	\$ 97	\$ 828,025	\$ 106	\$ 1,009,407	\$ 130
ICU	18,934	\$ 165.77	\$ 21.25	\$ 47.80	\$ 41.28	\$ 28.68	\$ 26.77	\$ 3,138,701	\$ 166	\$ 3,452,571	\$ 182	\$ 4,208,866	\$ 222
MED SURGE - BLDG 8 - FLR 2	18,934	\$ 129.28	\$ 11.04	\$ 36.14	\$ 40.16	\$ 21.69	\$ 20.24	\$ 2,447,738	\$ 129	\$ 2,692,511	\$ 142	\$ 3,282,313	\$ 173
MED SURGE - BLDG 8 - FLR 3	18,934	\$ 129.28	\$ 11.04	\$ 36.14	\$ 40.16	\$ 21.69	\$ 20.24	\$ 2,447,738	\$ 129	\$ 2,692,511	\$ 142	\$ 3,282,313	\$ 173
MED SURGE - BLDG 8 - FLR 4	18,934	\$ 129.28	\$ 11.04	\$ 36.14	\$ 40.16	\$ 21.69	\$ 20.24	\$ 2,447,738	\$ 129	\$ 2,692,511	\$ 142	\$ 3,282,313	\$ 173
MED SURGE - BLDG 8 - FLR 5	18,934	\$ 127.29	\$ 9.05	\$ 36.14	\$ 40.16	\$ 21.69	\$ 20.24	\$ 2,410,029	\$ 127	\$ 2,651,032	\$ 140	\$ 3,231,747	\$ 171
PENTHOUSE	1,135	\$ 39.91	\$ 15.22	\$ 24.69	\$ -	\$ -	\$ -	\$ 45,302	\$ 40	\$ 49,832	\$ 44	\$ 60,748	\$ 54
MECH PENTHOUSE - BLDG 8	7,029	\$ 54.32	\$ 24.69	\$ 29.63	\$ -	\$ -	\$ -	\$ 381,785	\$ 54	\$ 419,964	\$ 60	\$ 511,958	\$ 73
Building 9 - Lobby	6,214 SF	35 \$/SF						\$ 214,421	35 \$/SF	\$ 235,863	38 \$/SF	\$ 287,530	46 \$/SF
MAIN ENTRANCE/LOBBY	6,214	\$ 34.51	\$ -	\$ -	\$ 34.51	\$ -	\$ -	\$ 214,421	\$ 35	\$ 235,863	\$ 38	\$ 287,530	\$ 46
Building 10 - Admitting	9,141 SF	46 \$/SF						\$ 416,288	46 \$/SF	\$ 457,917	50 \$/SF	\$ 558,225	61 \$/SF
LOBBY/REGISTRATION	6,306	\$ 25.55	\$ -	\$ -	\$ 25.55	\$ -	\$ -	\$ 161,138	\$ 26	\$ 177,252	\$ 28	\$ 216,079	\$ 34
MORGUE	965	\$ 101.74	\$ 23.66	\$ 28.39	\$ 28.39	\$ 21.29	\$ -	\$ 98,178	\$ 102	\$ 107,996	\$ 112	\$ 131,653	\$ 136
MORGUE - OFFICE SPACE	1,870	\$ 83.94	\$ 19.75	\$ 20.57	\$ 23.04	\$ 20.57	\$ -	\$ 156,972	\$ 84	\$ 172,670	\$ 92	\$ 210,493	\$ 113
Building 11 - Elevator Tower	16,254 SF	72 \$/SF						\$ 1,175,220	72 \$/SF	\$ 1,292,742	80 \$/SF	\$ 1,575,920	97 \$/SF
ELEVATOR CORRIDOR SPACE	13,932	\$ 75.30	\$ -	\$ 30.12	\$ 42.17	\$ 3.01	\$ -	\$ 1,049,098	\$ 75	\$ 1,154,008	\$ 83	\$ 1,406,797	\$ 101
MECH PENTHOUSE	2,322	\$ 54.32	\$ 24.69	\$ 29.63	\$ -	\$ -	\$ -	\$ 126,121	\$ 54	\$ 138,733	\$ 60	\$ 169,123	\$ 73
Building 12	2,006 SF	115 \$/SF						\$ 230,957	115 \$/SF	\$ 254,052	127 \$/SF	\$ 309,703	154 \$/SF
WAITING ROOM	2,006	\$ 115.13	\$ 9.88	\$ 30.86	\$ 33.33	\$ 26.66	\$ 14.40	\$ 230,957	\$ 115	\$ 254,052	\$ 127	\$ 309,703	\$ 154
Building 13 - Medical Records	507 SF	63 \$/SF						\$ 32,044	63 \$/SF	\$ 35,249	70 \$/SF	\$ 42,970	85 \$/SF
MEDICAL RECORDS ROOM	507	\$ 63.20	\$ 8.23	\$ 8.56	\$ 19.75	\$ 26.66	\$ -	\$ 32,044	\$ 63	\$ 35,249	\$ 70	\$ 42,970	\$ 85
Public Spaces	22,881 SF	81 \$/SF						\$ 1,863,419	81 \$/SF	\$ 2,049,761	90 \$/SF	\$ 2,498,766	109 \$/SF
PUBLIC SPACE	3,863	\$ 80.87	\$ 6.80	\$ 30.45	\$ 32.92	\$ 10.70	\$ -	\$ 312,389	\$ 81	\$ 343,628	\$ 89	\$ 418,900	\$ 108
FACILITIES - ENG	19,018	\$ 81.56	\$ 6.58	\$ 20.57	\$ 22.22	\$ 17.78	\$ 14.40	\$ 1,551,030	\$ 82	\$ 1,706,133	\$ 90	\$ 2,079,866	\$ 109
Total	547,391 SF							44,841,435	\$ 82	49,325,578	\$ 90	60,125,479	\$ 110



