

PUBLIC NOTICE
CITY OF ALAMEDA HEALTH CARE DISTRICT
BOARD OF DIRECTORS
AGENDA

Monday, March 1, 2010 – 6:00 p.m.

Location: Alameda Hospital (Dal Cielo Conference Room)
2070 Clinton Avenue, Alameda, CA 94501

Office of the Clerk: (510) 814-4001

Regular Meeting

Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address and present to the District Clerk. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.

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|---|-----------------------------------|
| I. Call to Order (6:00 p.m. – 2 East Board Room) | Jordan Battani |
| II. Roll Call | Kristen Thorson |
| III. Adjourn into Executive Closed Session | |
| IV. <u>Closed Session Agenda</u> | |
| A. Closed Session Minutes – February 3, 2010 & February 16, 2010 | |
| B. Medical Executive Committee Report | <u>H & S Code Sec. 32155</u> |
| C. Board Quality Committee Report (BQC) –December 2009 | <u>H & S Code Sec. 32155</u> |
| D. Consultation with Legal Counsel Regarding Pending Litigation | <u>Gov't Code Sec. 54956.9(a)</u> |
| E. Discussion of Pooled Insurance Claims | <u>Gov't Code Sec. 54956.95</u> |
| F. Instructions to Bargaining Representatives Regarding Salaries, Fringe Benefits and Working Conditions | <u>Gov't Code Sec. 54957.6</u> |
| G. Discussion of Report Involving Trade Secrets | <u>H & S Code Sec. 32106</u> |
| V. <u>Reconvene to Public Session (Expected to start at 7:30 p.m. – Dal Cielo Conference Room)</u> | |
| A. Announcements from Closed Session | Jordan Battani |

VI. Consent Agenda

- A. Approval of February 3, 2010 & February 16, 2010 Minutes **ACTION ITEM** [enclosure] (PAGES 3-14)
- B. Acceptance of January 2010 Financial Statements **ACTION ITEM** [enclosure] (PAGES 15-33)
- C. Approval of Union Bank Signing Authorization/Resolution **ACTION ITEM** [enclosure] (PAGES 34-37)
- D. Approval of Selected PACS Financing Vendor – US Bankcorp Equipment Financing **ACTION ITEM** [enclosure] (PAGES 38-41)
- E. Approval to Renew Line of Credit with Bank of Alameda **ACTION ITEM** [enclosure] (PAGE 42)

VI. Regular Agenda

- A. President's Report Jordan Battani
- B. Chief Executive Officer's Report Deborah E. Stebbins
 - 1. Appropriations Application for Seismic Planning [enclosure] (PAGES 43-46)
 - 2. Approval to Advance Seismic Planning with Thornton Tomasetti **ACTION ITEM** [enclosure] (PAGES 47-80)
- C. Community Relations and Outreach Report
 - 1. Committee Report – February 23, 2010 Rob Bonta
 - 2. Recommendation to Accept Community Relations Committee Structure and Purpose **ACTION ITEM** [enclosure] (PAGES 81-82) Rob Bonta
- D. Finance and Management Committee Report
 - 1. Committee Report – February 24, 2010 Jordan Battani
 - 2. Recommendation to Accept Finance and Management Committee Structure and Purpose **ACTION ITEM** [enclosure] (PAGES 83-84) Jordan Battani
- E. Medical Staff President Report Alka Sharma, MD

VIII. **General Public Comments**

IX. **Board Comments**

X. **Adjournment**

**The next regularly scheduled board meeting is
scheduled for April 5, 2010
Closed Session will begin at 6:00 p.m.
Open Session will follow at approximately 7:30 p.m.**



Minutes of the Board of Directors
February 3, 2010

Directors Present:

Jordan Battani
Robert Bonta
Robert Deutsch, MD
J. Michael McCormick
Leah Williams

Management Present:

Deborah E. Stebbins
Kerry J. Easthope
David A. Neapolitan

Medical Staff Present:

Alka Sharma, M.D.

Legal Counsel Present:

Thomas Driscoll, Esq.

Excused:

Submitted by:
Jaclyn Yuson

Action		
1. Call to Order	Jordan Battani called the Open Session of the Board of Directors of the City of Alameda Health Care District to order at 6:08 p.m.	
2. Roll Call	Kristen Thorson called roll, noting that a quorum of Directors were present.	
3. Adjourn into Executive Closed Session	At 6:10 p.m. the meeting adjourned to Executive Closed Session.	

<p>4. Reconvene to Public Session</p>	<p>A. Announcements from Closed Session</p> <p>Jordan Battani reconvened the meeting into public session at 8:02 p.m. The following closed session announcements were made.</p> <p>[1] Closed Session minutes – January 11, 2010</p> <p>[2] The Board Quality Committee (BQC) Report – November 2009</p> <p>[3] Medical Executive Committee Report and Approval of Credentialing Recommendations</p>	<p>[1] The Closed Session Minutes for the January 11, 2010 were approved.</p> <p>[2] The November 2009 BQC report was accepted as presented.</p> <p>[3] Medical Executive Committee Report and Approval of Credentialing Recommendations were approved as presented and indicated below.</p>
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Initial Appointments

Name	Specialty	Affiliation
○ Peter Bui, MD	Oral/Maxillofacial Surgery	Kaiser
○ Edward Chan, MD	Family Practice	Alameda Family Physicians
○ Kenneth Chang, MD	General Surgery	Bruce Moorstein, MD
○ Susan Eisenberg, MD	Cardiology	Arryth. Spec, W. Creek
○ Robin Green-Yeh, DO	Internal Medicine	Town Center Clinic

Reappointments – Medical Staff

Name	Specialty	Status	Appointment Period
○ Prabha Bhatnagar, MD	General Practice	Active	03/01/10 – 02/29/12
○ Robert Binder, MD	Radiology	Courtesy	03/01/10 – 02/29/12
○ John Carper, MD	Family Practice	Active	03/01/10 – 02/29/12
○ Richard Graham, MD	Dermatology	Courtesy	03/01/10 – 02/29/12

○ Barry Gustin, MD	Emergency Medicine	Courtesy	03/01/10 – 02/29/12
○ Michael Ingegno, MD	Vascular Surgery	Courtesy	03/01/10 – 02/29/12
○ John Iocco, MD	Pathology	Active	03/01/10 – 02/29/12
○ David Irwin, MD	Oncology	Courtesy	03/01/10 – 02/29/12
○ Maryam Kermani, MD	Family Practice	Courtesy	03/01/10 – 02/28/12
○ David Levin, MD	Pathology	Courtesy	03/01/10 – 02/29/12
○ Joseph Marzouk, MD	Infectious Diseases	Active	03/01/10 – 02/29/12
○ James McDonald, DPM	Podiatry	Courtesy	03/01/10 – 02/29/12
○ James Mooney, MD	Urology	Courtesy	03/01/10 – 02/29/12
○ Jacob Rosenberg, MD	Pain Management	Courtesy	03/01/10 – 02/29/12
○ Pedram Taher, MD	Internal Medicine	Courtesy	03/01/10 – 02/28/12
○ Robert Wu, MD	Otolaryngology	Courtesy	03/01/10 – 02/29/12
○ James Yeh, MD	Internal Medicine	Active	03/01/10 – 02/29/12
○ Ingu Yun, MD	Ophthalmology	Courtesy	03/01/10 – 02/29/12

Initial Appointment – Allied Health Professionals

Name	Specialty	Affiliation
○ Rachel Baker, PA-C	Physician Assistant	CEP - Emergency

Resignations

Name	Specialty
○ Kim Chew, MD	Otolaryngology (Kaiser)

5. Consent Agenda	<p>[A] Approval of January 11, 2010 Minutes</p> <p>[B] Acceptance of December 2009 Financial Statements</p> <p>[C] Acceptance of Departmental Policy and Procedure Manuals</p> <ul style="list-style-type: none"> ▪ Respiratory Therapy ▪ Rehabilitation Services 	<p>Director Bonta moved to approve the Consent Agenda as presented. Director McCormick seconded the motion. The motion carried unanimously.</p>
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6. Regular Agenda

A. President's Report

1. Committee Assignments

Community Relations Committee:

Director Battani reported the Strategic Planning and Community Relations Committee has now been reserved for Board level strategic discussions that need to happen over the next few months. Director Bonta stated that the Hospital was in a special phase of addressing strategic priorities and program development brought on by the projected loss of surgery volume. The full Board will meet at an additional time each month in executive session. In the mean time the work still continues at the Community Relations level and the Board and committee need to continue to think about how to separate the strategic planning and community relations parts and the leadership for both those parts. Director Bonta stated he would be glad to be a part of that leadership.

Ms. Stebbins suggested that the Community Relations Committee focus on the communication outreach plan, inform and update the general public, and increase the flow to the Hospital's website. Ms. Stebbins stated that Louise Nakada and Dennis Eloe would provide staff support to this committee. Director Williams suggested there be a Community Relations Chair and Co-Chair having one person from the community and one person from the Board of Directors. Director Williams said this could be a procedural step to demonstrate the relationship the Hospital has with the community. After a brief discussion of the wording of the committee change, the Board referred reconsideration of the change by the Community Relations Committee itself, with recommendation coming back to the Board.

Director Battani suggested to Director Bonta, who chairs the Community Relations Committee, to discuss the strategy and structure of how to get messages out to the community to get them more engaged with the Hospital at the next Community Relations meeting. Director Deutsch added that this suggestion goes hand in hand with Director Williams' idea of having a community member as a Co-Chair at this meeting.

The Board members agreed that Director Battani will continue to act as the Ex-Officio member and Directors McCormick and Bonta are the two designated voting members in this committee.

Director Williams made a motion for the Community Relations Committee to review and revise the language in the Standing Committee Structure Memorandum and propose amendments to the memo reflecting “engagement and transparency” within the community as well as documentation of the committee’s role.

Finance and Management Committee:

Due to the size of the District, Director Battani stated the Audit Committee and the Finance Committee have been combined as one committee. Director Williams asked Tom Driscoll, Legal Counsel, if under the California Non-Profit Integrity Act the Hospital is required to have a separate Audit Committee. Mr. Driscoll responded to the question stating this is not applicable to the Hospital as the District / Hospital is a governmental entity.

Although the Hospital does not have a separate Audit Committee, Ms Stebbins stated the Hospital has a Pension Committee that meets quarterly. In the past, one Board member has served on this committee who happened to be former Board Director, Steve Wasson. Director Battani asked that Ms Stebbins write a description of the duties of being on the Pension Committee so a new Board member can fill the vacant position.

Board Members agreed to replace Director Bonta as acting Chair for the Finance and Management Committee. Director Battani stated she can be the interim Chairperson for the remaining calendar year. Director Battani mentioned she would like two voting Board Members at the Finance and Management Committee meeting. Directors McCormick and Williams were asked to be the two designated voting Board members.

Director Williams made a motion to change the wording in the Standing Committee Memorandum in the Finance and Management Committee section b. i. to state “One of the Board Members shall be appointed to serve as the committee Chair”.

Director Williams moved to approve making revisions to the Standing Committee Structure Memorandum in the Community Relations section. Director McCormick seconded the motion. The motion carried unanimously.

Director Deutsch made the motion to approve Director Battani as interim Chair of the Finance and Management Committee for the remainder of the calendar year. Director Williams seconded the motion. The motion carried unanimously.

Director Williams moved to approve making revisions to the Standing Committee Structure Memorandum in the Finance and

Director Williams made another motion for the Finance and Management Committee to revise the language presented in the Standing Committee Structure Memorandum indicating the Board member's voting rights and provide a recommendation to the Board at the next meeting.

Board Quality Committee:

The Board agreed that Director Deutsch will continue to chair the Board Quality Committee. The Board asked that Director Williams participate on the Board Quality Committee. She will be taking Director McCormick's place on this committee. Director Deutsch will review and revise any necessary elements of the Standing Committee Structure Memorandum with the Board Quality Committee and provide a recommendation to the Board at the next Board meeting.

2. Election of Officers

Director Battani suggested the Board members leave the assignments of the officers the same for the rest of the calendar year and revisit the Election of Officers in January 2011.

Director Battani discussed having someone fill the vacant Treasurer position and suggested having a two year cycle on office assignments to ensure continuity. Director Bonta suggested having a one year cycle of assignments while having the opportunity to continue on to a second year without the obligation of a two year term.

As defined in the District Bylaws, The Treasurer shall be responsible for the general oversight of the financial affairs of the District, including, but not limited to receiving and depositing all funds accruing to the District, coordinating and overseeing the proper levy and collection of

Management section. Director McCormick seconded the motion. The motion carried unanimously.

Director Williams moved to approve making revisions to the Standing Committee Structure Memorandum in the Finance and Management Committee section. Director Bonta seconded the motion. The motion carried unanimously.

Director Williams moved to approve making revisions to the Standing Committee Structure Memorandum in the Board Quality Committee section. Director Bonta seconded the motion. The motion carried unanimously.

Director Williams moved to elect Director McCormick as Treasurer of the District Board. Director Deutsch seconded the motion. The motion carried unanimously.

the District's annual parcel tax, performance of all duties incident to the office of Treasurer and such other duties as may be delegated or assigned to him or her by the Board of Directors, provided, however, that the Chief Financial Officer of the District shall implement, and carry out the day to day aspects of the District's financial affairs. Director Battani recommended Director McCormick to be the Treasurer of the Board.

Director Deutsch recommended Director Williams to be 2nd Vice President of the Board.