	Opinion Of Probable Cost Variance Report: January 11, 2019 VS. April 25, 2022	Cost Forecast December 2018	Cost Forecast December 2022	2018 VS 2022	2018 VS 2022 Estimates
Building #	Department	\$/w/Escalation	\$/w/Escalation	Cost Delta	Percentage of Variance

	Building 1 - Main Hospital & Additions	\$ 9,257,332	\$ 11,244,995	\$ 1,987,663	21%
B1	OUTPATIENT MATERNAL FETAL	\$ 294,849	\$ 652,222	\$ 357,373	
B1	CARDIO PULMO	\$ 522,827	\$ 528,010	\$ 5,183	
B1	DR. LOUNGE	\$ 63,053	\$ 106,279	\$ 43,226	
B1	ACUTE REHAB	\$ 494,645	\$ 770,391	\$ 275,745	
B1	BUSINESS SERVICES	\$ 449,133	\$ 552,191	\$ 103,058	
B1	PHY THERAPY	\$ 690,369	\$ 714,126	\$ 23,757	
B1	THERAPY	\$ 647,710	\$ 669,999	\$ 22,289	
B1	POST PARTUM - BLDG 1	\$ 992,417	\$ 1,257,535	\$ 265,118	
B1	MED SURGE - BLDG 1	\$ 658,060	\$ 722,140	\$ 64,079	
B1	PEDIATRICS	\$ 584,632	\$ 604,750	\$ 20,118	
B1	GI - ENDO	\$ 167,787	\$ 237,230	\$ 69,443	
B1	BUSINESS SERVICES - MED RECORDS	\$ 646,909	\$ 696,955	\$ 50,045	
B1	FACILITIES - ENG	\$ 289,787	\$ 321,031	\$ 31,244	
B1	ADMINISTRATION	\$ 816,699	\$ 1,050,441	\$ 233,742	
B1	NON-PATIENT CARE	\$ 680,058	\$ 846,476	\$ 166,419	
B1	MECH/ELEC	\$ 184,295	\$ 245,465	\$ 61,170	
B1	PUBLIC CORRIDOR	\$ 1,074,102	\$ 1,269,756	\$ 195,654	
	Building 2 - East Tower	\$ 2,111,483	\$ 3,016,680	\$ 905,197	43%
B2	LAB	\$ 394,509	\$ 557,788	\$ 163,279	
B2	ORTHO	\$ 428,081	\$ 649,721	\$ 221,641	
B2	MED SURGE - BLDG 2 - FLR 3	\$ 450,040	\$ 740,845	\$ 290,806	
B2	SNF - BLDG 2	\$ 751,283	\$ 953,974	\$ 202,691	
B2	STAIRCASES	\$ 33,175	\$ 40,788	\$ 7,612	
B2	MECH PENTHOUSE	\$ 54,395	\$ 73,563	\$ 19,169	
	Building 3 - Woman & Infants Hospital	\$ 3,014,959	\$ 3,903,473	\$ 888,514	29%
B3	IDRP	\$ 777,724	\$ 916,338	\$ 138,615	
B3	NICU	\$ 351,055	\$ 474,768	\$ 123,713	
B3	POST PARTUM - BLDG 3	\$ 147,393	\$ 173,663	\$ 26,270	
B3	EMERGENCY DEPT.	\$ 503,385	\$ 628,412	\$ 125,027	
B3	RADIOLOGY	\$ 682,032	\$ 964,310	\$ 282,278	
B3	PUBLIC SPACE	\$ 42,223	\$ 59,698	\$ 17,475	
B3	HELIPAD	\$ -	\$ -	\$ -	
B3	MECH PENTHOUSE - BLDG 3	\$ 511,147	\$ 686,283	\$ 175,135	
	Building 4 - North Wing	\$ 1,026,092	\$ 1,254,916	\$ 228,824	22%
B4	ADMINISTRATION OFFICES (Basement)	\$ 505,977	\$ 622,078	\$ 116,101	
B4	NON-PATIENT CARE (First Floor)	\$ 520,115	\$ 632,838	\$ 112,723	
	Building 5 - Central Plant	\$ 1,455,919	\$ 1,789,992	\$ 334,073	23%
B5	CENTRAL PLANT	\$ 1,455,919	\$ 1,789,992	\$ 334,073	
	Building 6 - Shipping/Receiving	\$ 847,801	\$ 1,042,337	\$ 194,535	23%
B6	EXTERIOR LOADING DOCK	\$ 847,801	\$ 1,042,337	\$ 194,535	
	Building 7 - Surgery Wing	\$ 8,787,497	\$ 13,730,307	\$ 4,942,810	56%
B7	KITCHEN	\$ 703,583	\$ 865,027	\$ 161,443	
B7	SPD	\$ 379,765	\$ 466,905	\$ 87,140	
B7	CENTRAL SUPPLY	\$ 222,955	\$ 274,114	\$ 51,159	
B7	SHIPPING/REC	\$ 169,487	\$ 208,377	\$ 38,890	
B7	PHARMACY	\$ 459,870	\$ 590,869	\$ 130,999	
B7	I/T	\$ 219,293	\$ 269,612	\$ 50,319	
B7	ADMIN SERVICES	\$ 217,608	\$ 267,541	\$ 49,932	
B7	ADMINISTRATIVE OFFICES	\$ 683,441	\$ 840,263	\$ 156,822	
B7	CAFETERIA	\$ 498,793	\$ 705,232	\$ 206,439	
B7	OUTPATIENT SERVICES	\$ 113,295	\$ 145,569	\$ 32,273	
B7	SURGICAL/OR	\$ 3,167,894	\$ 5,141,130	\$ 1,973,236	
B7	CATH LAB	\$ 628,089	\$ 1,019,317	\$ 391,228	
B7	MECH PENTHOUSE	\$ -	\$ 951,299	\$ 951,299	
B7	PUBLIC CORRIDOR	\$ 1,323,421	\$ 1,985,052	\$ 661,631	