B. Board Education

1. Results of Tracer Studies Completed for Joint Commission Survey Preparation

In the interest of time, the results of the Tracer Studies in preparation for the Joint Commission Survey will be presented by Ms. Mary Bond, Executive Director of Nursing Services, at the March 2010 Board Meeting.

C. Chief Executive Officer's Report

1. Joint Commission Leadership Training Availability
Ms. Stebbins reported to the Board that management as well as staff have been actively preparing for the Joint Commission survey which occurs every three years. The Joint Commission surveyors come unannounced. However, the Hospital has the opportunity to submit "avoid dates" to the Joint Commission for dates that may not be optimal for the Hospital. The Hospital operator checks the Hospital's Joint Commission extranet site each morning at 7:30 a.m. for a schedule of events. If the surveyors are scheduled to visit the Hospital, it will be posted by 7:30 a.m. (PST). A Hospital telephone tree is set up to communicate with the key personnel / management when notification is confirmed that the Joint Commission surveyors will be onsite.

Director Deutsch made a motion to elect Director Williams as 2nd Vice President of the District Board. Director Bonta seconded the motion. The motion carried unanimously.

Ms. Stebbins updated the Board about the Joint Commission Fair that was held on January 26th and 27th. Both days were very successful. About 250 staff, physicians and board members participated. Many people reported learning new information about the hospital as well as information about their own department.

Ms. Stebbins mentioned there will be a special Medical Staff conference at 12:30 P.M. on Thursday, February 4, 2010 to assist in preparation for the Joint Commission Medical Staff Leadership Conference during time of survey. Ms. Stebbins recommended that Directors Battani and Deutsch participate in a Leadership Training Session with other key hospital management and physicians in preparation for The Joint Commission Survey. Both Board members agreed to participate in such preparation. Administration will coordinate with David Loose, RN, Joint Commission Consultant, to facilitate the session.

2. Ms. Stebbins announced that the Foundation will be having a joint fundraiser with the Boys and Girls Club on Saturday, February 13th, at 8 P.M. at the Alameda Theatre.

3. General Statistics

Ms. Stebbins stated the key statistics for January were substantially lower compared to December 2009 statistics. However, ER Visits and Inpatient Surgeries were above budget, 1,489 compared to a budget of 1,454 and 61 compared to a budget of 52, respectively.

<u>Statistics</u>	January (Prelim)	January Budget	December Actual
Average Daily Census	81.8	92.1	85.26
Acute	27.1	36.5	32.06
Subacute	33.4	34.1	31.87
South Shore	21.0	21.5	21.32
Patient Days	2,534	2,854	2,643
ER Visits	1,489	1,454	1,472
OP Registration	2,646	3,322	2,343
Total Surgeries	428	480	470

D. Strategic Planning and Community Relations Report

1. Committee Report – January 19, 2010

Director Bonta reported that the committee met on January 19, 2010. The committee discussed numerous topics such as: committee structure, Kaiser contract, seismic issues, wage reduction with the unions, San Leandro Hospital and their binding arbitration issue, kitchen relocation, new physicians at the Community Clinic, and the Chamber of Commerce Mixer happening on Wednesday, March 10 at the Alameda Towne Center Medical Office Building.

E. Finance and Management Committee Report

1. Committee Report – January 27, 2010

Director Bonta reported that the committee met on January 27, 2010. Former District Board candidate, James Oddie, attended the Finance and Management Committee for the first time. The December financials were reviewed and discussed. The average daily census for December (85.26) was higher than the prior month. For December there was a reported amount of excess revenue over expenses of \$60,000.

2. Authorization to Purchase PACS

Mr. Kerry Easthope, Associate Administrator, recommended to the Board of Directors to authorize management to enter into purchase agreement with Carestream/Trius and General Electric (GE) Medical for the purchase of PACS and the necessary imaging /medical equipment totaling to \$1,584,000.00.

Carestream/Trius PACS System: \$ 726,000

GE Medical/Imaging Equipment:

Precision 500D Digital R&F \$ 233,000

Silhouette VE (basic radiology) \$ 58,000

Senographe Essential Mammo \$ 328,000

Subtotal \$ 619,000

Onetime Conversation Costs:

OSHPD/Construction estimate \$ 109,000

Director Deutsch moved to approve the authorization to purchase PACS. Director Bonta seconded the motion. The motion carried unanimously.

	<p>Voice recognition dictation system \$ 45,000 Meditech Interface \$ 65,000 Misc: cabling, routers, etc. \$ 20,000 Subtotal \$ 239,000</p> <p><u>Grand Total:</u> \$1,584,000</p>	
	<p>F. Medical Staff President's Report Dr. Sharma reported to the Board that Cardiologist, Susan Eisenberg, MD, has recently joined the Medical Staff.</p>	
<p>7. General Public Comments</p>	<p>None at this time.</p>	
<p>8. Board Comments</p>	<p>Director Williams announced that Alameda Hospital is hosting a community shoe drive for Haitian Relief during the month of February. The Hospital will be collecting new and "gently worn" shoes in partnership with Soles4Souls. All shoes will be sent to Soles4Souls for distribution to the Haitian people.</p>	
<p>9. Adjournment</p>		<p>A motion was made to adjourn the meeting and being no further business, the meeting was adjourned at 9:37 p.m.</p>

Attest:

Jordan Battani
President

Robert Bonta
Secretary



Minutes of the Board of Directors
February 16, 2010

Directors Present:

Jordan Battani
Robert Bonta
J. Michael McCormick
Leah Williams

Management Present:

Deborah E. Stebbins
Kerry J. Easthope
David A. Neapolitan

Medical Staff Present:

Excused:
Robert Deutsch, MD
Alka Sharma, M.D.

Legal Counsel Present:

Thomas Driscoll, Esq.

Submitted by:

Kristen Thorson

Action		
1. Call to Order	Jordan Battani called the Open Session of the Board of Directors of the City of Alameda Health Care District to order at 7:44 a.m.	
2. Roll Call	Kristen Thorson called roll, noting that a quorum of Directors were present.	
3. Adjourn into Executive Closed Session	At 7:45 a.m. the meeting adjourned to Executive Closed Session.	

<p>4. Reconvene to Public Session</p>	<p>A. Announcements from Closed Session Jordan Battani reconvened the meeting into public session at 9:15 a.m. Ms. Battani announced that there was no action taken and no announcements to be made from Executive Closed Session.</p>	
<p>5. General Public Comments</p>	<p>None at this time.</p>	
<p>6. Board Comments</p>	<p>None at this time.</p>	
<p>7. Adjournment</p>		<p>A motion was made to adjourn the meeting and being no further business, the meeting was adjourned at 9:16 a.m.</p>

Attest:

Jordan Battani
President

Robert Bonta
Secretary

THE CITY OF ALAMEDA HEALTH CARE DISTRICT

ALAMEDA HOSPITAL

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING JANUARY 31, 2010

**CITY OF ALAMEDA HEALTH CARE DISTRICT
ALAMEDA HOSPITAL
January 31, 2010**

<u>Table of Contents</u>	<u>Page</u>
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Statement of Revenue and Expenses	15
Statement of Revenue and Expenses – Per Adjusted Patient Day	16
Key Statistics for Current Month and Year-to-Date	17

ALAMEDA HOSPITAL
MANAGEMENT DISCUSSION AND ANALYSIS
JANUARY, 2010

The management of the Alameda Hospital (the “Hospital”) has prepared this discussion and analysis in order to provide an overview of the Hospital’s performance for the period ending January 31, 2010 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management’s Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the Hospital’s financial performance as a whole.

Financial Overview as of January 31, 2010

- Gross patient revenue was less than budget by \$3,589,000 or 13.3%. Inpatient revenue was less than budgeted by 12.8% and outpatient revenue was 14.0% less than budgeted. However, on an adjusted patient day basis gross patient revenue was only 1.7% less than budgeted at \$5,434 compared to a budgeted amount of \$5,527.
- Total patient days were 2,532 compared to the prior month’s total patient days of 2,643 and the prior year’s 2,582 total patient days. The average daily acute care census was 27.0 compared to a budget of 36.5 and an actual average daily census of 32.1 in the prior month; the average daily Sub-Acute census was 33.7 versus a budget of 34.1 and 31.9 in the prior month and the Skilled Nursing program had an average daily census of 21.0 versus a budget of 21.5 and prior month census of 21.3, respectively.
- Emergency Care Center visits were 1,489 or 2.4% greater than the budgeted 1,454 visits and were again virtually the same as the prior year’s visits of 1,496.
- Total surgery cases were 10.0% less than budget, with Kaiser surgical cases making up 70.4% of the 432 total cases. Alameda physician surgical cases declined were 128 cases in January versus 186 cases in December.
- Outpatient registrations were 14.3% below budgeted targets at 2,847 but were 5.3% better than the prior year’s 2,705 registrations.
- Combined excess revenues over expense (profit) for January was \$76,000 versus a budgeted excess of revenues over expenses (profit) of \$59,000.
- Total assets increased by \$660,000 from the prior month as a result of an increase in current assets of \$708,000, a decrease in net fixed assets of \$60,000 and a slight increase in restricted contributions of \$11,000. The following items make up the increase in current assets:
 - Total unrestricted cash and cash equivalents for January increased by \$613,000. This increase was the result of strong patient cash collections totaling \$6,082,000 including \$800,000 received from Kaiser. Day’s cash on hand increased to 15.5 at January 31, 2010 from December’s 12.4 days.
 - Net patient accounts receivable decreased slightly in January by \$208,000 compared to an increase of \$216,000 in December. Day’s in outstanding receivables decreased slightly to 51.2 as compared to 51.3 in December.
 - Other assets decreased by \$257,000 as a result of the reclassification of receivables portion of the settlement amounts with Kaiser for excess use of surgical suites from the payable due to Kaiser for days of non use by Kaiser surgeons during the current fiscal year.

- Total liabilities increased by \$572,000 compared to an increase of \$164,000 in the prior month. This increase was the result of the following:
 - Accounts payable increased by \$432,000 from the prior month. As a result of this decrease the average accounts payable payment period increased in January to 62.4 from 56.9 as of December 31, 2009.
 - Payroll and benefit related accruals increased by \$634,000 from the prior month. This increase was primarily the result of the accrual of fifteen (15) days of payroll and related payroll taxes at January 31st versus the twelve (12) days of accrued payroll required at December 31st. In addition, the accrued liabilities for other wage adjustments increased by \$68,000 and the accrual for earned time off increased by \$40,000 from the required accrual at December 31st.
 - Other liabilities decreased by \$444,000 as a result of the amortization of one month's deferred revenue related to the 2009/2010 parcel tax revenues (\$477,000).

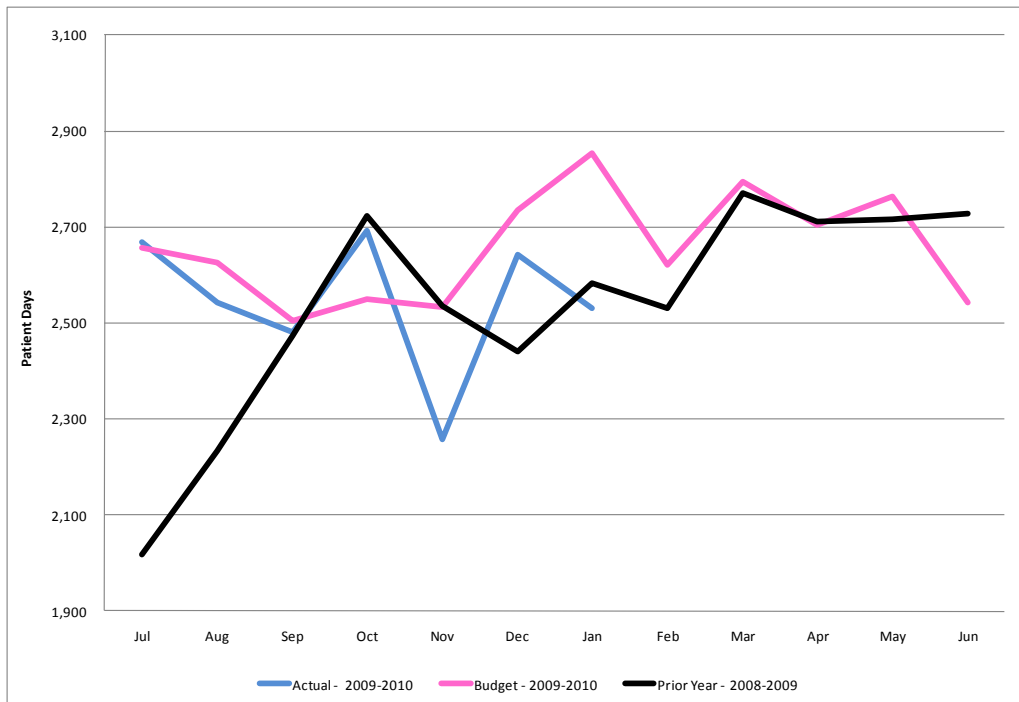
Volumes

The combined actual daily census was 81.7 versus a budget of 92.1. January's lower than budgeted census was primarily a result of lower than budgeted census in the acute care program which was 26.0% lower than budgeted with an average daily census of 27.0 versus the budgeted 36.5. The Sub-Acute and Skilled Nursing programs were slightly lower than budgeted by 28 patient days combined.



Total patient days in January were 11.3% less than budgeted and were 1.9% less than prior year volumes. The graph on the following page shows the total patient days by month for fiscal year 2010.