	Opinion Of Probable Cost Variance Report: January 11, 2019 VS. April 25, 2022	Cost Forecast December 2018	Cost Forecast December 2022	2018 VS 2022	2018 VS 2022 Estimates
Building #	Department	\$/w/Escalation	\$/w/Escalation	Cost Delta	Percentage of Variance
	Building 8 - West Tower	\$ 15,153,819	\$ 18,869,665	\$ 3,715,846	25%
B8	MECH/ELEC	\$ 821,017	\$ 1,009,407	\$ 188,390	
B8	ICU	\$ 3,241,808	\$ 4,208,866	\$ 967,059	
B8	MED SURGE - BLDG 8 - FLR 2	\$ 2,678,012	\$ 3,282,313	\$ 604,301	
B8	MED SURGE - BLDG 8 - FLR 3	\$ 2,678,012	\$ 3,282,313	\$ 604,301	
B8	MED SURGE - BLDG 8 - FLR 4	\$ 2,678,012	\$ 3,282,313	\$ 604,301	
B8	MED SURGE - BLDG 8 - FLR 5	\$ 2,642,747	\$ 3,231,747	\$ 589,000	
B8	PENTHOUSE	\$ 35,657	\$ 60,748	\$ 25,091	
B8	MECH PENTHOUSE - BLDG 8	\$ 378,554	\$ 511,958	\$ 133,404	
	Building 9 - Lobby	\$ 203,307	\$ 287,530	\$ 84,223	41%
B9	MAIN ENTRANCE/LOBBY	\$ 203,307	\$ 287,530	\$ 84,223	
	Building 10 - Admitting	\$ 476,457	\$ 558,225	\$ 81,769	17%
B10	LOBBY/REGISTRATION	\$ 191,034	\$ 216,079	\$ 25,045	
B11	MORGUE	\$ 102,465	\$ 131,653	\$ 29,188	
B10	MORGUE - OFFICE SPACE	\$ 182,958	\$ 210,493	\$ 27,536	
	Building 11 - Elevator Tower	\$ 1,062,956	\$ 1,575,920	\$ 512,964	48%
B11	ELEVATOR CORRIDOR SPACE	\$ 937,902	\$ 1,406,797	\$ 468,895	
B11	MECH PENTHOUSE	\$ 125,054	\$ 169,123	\$ 44,069	
	Building 12	\$ 267,657	\$ 309,703	\$ 42,046	16%
B12	WAITING ROOM	\$ 267,657	\$ 309,703	\$ 42,046	
	Building 13 - Medical Records	\$ 32,948	\$ 42,970	\$ 10,022	30%
B13	MEDICAL RECORDS ROOM	\$ 32,948	\$ 42,970	\$ 10,022	
	Public Spaces	\$ 2,003,761	\$ 2,498,766	\$ 495,005	25%
B?	PUBLIC SPACE	\$ 312,069	\$ 418,900	\$ 106,832	
B?	FACILITIES - ENG	\$ 1,691,692	\$ 2,079,866	\$ 388,174	
	Total	45,701,987	60,125,479	14,423,492	32%



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: March 15, 2023
To: Finance & Administration Committee
Subject: VMG Health - Valuation Engagement Agreement Additional Scope of Work
– Not To Exceed \$20,000

Staff Recommendation: For review, VMG Health - Valuation Engagement Agreement to provide Additional Scope of Work for the DRMC hospital valuation Not To Exceed \$20,000.

Background:

- To help guide the Board regarding future lease decisions, in 2018, the District enlisted the services of VMG Health to produce valuation reports
- Due to the pandemic and the passage of time, the reports were outdated and required an update
- In April 2022, the District approved an engagement with VMG Health to provide an update to the reports
- Significant work has been completed on the updated reports
- However, additional scope of work services has been identified by the District's consultant, legal counsel and staff and is required to finalize the valuation
- Included in the packet for your review is a Valuation Engagement Agreement to complete the additional scope of work

Fiscal Impact:

\$20,000 additional fees are included in the FY23 budget



Desert Regional Medical Center

Desert Healthcare Foundation /
Desert Healthcare District

Valuation Engagement Agreement

March 8, 2023

Chris Christensen, CPA
Chief Administration Officer
Desert Healthcare District & Foundation

Valuation Engagement Agreement

VMG Holdings LLC d/b/a VMG Health (“VMG”) is pleased to offer the valuation or other transaction advisory services outlined in this agreement (“Agreement”) to Desert Healthcare Foundation & Desert Healthcare District (“Client” or “District”).

Background and Description

We understand Client leased Desert Regional Medical Center (the “Hospital”) to Tenet Healthcare System (“Tenet” or “Lessee”) in 1997 for a 30-year term. The Lessee prepaid for the 30-year rent at the inception of the lease and the Hospital currently requires seismic upgrades before 2030. Client is evaluating strategic options regarding the Hospital given the pending seismic upgrade requirements and upcoming lease expiration. VMG issued a valuation dated June 1, 2022 utilizing financial and operational data through May 31, 2022. Client has requested an update to the Fair Market Value (“FMV”) analysis utilizing data through December 31, 2022.