Total Patient Days

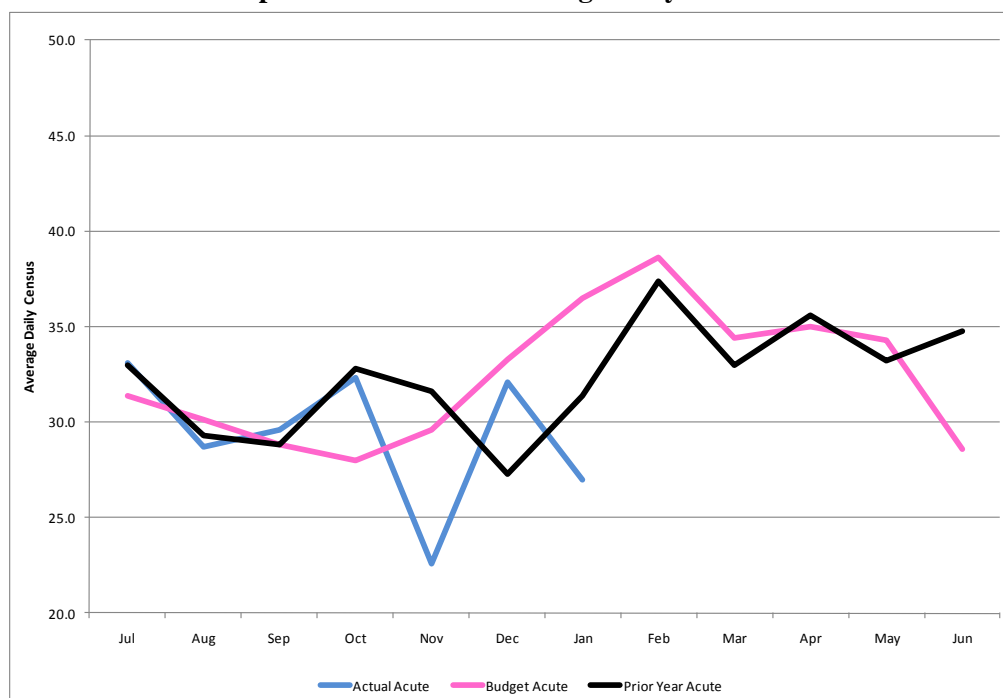


The various inpatient components of our volumes for the month of January are discussed in the following sections.

Acute Care

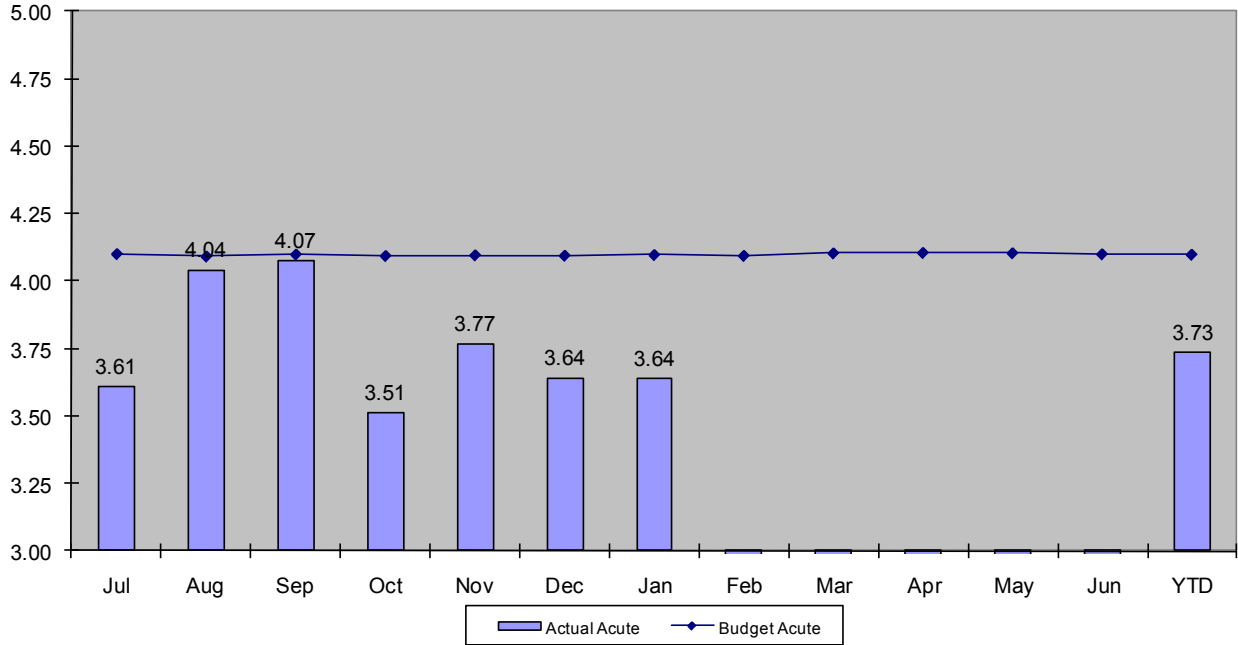
The acute care patient days were 26.0% (294 days) less than budgeted and were 13.9% less than the prior year's average daily census of 31.4. The acute care program was comprised of Critical Care Unit (3.8 ADC, 12.0% unfavorable to budget), Definitive Observation Unit (10.0 ADC, 16.9% unfavorable to budget) and Med/Surg Units (13.2 ADC, 28.1% unfavorable to budget).

Inpatient Acute Care Average Daily Census



The average length of stay (ALOS) remained constant with that of the prior month at 3.64 days for the month of January. This brings the year-to-date ALOS to 3.73 which remains lower than our projected year to date ALOS of 4.10, and is shown in the graph below.

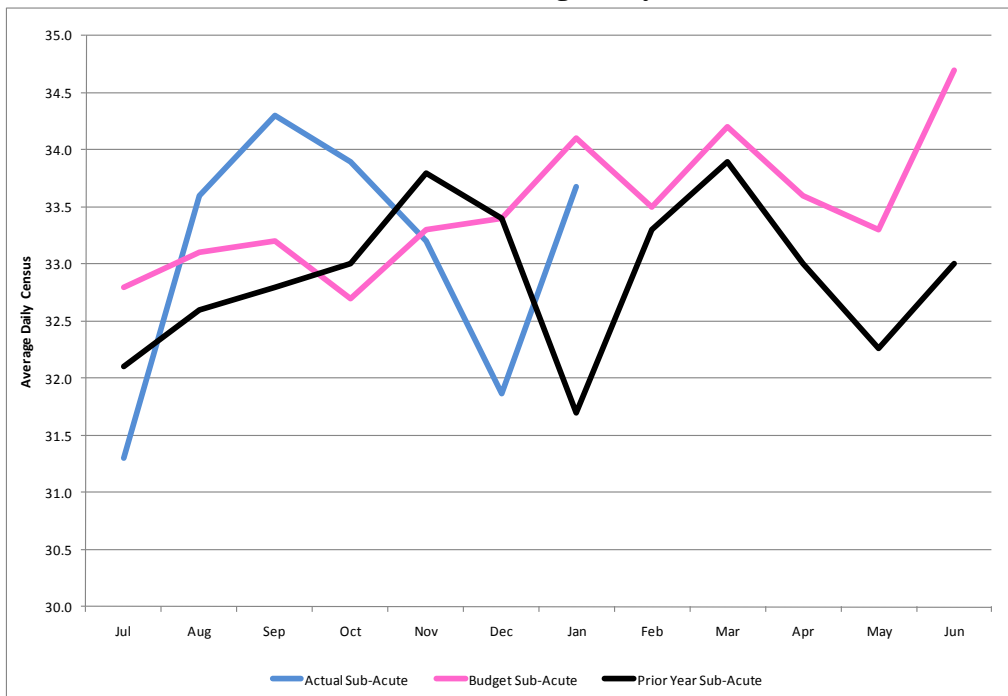
Average Length of Stay



Sub-Acute Care

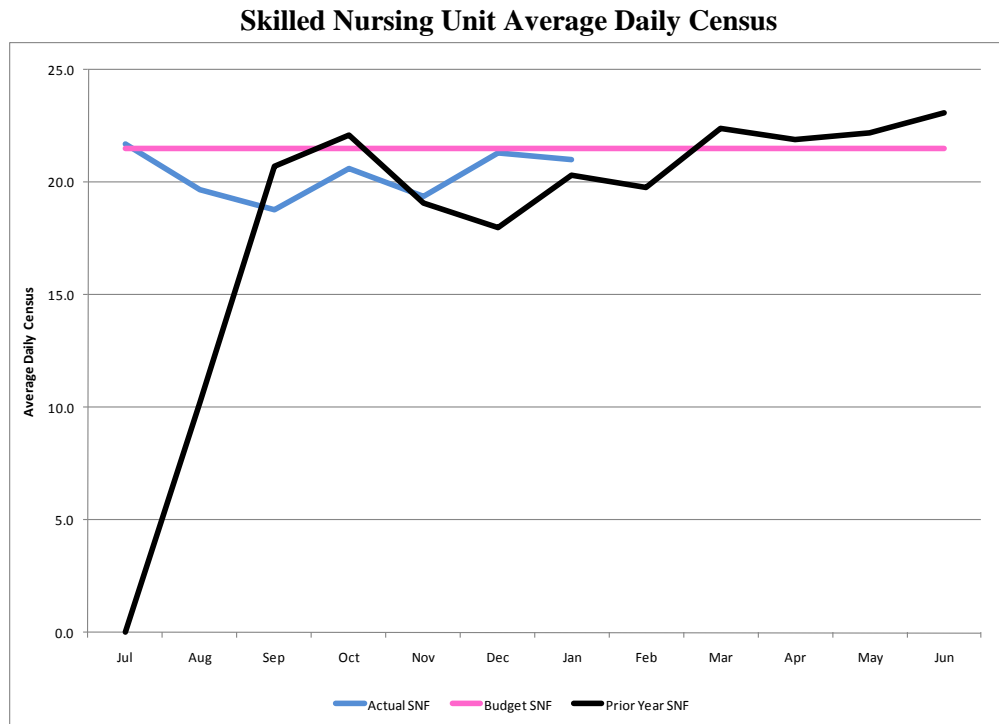
The Sub-Acute program patient days were slightly below budget by 1.1% less than budget or only 12 patient days for the month of January. The graph below shows the Sub-Acute programs average daily census for the current fiscal year as compared to budget and the prior year.

Sub-Acute Care Average Daily Census



Skilled Nursing Care

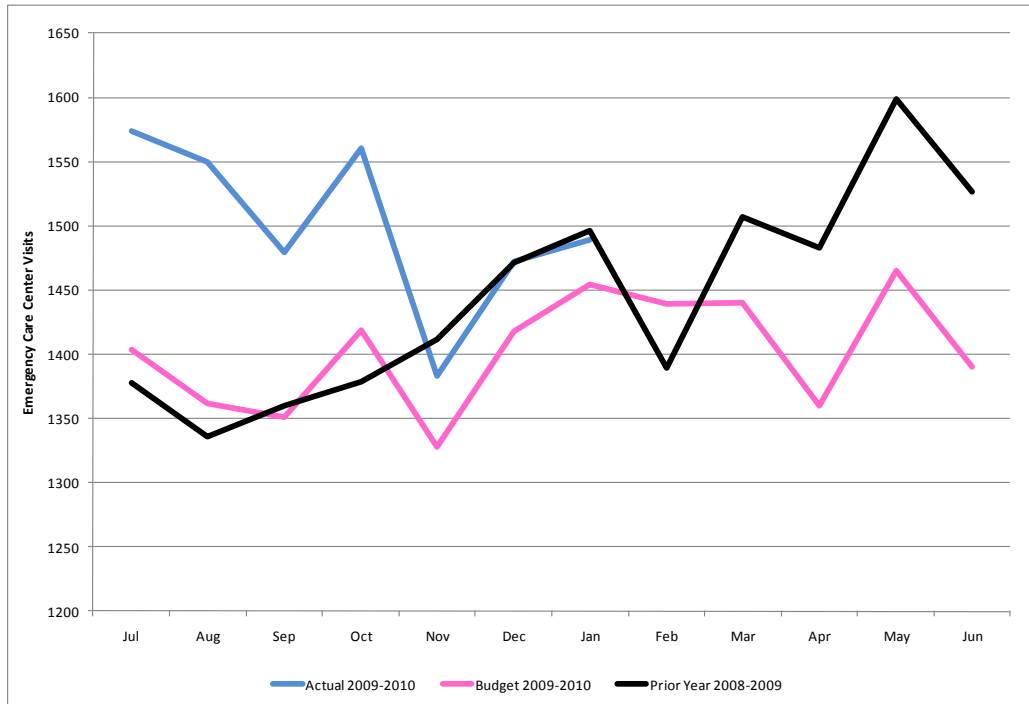
The Skilled Nursing Unit (South Shore) patient days were 2.4% or 16 days less than budgeted for the month of January. Comparing performance to the prior year this program was better than January 2009 with an average daily census of 21.0 versus 20.3. The following graph show the Skilled Nursing Unit average daily census as compared to budget by month.



Emergency Care Center

Emergency Care Center visits at 1,489 were 2.4% greater than budgeted for the month of January and 16.7% of these visits resulted in inpatient admissions versus 20% in December. In January there were 242 ambulance arrivals versus 253 in the month of December, a slight decrease of 4.3% from the prior month. Of the 242 ambulance arrivals 199 or 82.2% were from Alameda Fire Department ambulances. The graph on the following page shows the Emergency Care Centers visits by month for fiscal year 2010 as compared to budget and the prior year.

Emergency Care Center Visits



Surgery

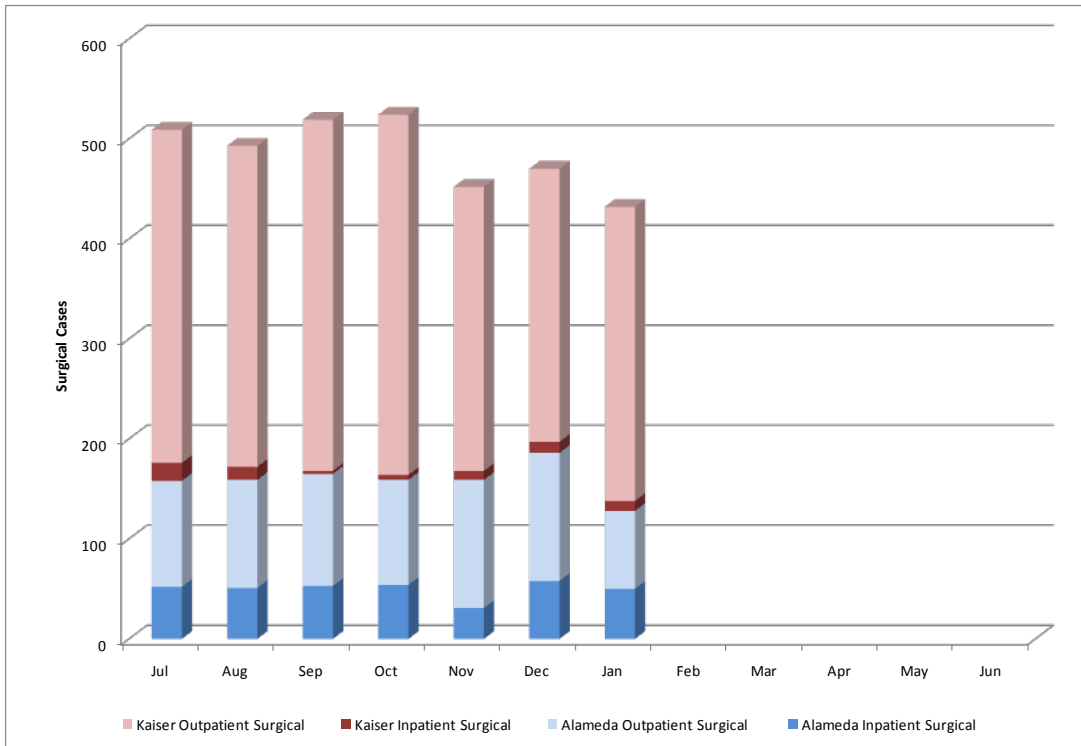
Surgery cases were 432 versus the 480 budgeted and 497 in the prior year. In January, Alameda physician cases decline to 128 cases which were 31.2% less than the prior month. The decrease was primarily driven by outpatient cases which totaled 78 versus 128 in December. Additionally, inpatient cases were slightly lower than the prior months 58 cases at 50 cases. The decline was in virtually all specialties:

- General Surgery (13)
- Ophthalmology (13)
- Plastics (9)
- GI (5)

On a positive note, Vascular and Gynecology surgical cases were 3 and 2 cases greater than the prior month.

Kaiser related cases in January increased to 304 as compared to the 284 cases performed in December or 70.4% of the total surgical volume. As a result of this increase in Kaiser Same Day volume Kaiser Same Day surgery revenue increased by \$148,000 from December and resulted in a decrease in Kaiser Same Day Surgery net revenue percentage to 22.3% from 23.4% in the prior month. The graph on the following page shows the number of surgical cases by month for fiscal year 2010.

Surgical Cases

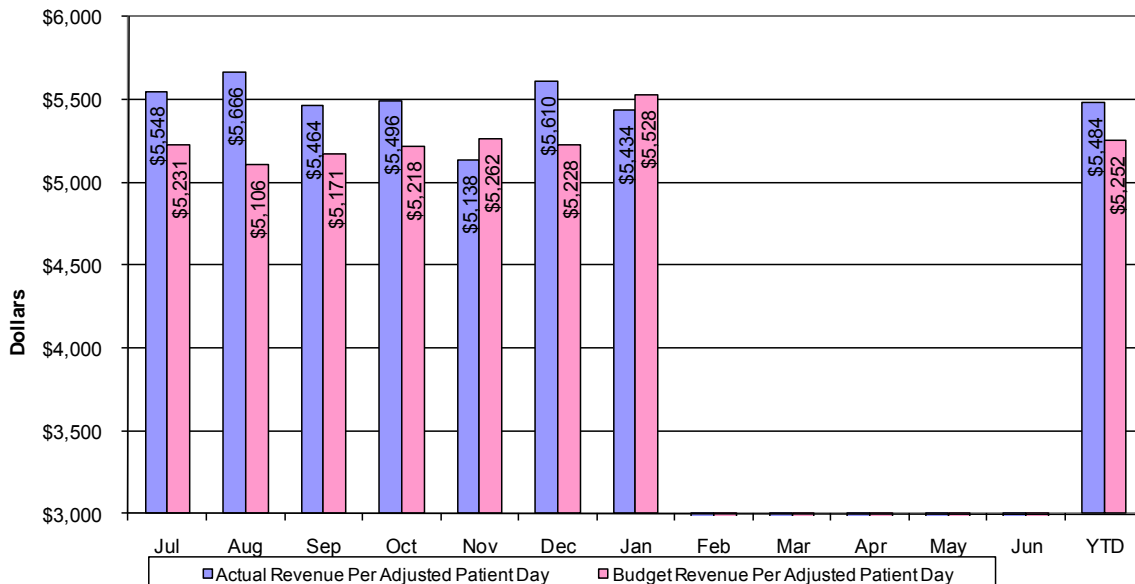


Income Statement

Gross Patient Charges

Gross patient charges in January were less than budgeted by \$3,589,000. This unfavorable variance was comprised of unfavorable variances of \$2,017,000 and \$1,572,000 in inpatient and outpatient revenues respectively. On an adjusted patient day basis total patient revenue was \$5,434 versus the budgeted \$5,527 or a 1.7% unfavorable variance from budget for the month of January. On a year to date basis charges per adjusted patient day are 4.4% better than budgeted

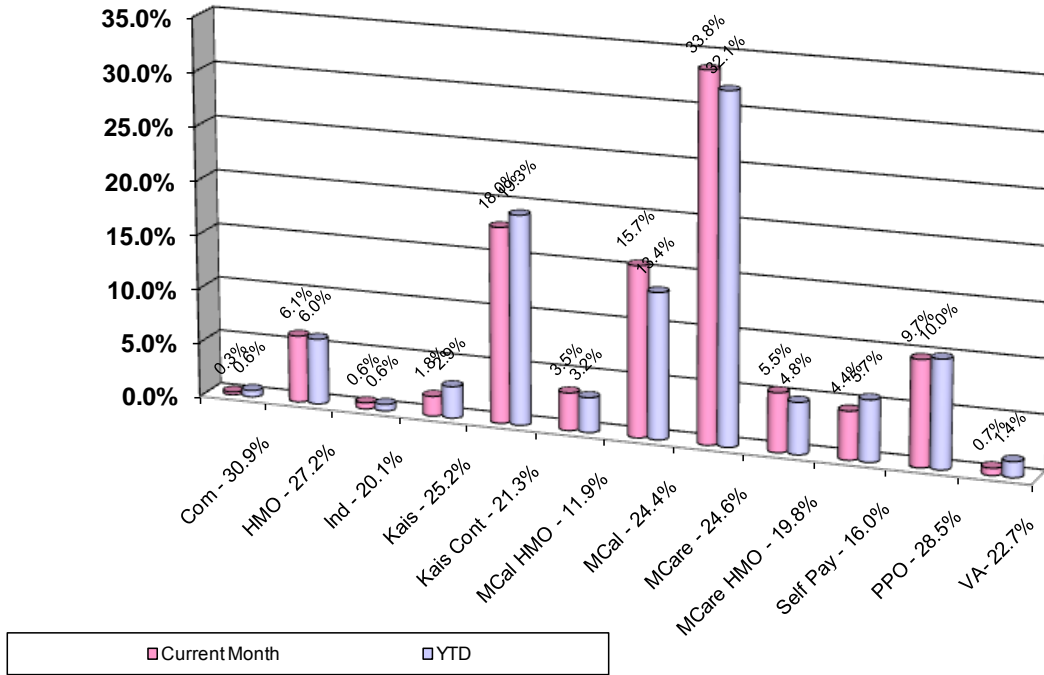
Gross Charges per Adjusted Patient Day



Payor Mix

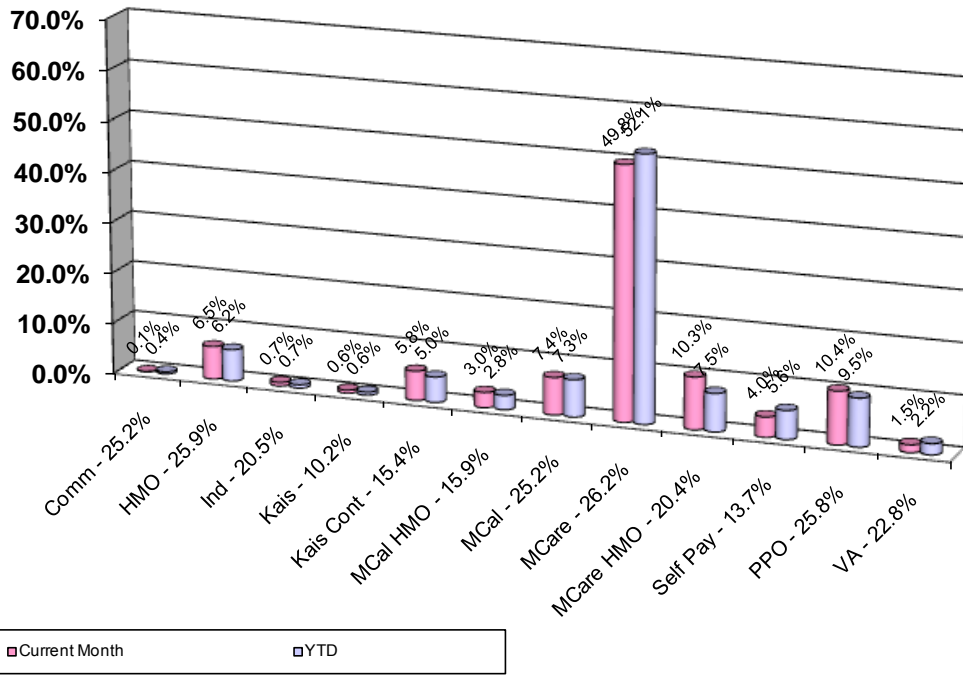
Medicare total gross revenue in January made up 33.8% our total gross patient charges or 10.3% less than the 37.7% in the prior month. Kaiser was again the second largest source of gross patient revenues at 20.7% followed by Medi-Cal utilization at 15.7% and the combined HMO / PPO volume ended the month at 15.8%. The graph below shows the percentage of revenues generated by each of the major payors for the current month and fiscal year to date as well as the current months estimated reimbursement for each payor.

Combined Payor Mix



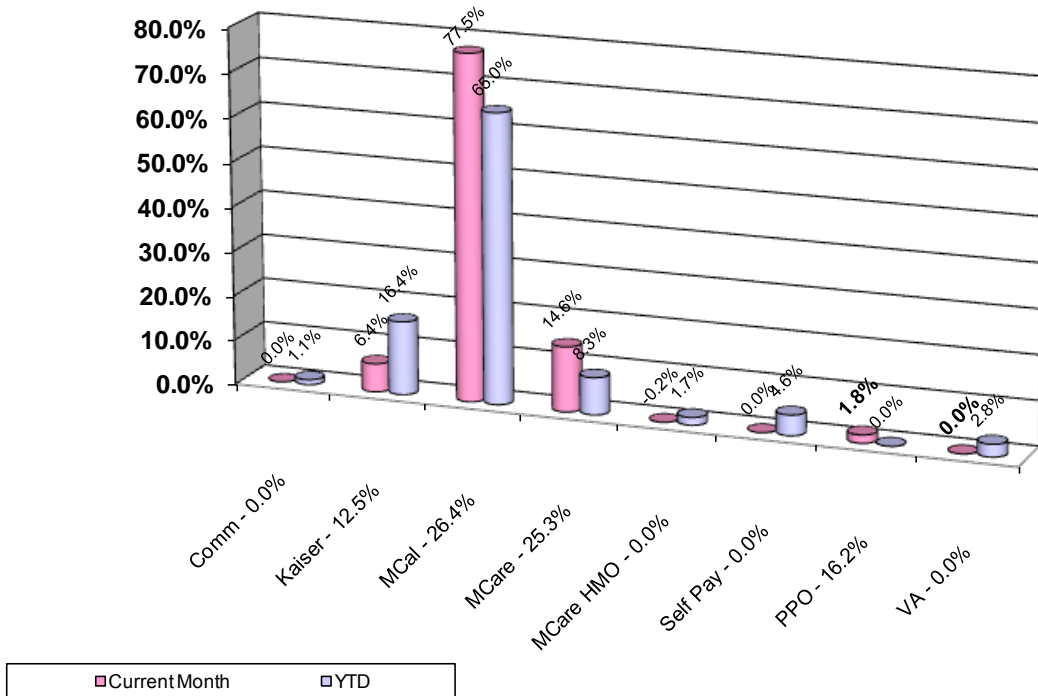
Current month gross Medicare charges made up 49.8% of our total inpatient acute care gross revenues followed by HMO/PPO at 16.9% and Medi-Cal at 7.4%. The hospitals overall Case Mix Index (CMI) increased to 1.3205 from 1.2620 in the prior month. The Medicare CMI also increased over the prior month from 1.2832 in December to 1.3752 in January. Despite, the increase in the Medicare CMI there were no outlier cases in the month. The result of these items was a decrease in overall Medicare reimbursement from December's estimate of 27.7% to 26.2% in January. While the overall inpatient acute net patient revenue percentage declined from the prior month at 23.8% in January versus 25.0% in December, the improved payor mix helped with the favorable overall net revenue percentage for the month of January. The graph on the following page shows the current month and year to date payor mix and current month estimated net revenue percentage for fiscal year 2010.