Purpose of the Engagement

The purpose of this engagement is to assist Client with regulatory compliance and internal planning.

Use and Disclosure of the Report

VMG’s valuation report (“Report”) may only be used for the purpose stated within the Report. Client may provide a copy of a Report to its legal counsel, the Internal Revenue Service, or the Office of Inspector General. However, Client may not provide the Report to any other third party without VMG’s written consent. Such consent shall be timely and not unreasonably withheld.

Engagement Scope

This engagement is a Valuation Engagement as generally outlined below.

A “Valuation Engagement” is defined by the American Institute of Certified Public Accountants (“AICPA”) Statement on Standards for Valuation Services (“SSVS”) No. 1 in VS sec. 100, and establishes standards for the valuation of a business, business ownership interest, security, or intangible asset. This involves an estimate of value of a subject interest applying the valuation approaches and methods deemed appropriate in the circumstances. The Report expresses the valuation conclusion as either a single amount or a range.

Services Not Included Within Scope of This Engagement

- Real property valuations or fair market rent study
- Capital asset appraisal or physical inventory
- Opinions of value for any contractual or service agreement, including compensation agreements
- Assist in negotiations or transaction advisory services
- Due diligence or quality of earnings analyses
- Comparative reimbursement analyses and other strategic decision support
- Financial reporting post transaction

Standard of Value

The standard of value will be **fair market value** (“FMV”), generally defined by the International Glossary of Business Valuation Terms as the price, expressed in terms of cash equivalents, at which a property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

In a healthcare setting, FMV has additional considerations associated with the Anti-Kickback Statute and the Stark Law. Under the Stark Law, FMV is generally defined as the value in arm's-length transactions consistent with the "general market value" ("GMV") defined by 42 CFR §411.351.

Engagement Deliverables and Timing

VMG will provide Client a formal written appraisal Report and associated exhibits. A draft of the valuation exhibits will be provided within four weeks of receipt of all requested data.

Fees

The fee for this engagement will be invoiced on an hourly basis. VMG requests a budget of \$15,000 to \$20,000 to be invoiced as follows:

- Upon delivery of the draft analysis or progress billed, as necessary;
- Reasonable out-of-pocket expenses, billed at cost, and a
- One-time administrative fee of 3% of fees, or a minimum administrative fee of \$350 per engagement.

Hourly Rates:

Managing Director	\$540	Senior Analyst	\$360
Director	\$485	Analyst	\$305
Manager	\$420	Administrative	\$110

*****The budget above represents approximately 30 to 40 hours of professional time. VMG will not invoice for fees more than \$20,000 without written approval from Client.***

Additional Fee for Increase in Engagement Scope, Client Reviews, or Poor Data

Fees include issuing the deliverables above and responding to customary questions from Client and its auditor, tax, or legal advisors. Additional fees will apply for an increase or change in scope, poorly formatted or excessive Client data, delay in receiving required data, or involvement in subsequent reviews beyond the customary work effort. VMG will notify Client before any additional fee is incurred due to any of these factors.

Additional Fee for Subpoena, Document Production Request, or Testimony

If VMG is required to produce information, testify, or provide additional analysis based on a client or other party request, or by receiving a third-party or non-party subpoena, court order, or similar process, Client will pay for VMG's consulting time and expenses to comply at then-current hourly rates, including attorney's fees and document production costs. VMG will notify Client of any such event before incurring costs.

Late Fees and Independence

Invoices are due on receipt. Unpaid invoices over 31 days will incur a 2% monthly fee. VMG may withhold services, testimony, and Report delivery if any issued invoices are unpaid. Credit card payments incur a 5% surcharge. If this agreement is canceled, Client will only be obligated for fees and expenses incurred to the date of termination. VMG's fee is not contingent on VMG's conclusions, or any subsequent event related to it.

Terms and Conditions

Attachment A contains terms and conditions incorporated herein by reference.

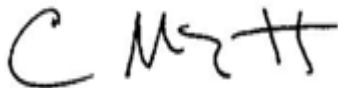
Non-Solicitation of Employees

During this Agreement, and for twelve months after delivery of VMG's Opinion, neither party will solicit for employment the other party's employees without prior written consent. If either party does solicit and hire an employee of the other party in this period, the soliciting party shall owe and pay the other party one-third of the hired employee's annual salary at the time they resigned. Such restriction does not apply to employees who independently respond to indirect employment ads, agency, or postings not targeting such employee.