Inpatient Acute Care Payor Mix



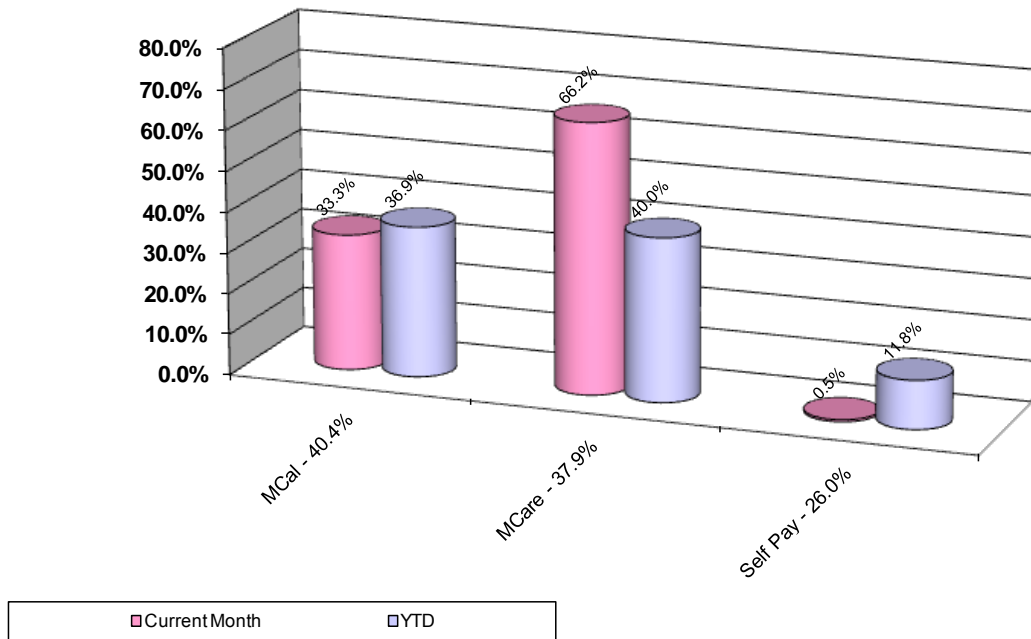
In January the Sub-Acute care program again was dominated by Medi-Cal utilization of 77.5% versus 80.1% in December. The following graph shows the payor mix for the current month and fiscal year to date and the current months estimated reimbursement rate for each payor.

Inpatient Sub-Acute Care Payor Mix



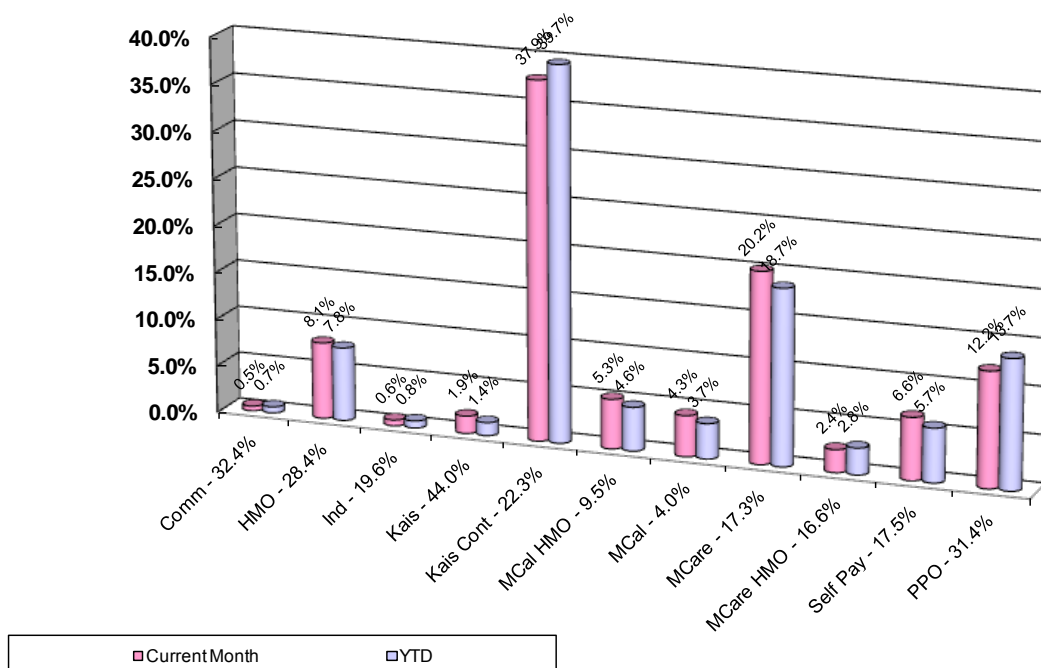
In January the Skilled Nursing program was comprised of Medicare 66.2% and Medi-Cal 33.3%. The graph on the following page shows the current month and fiscal year to date skilled nursing payor mix and the current months estimated level of reimbursement for each payor.

Inpatient Skilled Nursing Payor Mix



The outpatient gross revenue payor mix for January was comprised of 39.8% Kaiser, 20.2% Medicare, 14.7% PPO and 8.1% HMO. The graph below shows the current month and fiscal year to date outpatient payor mix and the current months estimated level of reimbursement for each payor.

Outpatient Services Payor Mix



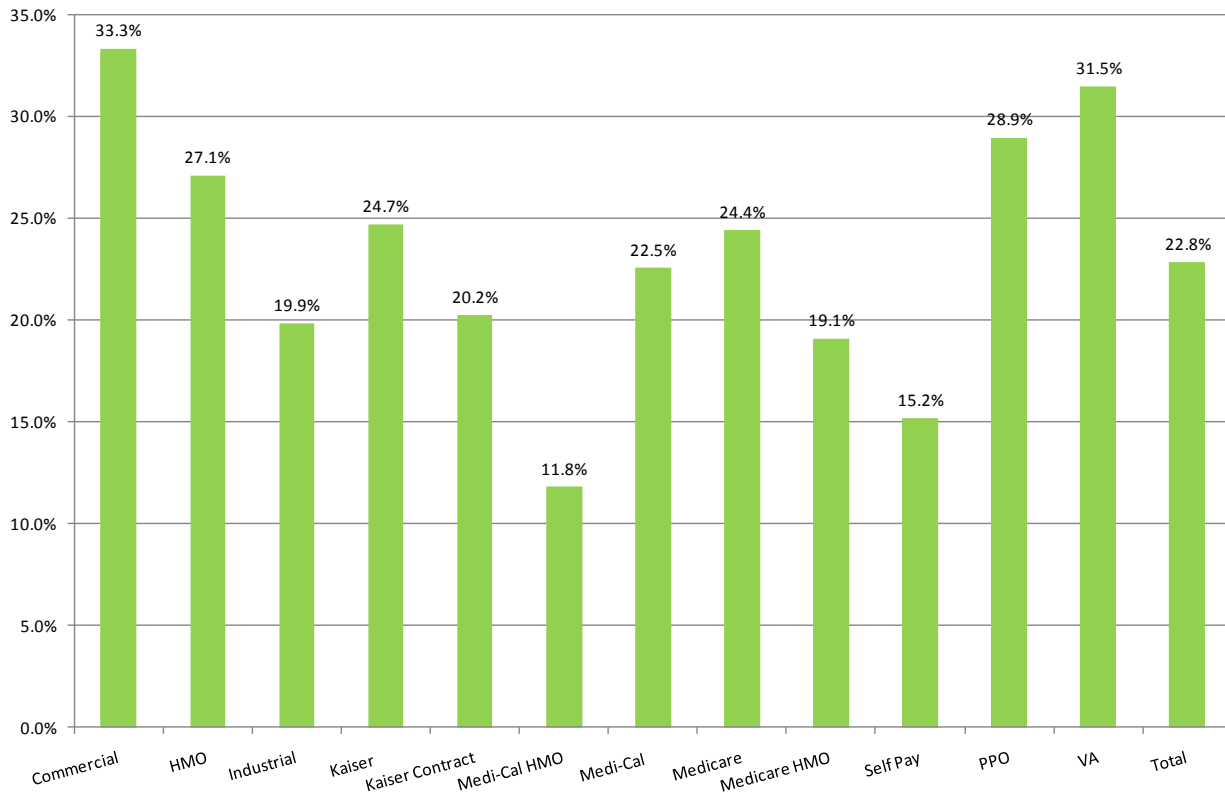
Deductions from Revenue

Contractual allowances are computed as deductions from gross patient revenues based on the difference between gross patient charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare, Medi-Cal and other third party payors such as Blue Cross. In the month of January contractual allowances, bad debt and charity adjustments (as a percentage of gross patient charges) were 75.2% versus the budgeted 78.1%. This improvement in contractual allowances was the result of the improved overall payor mix in the month, lower than budgeted bad debt and charity expense and the delay of the 5% annual budgeted price increase to July 1, 2010.

Net Patient Service Revenue

Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. This difference reflects what the anticipated cash payments the Hospital is expecting to receive for the services provided. The graph below shows the level of reimbursement that the Hospital has estimated for fiscal year 2010 by major payor category.

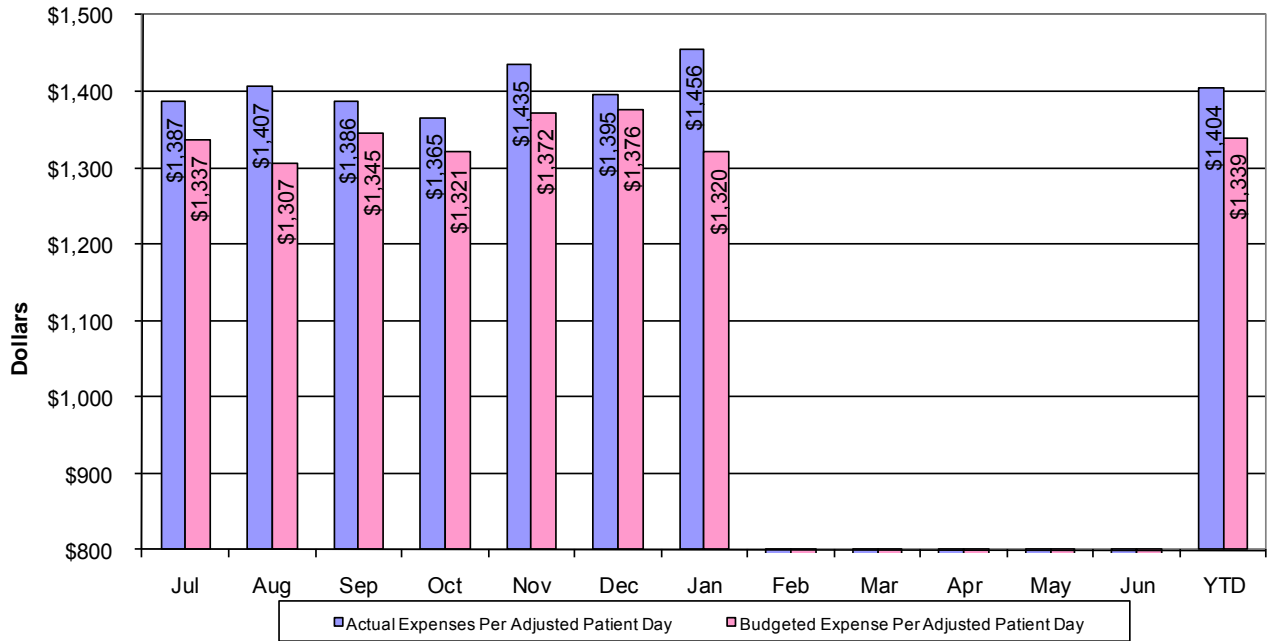
**Average Reimbursement % by Payor
January 2010 Year-to-Date**



Total Operating Expenses

Total operating expenses were less than the fixed budget by \$176,000 or 2.7%. On an adjusted patient day basis, our cost per adjusted patient day was \$1,456 which was \$136 per adjusted patient day unfavorable to budget. This variance in expenses per adjusted patient day was primarily the result of an unfavorable variance in salaries and benefits. The graph on the following page shows the hospital operating expenses on an adjusted patient day basis for the 2010 fiscal year by month and is followed by explanations of the significant areas of variance that were experienced in the current month.

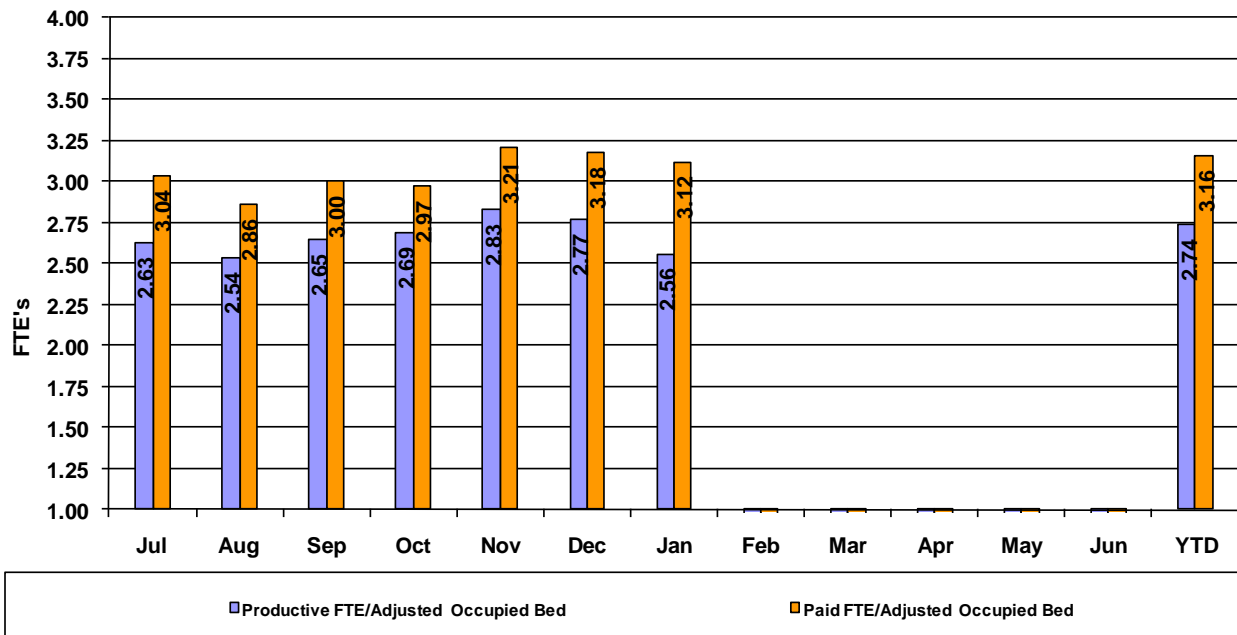
Expenses per Adjusted Patient Day



Salary and Registry Expenses

Salary and registry costs combined were favorable to the fixed budget by \$58,000 and were also unfavorable to budgeted levels on a per adjusted patient day basis in January by \$82. Despite managements efforts to have unrepresented staff take at least one PTO day during the last week of the month it was not enough to offset the unfavorable patient day variance experienced in the acute care program during the month. On an adjusted occupied bed basis, productive FTE's were 2.56 in January versus the budgeted 2.48. The graph below shows the productive and paid FTE's per adjusted occupied bed for FY 2010 by month and year to date.

FTE's per Adjusted Occupied Bed

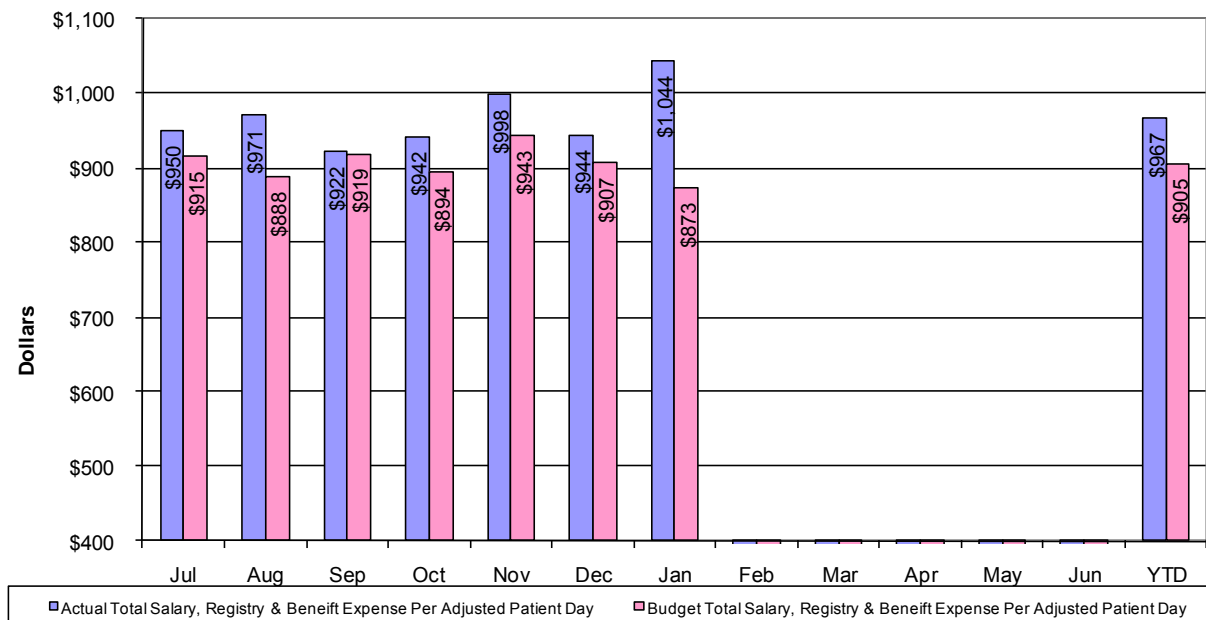


Benefits

Benefit costs were \$112,000 unfavorable to the fixed budget and were \$51 unfavorable to budget on an adjusted patient day basis in January. Benefit costs were unfavorable to the fixed budget as a result of increased health claims expense during the year that has averaged \$465,000 per month this fiscal year versus \$XXX,000 in the prior year. This has resulted in increased estimated claims expense in the month of \$68,000. In addition, certain accruals for potential wage adjustments are included in this category which make up the remainder of the unfavorable variance in January benefit costs.

The following graph shows the combined salary, registry and benefit costs on an adjusted patient basis for FY 2010 by month.

Salary, Registry and Benefit Cost per APD



Professional Fees

Professional fees expense was favorable to budget by \$51,000. This is the result of the treatment of wages paid to the physicians at the Alameda Town Center Clinic which were budgeted as professional fees but are actually being reported as salaries and lower than budgeted non-medical professional fees.

Supplies

The supplies expense category was favorable to budget by \$62,000 but was \$8 per adjusted patient day greater than budgeted. This unfavorable variance from the fixed budget was primarily the result of higher than budgeted laundry and linen costs which were \$31,000 greater than budgeted in the month of January.

Purchased Services

Purchased services expenses were favorable to budget by \$59,000 as a result of lower than budgeted repairs and maintenance costs which accounted for \$25,000 of this favorable variance. The remainder was split evenly between medical and non-medical purchased services.

Depreciation and Amortization

Depreciation and amortization expense was \$30,000 less than budgeted in January as a result of various pieces of equipment that were purchased in 2004 which became fully depreciated in June 2009.

The following pages include the detailed financial statements for the seven months ended January 31, 2010.

ALAMEDA HOSPITAL
Balance Sheet
January 31, 2010

	January 31, 2010	December 31, 2009	Audited June 30, 2009
Assets			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 3,063,598	\$ 2,450,320	\$ 1,866,540
Net Accounts Receivable	9,586,718	9,794,709	10,069,536
Net Accounts Receivable %	23.50%	23.74%	22.15%
Inventories	1,308,014	1,297,128	1,291,072
Est.Third-party payer settlement receivable	523,974	489,183	351,648
Other assets	4,290,121	4,032,669	6,920,987
Total Current Assets	18,772,425	18,064,009	20,499,783
Restricted by contributors and grantors for capital acquisitions and research-Jaber Estate	542,329	531,152	468,209
Total Non-Current Assets	542,329	531,152	468,209
<i>Fixed Assets:</i>			
Land	877,945	877,945	877,945
Depreciable capital assets, net of accumulated depreciation	5,732,515	5,792,463	6,029,967
Total fixed assets, net of accumulated depreciation	6,610,460	6,670,408	6,907,912
Total Assets	\$ 25,925,214	\$ 25,265,569	\$ 27,875,904
Liabilities and Net Assets			
<i>Current Liabilities:</i>			
Current portion of long term debt	\$ 431,872	\$ 447,215	\$ 436,733
Accounts payable and accrued expenses	6,684,620	6,252,768	6,244,967
Payroll and benefit related accruals	4,978,220	4,344,417	3,765,683
Est.Third-party payer settlement payable	193,412	193,412	306,588
Other liabilities	4,037,743	4,481,421	7,274,242
Total Current Liabilities	16,325,867	15,719,233	18,028,213
<i>Long-Term Liabilities:</i>			
Debt borrowings net of current maturities	1,448,404	1,483,031	1,733,631
Total Long-Term Liabilities	1,448,404	1,483,031	1,733,631
Total Liabilities	17,774,271	17,202,264	19,761,844
<i>Net Assets</i>			
Unrestricted Funds	7,541,939	7,465,478	7,615,851
Restricted Funds	609,004	597,827	498,209
Net Assets	8,150,943	8,063,305	8,114,060
Total Liabilities and Net Assets	\$ 25,925,214	\$ 25,265,569	\$ 27,875,904

City of Alameda Health Care District
Statements of Operations - Per Adjusted Patient Day
 January 31, 2010

	Current Month				Year-to-Date					
	Actual	Budget	\$ Variance	% Variance	Prior Year	Actual	Budget	\$ Variance	% Variance	Prior Year
Revenues										
Gross Inpatient Revenues	\$ 3,191	\$ 3,227	\$ (36)	-1.1%	\$ 2,837	\$ 3,138	\$ 3,031	\$ 106	3.5%	\$ 2,972
Gross Outpatient Revenues	2,243	2,300	(57)	-2.5%	2,202	2,349	2,222	127	5.7%	2,273
Total Gross Revenues	5,434	5,527	(94)	-1.7%	5,040	5,486	5,253	233	4.4%	5,245
Contractual Deductions	4,007	4,190	183	4.4%	3,757	4,080	3,919	(161)	-4.1%	3,871
Bad Debts	73	105	32	30.4%	64	117	98	(19)	-19.5%	146
Charity and Other Adjustments	6	20	14	69.3%	63	12	19	7	38.3%	26
Net Patient Revenues	1,347	1,212	135	11.1%	1,155	1,278	1,217	60	5.0%	1,203
Net Patient Revenue %	24.8%	21.9%			22.9%	23.3%	23.2%			22.9%
Net Clinic Revenue	1	13	(12)	-93.1%	-	2	12	(10)	-82.1%	-
Other Operating Revenue	11	3	8	256.9%	4	11	3	7	222.4%	4
Total Revenues	1,359	1,229	131	10.6%	1,159	1,291	1,233	58	4.7%	1,207
Expenses										
Salaries	774	681	(92)	-13.6%	671	721	682	(39)	-5.8%	671
Registry	28	37	10	26.2%	25	36	37	1	1.6%	48
Benefits	243	191	(51)	-26.9%	173	209	197	(12)	-6.1%	187
Professional Fees	69	71	2	3.4%	78	68	76	8	10.1%	74
Supplies	178	170	(8)	-4.9%	166	197	170	(27)	-15.9%	175
Purchased Services	81	83	3	3.0%	72	88	87	(2)	-1.8%	78
Rents and Leases	14	15	0	1.4%	15	15	15	0	1.3%	14
Utilities and Telephone	17	16	(1)	-4.1%	15	16	17	1	7.4%	17
Insurance	10	9	(0)	-1.1%	11	10	10	0	1.1%	10
Depreciation and Amortization	24	27	3	12.1%	26	23	29	6	20.4%	28
Other Operating Expenses	19	18	(1)	-5.2%	11	20	19	(1)	-2.8%	17
Total Expenses	1,456	1,320	(136)	-10.3%	1,262	1,404	1,339	(65)	-4.8%	1,318
Operating Gain / (Loss)	(97)	(92)	(5)	-5.7%	(102)	(113)	(107)	(7)	6.5%	(111)
Net Non-Operating Income / (Expense)	114	104	11	10.4%	107	111	111	0	0.4%	115
Excess of Revenues Over Expenses	\$ 18	\$ 12	\$ 6	46.1%	\$ 4	\$ (2)	\$ 4	\$ (7)	-149.0%	\$ 4