Authorization

We appreciate the opportunity to service Desert Healthcare District. To authorize, please sign below and return to Colin McDermott at Colin.McDermott@VMGHealth.com. Please call with any questions at (972) 616-7808.

Respectfully Submitted,



Colin McDermott, CFA, CPA/ABV
Managing Director

Client of Record: Desert Healthcare District

Invoicing Contact (If Different)

Signature: _____
Name: _____
Title: _____
Date: _____
Email: _____
Phone: _____
Address: _____
City, ST, Zip: _____

Name: _____
Title: _____
Email: _____
Phone: _____
Address: _____
City, ST, Zip: _____
A/P Email: _____

Attachment A: Terms and Conditions

Confidentiality: VMG shall maintain the confidentiality of Client's information and will not disclose or use it for any purpose other than Client's engagement. This excludes information (i) available to the public, (ii) already in VMG's possession, or (iii) from a party having no confidentiality obligation to Client. VMG may use Client's name and logo in its Client list, with proper reference.

Reliance on Data Provided by Client: VMG will not independently verify information provided by Client, its advisors, or third parties acting at Client's direction. VMG assumes the accuracy of all such information.

Client of Record and no Third-Party Reliance: Only the Client is the Intended User of, and may rely on, VMG's Report. Client may not substitute this reliance for its own due diligence. Client may provide the Report to its legal counsel, the Internal Revenue Service, or the Office of Inspector General. However, Client may not provide the Report to any other third party without VMG's written consent. No third party shall have the right of reliance on the Report, and neither receipt nor possession of the Report by any third party shall create any express or implied third-party beneficiary rights.

No Different Use of Report: The Report may only be used for the purpose and premise of value stated in this Agreement and in the Report. Client may not generate different valuation scenarios or discount rates.

Mutual Indemnification and Limitation of Liability: VMG shall indemnify Client, its directors, officers, and employees for any liability, claims, expenses, and reasonable attorneys' fees associated with VMG's breach of any third-party intellectual property rights, bodily injury or property damage caused by VMG's personnel or representatives related to this engagement, except to the extent caused by Client negligence or misconduct.

Client shall defend and indemnify VMG, its directors, officers, and employees against any liability, claims, and expenses, and reasonable attorneys' fees, resulting from VMG becoming part of, or named in, an administrative or legal dispute related to this engagement, except to the extent caused by VMG's negligence or misconduct. VMG and Client shall not be liable to each other for any consequential, incidental, special, or punitive damages. VMG's liability to Client is limited to the fees received by VMG for that engagement.

Client Compliance with Laws: VMG assumes Client and related parties have complied with all federal, state, and local laws applicable to the healthcare industry and the transaction. These include the *Stark Law*, the *Anti-Kickback Statute*, the *Medicare and Medicaid Patient and Program Protection Act*, the *False Claims Act*, *Civil Money Penalties Law*, *HIPAA*, state laws, regulations by the *U.S. Department of Health and Human Services*, the *Centers for Medicare and Medicaid Services*, and the *Inspector General*.

No ADA or Environmental Compliance Review: VMG will not investigate if any assets are subject to or in compliance with the Americans with Disabilities Act of 1990, nor any environmental compliance matters.

HIPAA: Client acknowledges it is subject to the Health Insurance Portability and Accountability Act ("HIPAA") and shall de-identify all data it or its agents provide to VMG to remove all individually identifiable health information under the HIPAA Privacy Rule. VMG's engagement does not require such data.

No Assurance of Forecasts: VMG does not assure any forecasted results. Events and circumstances may not occur as expected, actual results may be materially different, and achieving forecasted results depends on the actions and plans of others.

Response to Subpoena: If lawfully compelled to disclose any Client documents, VMG will provide Client written notice so Client may seek a protective remedy, if applicable.

Governing Law and Disputes: This Agreement is governed by the laws of Texas. Any dispute shall be resolved with binding arbitration under the Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc. The arbitrator's judgment may be entered by any state or federal court having jurisdiction. The prevailing party shall be entitled to reasonable attorneys' fees and costs, including appealing or enforcing any judgment.