ALAMEDA HOSPITAL
KEY STATISTICS
JANUARY 2010

	ACTUAL JANUARY 2010	CURRENT FIXED BUDGET	VARIANCE (UNDER) OVER	%	JANUARY 2009	YTD JANUARY 2010	YTD FIXED BUDGET	VARIANCE	%	YTD JANUARY 2009
Discharges:										
Total Acute	230	276	(46)	-16.7%	217	1,690	1,633	57	3.5%	1,612
Total Sub-Acute	1	3	(2)	-66.7%	3	10	26	(16)	-61.5%	25
Total Skilled Nursing	9	13	(4)	-30.8%	10	81	91	(10)	-11.0%	68
	240	292	(52)	-17.8%	230	1,781	1,750	31	1.8%	1,705
Patient Days:										
Total Acute	837	1,131	(294)	-26.0%	972	6,312	6,690	(378)	-5.7%	6,577
Total Sub-Acute	1,044	1,056	(12)	-1.1%	982	7,122	7,146	(24)	-0.3%	7,046
Total Skilled Nursing	651	667	(16)	-2.4%	628	4,383	4,625	(242)	-5.2%	3,379
	2,532	2,854	(322)	-11.3%	2,582	17,817	18,461	(644)	-3.5%	17,002
Average Length of Stay										
Total Acute	3.64	4.10	(0.46)	-11.2%	4.48	3.73	4.10	(0.36)	-8.8%	4.08
Average Daily Census										
Total Acute	27.00	36.48	(9.48)	-26.0%	31.35	29.76	30.21	(0.46)	-1.5%	30.59
Total Sub-Acute	33.68	34.06	(0.39)	-1.1%	31.68	33.03	33.10	(0.07)	-0.2%	32.77
Total Skilled Nursing	21.00	21.52	(0.52)	-2.4%	20.26	20.28	21.51	(1.23)	-5.7%	20.11
	81.68	92.06	(10.39)	-11.3%	83.29	83.07	84.82	(0.52)	-0.6%	83.48
Emergency Room Visits	1,489	1,454	35	2.4%	1,496	10,507	9,736	771	7.9%	9,832
Outpatient Registrations	2,847	3,322	(475)	-14.3%	2,705	17,904	18,676	(772)	-4.1%	17,442
Surgery Cases:										
Inpatient	60	52	8	15.4%	52	418	391	27	6.9%	393
Outpatient	372	428	(56)	-13.1%	445	2,969	2,770	199	7.2%	2,936
	432	480	(48)	-10.0%	497	3,387	3,161	226	7.1%	3,329
Kaiser Inpatient Cases	10	9	1	-	8	69	62	7	-	60
Kaiser Eye Cases	156	165	(9)	-5.5%	164	1,103	1,064	39	3.7%	1,090
Kaiser Outpatient Cases	138	166	(28)	-16.9%	175	1,113	996	117	11.7%	1,091
Total Kaiser Cases	304	340	(36)	-10.6%	347	2,285	2,122	163	7.7%	2,241
% Kaiser Cases	70.4%	70.8%			69.8%	67.5%	67.1%			67.3%
Adjusted Occupied Bed	139.10	157.69	18.59	11.8%	147.95	144.94	148.77	(3.83)	-2.6%	139.56
Productive FTE	356.78	391.41	34.63	8.8%	351.61	391.89	383.53	(8.36)	-2.2%	366.75
Total FTE	434.53	460.10	25.57	5.6%	421.30	448.42	442.80	(5.62)	-1.3%	419.90
Productive FTE/Adj. Occ. Bed	2.56	2.48	(0.08)	-3.3%	2.38	2.70	2.58	(0.13)	-4.9%	2.63
Total FTE/Adj. Occ. Bed	3.12	2.92	(0.21)	-7.1%	2.85	3.09	2.98	(0.12)	-3.9%	3.01

Date: March 1, 2010
To: City of Alameda Health Care District Board of Directors
From: Deborah E. Stebbins, CEO
Subject: Approval of Union Bank Signing Authorization / Resolution

Recommendation:

Management recommends that the City of Alameda Health Care District approve the *Certificate of Secretary/partner Corporate, Unincorporated Non-business Association Or Partnership Resolution* for the Alameda Hospital Pension Plan and authorize the Secretary of the Board to sign the resolution on behalf of the District.

Background:

The authorized signers are being amended to add Barbara Corrick, Benefits Manager at Alameda Hospital. Our pension plans require two signatures to release the retirement funds, so this will make the processing of such requests more expedient.



SIGNING AUTHORIZATION/RESOLUTION

Certificate of Secretary/partner Corporate, Unincorporated Non-business Association Or Partnership Resolution

Alameda Hospital Pension Plan

a CORPORATION; GENERAL/LIMITED PARTNERSHIP; UNINCORPORATED NON-BUSINESS ASSOCIATION (check one) ("Client"),

The undersigned, Secretary or Assistant Secretary or Partner of Client, an entity created and existing under the laws of the State of California do hereby certify:

1. Set forth below is a full, true, and correct copy of Resolutions duly passed and adopted by the governing body of Client which Resolutions are now binding on Client and, in effect;
2. All signatures or initials appearing on the Agreements with Union Bank, N.A. ("Union Bank") are those of the persons authorized to act on behalf of Client in accordance with the Resolutions;
3. The provisions of the Agreements with Union Bank are binding obligations of Client.

"RESOLVED that Client has engaged Union Bank to provide trust, investment management, agency, custody services, or other administrative services ("Services") for the above named Client's account ("Account") and authorizes one or more authorized signer(s) as designated on a separate schedule entitled "Authorized Signers" delivered to Union Bank ("Authorized Signer(s)") to execute the Account Agreement for the Services with Union Bank, binding the Client to the terms and conditions thereof; and

RESOLVED, that instructions pertaining to the Services for the Account at Union Bank shall be signed with the Account name followed by the signature(s) of

one; two; majority; all; other _____
Please specify

of the Authorized Signer(s) designated by Client on Exhibit "A" as the Authorized Signer(s) for the Account. The signature authorizations relating to the Account, upon the form supplied by Union Bank or as otherwise communicated to Union Bank in writing, shall be binding upon the Client, the Account, and all beneficiaries thereof;

RESOLVED, that all instructions issued by persons authorized to direct Union Bank to the Account Agreement or a Trust or Plan document which are issued prior to the date of any amendment to this Resolution are hereby ratified, and signing authorizations shall remain in effect until Union Bank receives written notice to the contrary, signed by a duly authorized representative of Client, which states that previous signing authorizations heretofore given with respect to this Account are revoked or which otherwise modifies or changes the Authorized Signers or their signing authority. The revocation of this, or of previous authorizations, with respect to said Account shall not affect the validity of any action taken pursuant to direction of a person or person who were at that time, authorized to act;

RESOLVED, that if Client is a sponsor of a qualified employee benefit plan ("Plan") for which Union Bank is to provide Services, the provisions of all Union Bank collective investment funds or group trusts maintained for investment by qualified employee benefit plans are incorporated into the Client's Plan document by reference; and

RESOLVED FURTHER, that Client agrees to indemnify and defend Union Bank against any demand, claim or liability, including attorneys' fees and costs it may incur in action in reliance upon this Certification of Resolution and upon instructions of the Authorized Signers, and Client will immediately notify Union Bank of any change in circumstance which affects this Certification."

Signing Authorization /Resolution

4. Attached hereto as Exhibit "A" is a listing of certain officers or partners of Client authorized to execute documents on behalf of Client.

ON TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of said Corporation the

26 day of January, 20 10 at Alameda, California

By:	By:
Corporate Secretary or Partner	Partner or Other Required Signature
Name	Name
Title	Title

EXHIBIT "A"
AUTHORIZED SIGNERS

Alameda Hospital Pension Plan
6725001132
Account Name & Number

NUMBER OF AUTHORIZED SIGNATURES REQUIRED TO DIRECT ACCOUNT ACTIVITY:
(Check One)

one; two; majority; all; other _____
Please specify

SPECIMEN SIGNATURES

TYPED NAME	SIGNATURE	AUTHORIZATION
1. Deborah E. Stebbins	<i>Deborah E. Stebbins</i>	
2. David A. Neapolitan	<i>D. A. Neapolitan</i>	
3. Kerry Easthope	<i>Kerry Easthope</i>	
4. Phyllis Weiss	<i>Phyllis Weiss</i>	
5. Barbara C. Corrick	<i>Barbara C. Corrick</i>	

FOR SECURITY REASONS, PLEASE CROSS OUT ALL UNUSED LINES

DATE: March 1, 2010
TO: City of Alameda Health Care District Board of Directors
FROM: David Neapolitan, Chief Financial Officer
SUBJECT: Capital Equipment Lease Financing

Recommendation:

Hospital management is recommending to the City of Alameda Health Care District, Board of Directors and Finance and Management Committee to authorize management to secure financing from US Bankcorp Equipment Financing to fund the purchase of new radiology equipment and other hospital capital equipment as listed in Attachment A that totals \$2,330,000 through a seven (7) year capital lease. Final lease documents will be submitted to the Board of Directors and Finance and Management Committee for final approval at the March 31, 2010 Finance and Management Committee meeting and the April 5, 2010 Board of Directors meeting.

Background:

Management requested independently and through an agent, Gary Hicks, various organizations to provide both capital and operating lease options to finance the radiology equipment and other capital equipment listed in Attachment A. We requested proposals from twenty –seven (27) organizations of which eight (8) decided to provide financing proposals for the project. Of the eight organizations that proposed two provided operating lease options only, two organizations provided only capital lease options and the remainder provided both capital and operating lease options for the project.

Discussion:

As has been discussed previously the hospital has identified the need for replacement and upgrade of its existing non digital radiology equipment and to add a Picture Archiving and Communications System (PACS). These items are considered an integral part of the organizations ability to meet the requirements of the American Recovery and Reinvestment Act of 2009 to achieve meaningful use and more importantly to ensure that the hospital can deliver radiology services that meet today’s patient care standards. Additionally, we have included several other pieces of hospital equipment that are much needed replacements of existing patient care equipment.

In seeking proposals from these organizations we evaluated each organization based on the most favorable terms including:

- Monthly repayment terms,
- Annual interest and yield rates,
- Number of years to repay the financing,
- Buyout provisions during and at the conclusion of the financing term,
- Required debt covenants,
- Security and collateral requirements, and
- Costs to be incurred by the Hospital

A summary of the proposals received is included as Attachment B.

Of the proposals received we believe that the best option is the seven (7) year option proposed by US Bankcorp Equipment Finance as it carries the lowest monthly payment over the term of the capital lease, has an attractive annual yield rate, even after factoring in the agent's fees, does not require any restrictive covenants and provides reasonable terms for an early buy-out of the lease should our cash position improve to a level that would allow for the payoff of the lease prior to the end of the lease. While other capital lease proposals may have had lower rates we felt that the most important single factor for the organization at this time was to minimize monthly cash outflows as much as possible.

We also looked at the possibility of using an operating lease option to minimize cash outflows. Of the proposals received there was really only one that was potentially an option, the Go West eighty-four (84) month Operating Lease option. However, with operating leases there is a risk related to the determination of the fair market value at the termination of the lease. This coupled with the fact that at a 20% assumed fair market value at the end of the lease term would result in the total cost of the lease to be approximately \$3.1 million versus the \$2.8 million as estimated in the US Bankcorp Equipment Finance option, made it clear that it was much more favorable to select that option for the financing of this project.

Alameda Hospital
 Listing of Equipment
 Revised 02/20/10

Vendor	Item	Quantity	Hardware		Sales Tax	Software & Licensing		Prof Fees, Implementation Fees, Training & Project Mgmt		Sub-Total	Interface Fees	Grand Total
			Components	Components		Components	Components					
Carestream	PACS	1	231,159.90	21,382.29	110,623.50	52,809.50	32,406.25	448,381.44				
Carestream	Classic CR	4	120,980.00	11,190.65	74,196.00	8,768.68	2,000.00	217,135.33				
Carestream	C-Arm - MIM Interface	2	10,331.70	955.68	23,296.00	1,000.00	1,000.00	36,583.38				
Kodak	LLI - Long Length Imaging	1	10,935.00	1,011.49	4,500.00	1,200.00	-	17,646.49				
Kodak	Laser Printer Upgrade	1	-	-	5,500.00	500.00	500.00	6,500.00				
GE	Digital R&F - Precision 500D	1	226,000.00	20,905.00	-	45,000.00	-	291,905.00				
GE	Analog XR - Silhouette	1	51,700.00	4,782.25	-	20,000.00	-	76,482.25				
GE	Mammography - Essential	1	340,000.00	31,450.00	-	23,000.00	-	394,450.00				
GE	Digitizer	1	11,000.00	1,017.50	5,500.00	1,500.00	500.00	19,517.50				
Meditech	Clinical System Interface License	1	-	-	-	-	65,000.00	65,000.00				
TBD	Digital Dictation with Voice Recognition	1	45,000.00	4,162.50	-	-	49,162.50	49,162.50				
TBD	Misc Cabling, Routers, etc		20,000.00	1,850.00	-	-	21,850.00	21,850.00				
TBD	Diagnostic Furniture		16,236.56	1,501.88	-	-	17,738.44	17,738.44				
Total Radiology Project			1,083,343.16	100,209.24	223,615.50	153,778.18	101,406.25	1,662,352.33				
Other Equipment Needs												
OPMI	Zeiss 210 microscope (Kaiser)	1	50,000.00	Incl'd	-	-	50,000.00	50,000.00				
Alcon	Infiniti System with hand pieces (Kaiser)	2	80,000.00	Incl'd	-	-	80,000.00	80,000.00				
Stryker	Video Tower (Kaiser)	1	25,000.00	Incl'd	-	-	25,000.00	25,000.00				
Reliance	Synergy Washer Disinfector	1	106,419.00	9,843.76	-	-	116,262.76	116,262.76				
TBD	CCU Beds	4	140,000.00	12,950.00	-	-	152,950.00	152,950.00				
TBD	Med/Surge Beds	5	60,000.00	5,550.00	-	-	65,550.00	65,550.00				
TBD	Defibrillators		110,000.00	10,175.00	-	-	120,175.00	120,175.00				
Total Other Equipment Needs			571,419.00	38,518.76	-	-	609,937.76	609,937.76				
Grand Total			1,654,762.16	138,728.00	223,615.50	153,778.18	101,406.25	2,272,290.09				

**Alameda Hospital
Financing Options**

Lessor	Commitment	Term	Interest Rate	Yield	Monthly Payment	Annual Payment	Including Buy-Out Cost	Buyout	Covenants		Comments
									DSCR	Other	
Capital Lease Options											
US Bankcorp Equipment Fin	\$ 2,330,000.00	84	5.35%	5.69%	\$ 33,317.00	\$ 399,804.00	\$ 2,824,609.00	\$1 Dollar	None	None	
Go West	\$ 2,317,643.09	84	6.52%	6.52%	\$ 34,437.86	\$ 413,254.32	\$ 2,893,031.24	\$1 Dollar	None	None	
First National Capital	\$ 1,950,643.00	60	7.25%	7.25%	\$ 38,854.86	\$ 466,258.32	\$ 2,331,292.60	\$1 Dollar	None	None	
US Bankcorp Equipment Fin	\$ 2,330,000.00	60	4.64%	5.10%	\$ 43,587.00	\$ 523,044.00	\$ 2,641,201.00	\$1 Dollar	None	None	
Go West	\$ 2,317,643.09	60	6.25%	6.25%	\$ 45,071.21	\$ 540,854.52	\$ 2,704,523.60	\$1 Dollar	None	None	
Healthcare Finance	\$ 2,330,000.00	60	4.75%	5.37%	\$ 53,395.00	\$ 640,740.00	\$ 2,591,261.00	\$1 Dollar	None	None	
Bank of America	\$ 3,000,000.00	60	4.61%	5.09%	\$ 56,079.00	\$ 672,948.00	\$ 3,399,741.00	\$1 Dollar	None	None	
Verilease	\$ 2,317,643.09	36	15.05%	15.05%	\$ 80,399.03	\$ 964,788.36	\$ 2,894,366.08	\$1 Dollar	None	None	
Operating Lease Options											
Bank of America	\$ 3,000,000.00	60		13.30%	\$ 54,280.00	\$ 651,360.00	\$ 3,887,300.00	FMV, assumed at 20%	None	None	
Selman's Financial Services	\$ 2,330,000.00	60		17.76%	\$ 46,492.00	\$ 557,904.00	\$ 3,279,320.00	FMV, assumed at 20%	None	None	
GE	\$ 1,276,924.63	60		14.09%	\$ 20,540.10	\$ 246,481.20	\$ 1,628,252.64	FMV, varies by piece of equipment. Overall combined rate approximates 30%			Received notice 1/25/10 that GE would be willing to Finance PACS equipment as well.
GE	\$ 817,943.09	60		10.02%	\$ 14,779.47	\$ 177,353.64	\$ 1,009,459.66	FMV, Assumed at 20%	None	None	Note \$222,775.37 will need to be paid by hospital for various implementation costs not
TOTAL GE	\$ 2,094,867.72				\$ 35,319.57	\$ 423,834.84	\$ 2,637,712.30		None	None	
Go West	\$ 2,317,643.09	60		10.64%	\$ 39,979.34	\$ 479,752.08	\$ 2,862,539.02	FMV, Assumed at 20%	None	None	
Go West	\$ 2,317,643.09	84		12.30%	\$ 33,026.41	\$ 396,316.92	\$ 3,237,997.06	FMV, Assumed at 20%	None	None	
First National Capital	\$ 1,950,643.00	60		11.36%	\$ 34,207.02	\$ 410,484.24	\$ 2,442,549.80	FMV, Assumed at 20%	None	None	
Verilease	\$ 2,317,643.09	36		11.30%	\$ 64,778.12	\$ 777,337.44	\$ 2,679,658.78	FMV, Assumed at 20%	None	None	

DATE: March 1, 2010
TO: City of Alameda Health Care District Board of Directors
FROM: David Neapolitan, Chief Financial Officer
SUBJECT: Renewal of Revolving Line of Credit – Bank of Alameda

Recommendation:

Hospital management is recommending to the City of Alameda Health Care District, Board of Directors and Finance and Management Committee to authorize management to renew the existing Bank of Alameda Line of Credit (LOC) in the amount of \$1,500,000 that matured on February 15, 2010, through February 15, 2011.

Background:

This LOC was established last fiscal year with the Bank of Alameda to provide the organization with a credit line that could be accessed upon approval the Board of Directors should the organization require the use of short term financing for working capital or capital projects that could not be financed from current operating cash flows. To date this line has not been accessed.

Discussion:

The Bank of Alameda has agreed to extend the existing \$1.5 million LOC that Alameda Hospital currently has with the bank through February 15, 2011. This LOC includes an option to use the line to purchase up to \$250,000 of equipment under a Guidance Line of Credit (GLOC). The GLOC converts draws from the GLOC to a fixed term loan at a fixed rate of 6% that will be amortized over a five (5) year term.

Draws from the LOC are due and payable at the end of the term of the LOC, February 15, 2011, with interest payable monthly at a variable rate of prime (currently 3.25%) plus a margin of 35 basis points which totals 3.60%. The prior year's LOC carried similar terms with a variable interest rate of 3.90%.

Appropriations Request for Fiscal Year 2011

PART I: REQUESTOR DETAILS

Name of Entity placing request: City of Alameda Health Care District
(DBA: Alameda Hospital)
Contact Person: Deborah E. Stebbins
Chief Executive Officer
Mailing Address: 2070 Clinton Avenue
Alameda, CA 94501
Email: dstebbins@alamedahospital.org
Phone Number: (510)814-4000

PART II:

A. PROJECT DETAILS – DEPARTMENT INFORMATION

Department /Agency: Labor, HHS, Education Appropriations Subcommittee
for Health Resources Services Administration – Health Facilities and
Services
Request Type: Project

B. PROJECT DETAILS – LOCAL INFORMATION

Project Name: Planning for Seismic Retrofit of Alameda Hospital
Project Address: 2070 Clinton Avenue
Alameda, CA 94501
Priority: N/A (only one request submitted)
Project Request Amount: **\$ 527,065**
Total Cost of Project: **\$ 725,065**
Minimum Amount that could be used to start project or keep it active: **\$300,000**
How much of the request will be spent in FY 2011: **80%**
Public/Private: The requesting agency is a **public** entity, licensed as a California District Hospital.
What will be the local/federal share: **27% Local / 73% Federal**

Project Breakdown:

Relocation of Kitchen and Cafeteria:

• Architectural Planning	(Ratcliff Architects – Emeryville)	\$ 168,325
• Structural Design	(Thorton Tomasetti - Oakland)	73,000
• Electrical Engineering	(JRA Electrical Engineers)	29,900
• Mechanical Engineering	(Oldham Engineering – Berkeley)	47,000
• Kitchen Specialist		18,675
• Miscellaneous		8,000
• Cost Estimator		10,500

Additional Retrofit Planning:

• Structural Design	(Thorton Tomasetti - Oakland)	\$ 78,400
• Geological Engineering	(Fugro West Geological Engineers – Oakland)	13,400
• Mechanical Engineering	(Oldham Engineering – Berkeley)	8,000
• Electrical Engineering	(JRA Electrical Engineers)	16,000
• Contract Administration	(Thorton Tomasetti - Oakland)	15,115
• Non-Structural Design		23,000
• Cost Estimator	(Faithful Gould - San Francisco)	<u>17,750</u>

TOTAL **\$ 527,065**

Has the project previously received federal appropriations? NO

Has Congress authorized funding for this project? NO

Did the President include this project in his proposed budget? NO

How will the project directly benefit the 13th District of California?

The project will allow Alameda Hospital to develop a definitive plan, budget and timetable for retrofitting the hospital physical plant to meet the 2013 standards set forth in California Senate Bill (SB) 1953, thereby increasing the likelihood that the facility will continue to be functional in the event of a major earthquake, as well as ensuring the safety of the residents and staff who occupy the facility.

Alameda Hospital currently serves 3,000 inpatients and 30,000 outpatients per year, 80% of whom are residents of the City of Alameda with many of the remaining patients originating from other communities within the 13th Congressional District. In the absence of an ability to continue planning for the seismic retrofit by the appointed deadline of 2013, it is possible that the Hospital would be forced to close by the State of California. The geographic nature of the island community of Alameda makes the availability of a seismically compliant hospital, with a well-equipped Emergency Department, essential for the health of the residents under normal circumstances. In the event of a major earthquake, with the distinct probability of prolonged closure of the 4 bridges and tunnel connecting the island to the City of Oakland, access to healthcare services at Alameda Hospital would be especially critical. By completing the planning process, we should be able to launch a construction project estimated to cost several million, thereby providing new jobs for the construction trades in the District. We are also committed to opening the bidding process to construction trade groups represented by organized labor.

What is the national significance of this project, if any? N/A

List any organizations or state/local elected officials who have expressed support for this project in writing. *Additional letters may have been sent directly to the Washington, D.C. Office*

Jordan Battani	President, City of Alameda Health Care District Board of Directors
Robert A. Bonta	Secretary, City of Alameda Health Care District Board of Directors
Robert Deutsch, MD	1 st VP, City of Alameda Health Care District Board of Directors
Beverley Johnson	Mayor, City of Alameda
Alice Lai-Bitker	President, Alameda County Board of Supervisors, District 3
Frank Matarrese	City Council Member, City of Alameda
J. Michael McCorimck	Treasurer, City of Alameda Health Care District Board of Directors
Lena Tam	City Council Member, City of Alameda
Leah D. Williams	2 nd VP, City of Alameda Health Care District Board of Directors
Shelia Young	Mayor Emeritus, City of San Leandro

Will you be submitting this request to other Members of Congress? NO

Brief Description of Project: The project would fund the completion of planning, including architectural and engineering studies, for the relocation of the kitchen and cafeteria (defined as essential services by the State of California) from the East Building (1925), to the Stephens Wing (built in 1957), and the structural and non-structural retrofit required to bring the Stephens Wing and West Wing (built in 1968) into compliance with SB 1953. Completion of the planning project would also enable us to establish a budget for the retrofit construction and remediation in order to secure a source of financing for implementation of the plan.

Short Project Description:

Alameda Hospital's physical plant is comprised of four main structures: East Building (1925), Stephens Wing (1957), West Wing (1968), South Wing (1982). Only the South Wing complies with the retrofit standards defined by CA SB 1953 for 2013 and 2030. The East Building, housing physician offices, administrative and support functions, will be decommissioned after a retrofit of the balance of the physical plant. The Hospital has identified a conceptual approach to the retrofit; however, more detailed planning is required for submission to OSHPD (Office of Statewide Health Planning and Development) and for securing the appropriate building permits. Two areas in the East Building are defined as "essential" functions by the California Department of Public Health, the kitchen and the cafeteria, and will need to be relocated into the Stephens Wing. A bridge connecting the East Building and the Stephens Wing will be demolished. Soil improvement remediation will be required underneath a major portion of the Stephens Wing foundation to address potentially liquefiable soils beneath the footings and floor slabs. In addition, structural strapping will be added to the north, west and south facades of the Stephens Wing. Finally, some additional non-structural remediation will need to be completed in both the Stephens and the West Wings.

The project will provide for architectural design consultation for the relocation of the kitchen and cafeteria and the installation of the strapping on the Stephens Wing. In addition, it will include consultation on the remediation by other engineers, including structural, geological, mechanical, and electrical. Following completion of the design, a cost estimator will develop a final construction budget for the entire project.

Detailed Project Description:

Alameda Hospital is a District Hospital supported by and serving the residents of the City of Alameda. Alameda as an island with five options for ingress and egress (4 bridges and tunnel) has the potential for isolation from other medical services in the event of traffic incidents as well as natural disasters, such as earthquakes. Hence, the Hospital is highly valued by residents especially for its provision of emergency and acute care services.

Following several years of poor operating performance, the Hospital posted a small positive margin last year (\$740,000) as a result of new program development and cost reduction initiatives. However, prior losses resulted in almost depleting the Hospital's reserves. As a result, the Hospital had to delay planning an approach to meet the seismic retrofit requirements mandated by SB 1953. Alameda Hospital does not currently qualify under any of the existing state laws that provide for an extension of that deadline beyond 2013.

Since the commencement of facility planning in FY 2009, Alameda Hospital has invested \$198,000 on developing a seismic retrofit solution. The Hospital has identified a conceptual approach to the retrofit; however, more detailed planning is required for submission to OSHPD (Office of Statewide Health Planning and Development) and for securing the appropriate building permits. The **Project** would provide sufficient funding to complete the architectural, engineering and other consulting services necessary to complete the planning remediation, including estimated construction costs that will make the Hospital compliant with standards until 2030. By receiving assistance with funding the planning process, the Hospital will be able to advance our project to meet the current deadlines. Financing the actual remediation costs, however, still needs to be addressed. By receiving appropriations funding to complete the plan, the Hospital will be able to focus its capital investment in 2010 on other program development which will continue to strengthen operating performance.

Alameda Hospital's physical plant is comprised of four main structures: East Building (1925), Stephens Wing (1957), West Wing (1968), South Wing (1982). Only the South Wing complies with the retrofit standards defined by CA SB 1953 for 2013 and 2030. The East Building, housing physician offices, administrative and support functions will be decommissioned after a retrofit of the balance of the physical plant. Two areas defined as "essential" functions by the California Department of Public Health, the kitchen and the cafeteria, will need to be relocated into the Stephens Wing. A bridge connecting the East Building and the Stephens Wing will be demolished. The Stephens Wing will also need to have soil improvement remediation underneath a major portion of its foundation to address potentially liquefiable soils beneath the footings and floor slabs. In addition, structural strapping will be added to the north, west and south facades of the Stephens Wing. Finally, some additional non-structural remediation will need to be completed in both the Stephens and the West Wings.

Fee proposals for the project have been obtained from local architects and engineering consultants and are outlined below:

Relocation of Kitchen and Cafeteria:

• Architectural Planning	(Ratcliff Architects – Emeryville)	\$ 168,325
• Structural Design	(Thorton Tomasetti - Oakland)	73,000
• Electrical Engineering	(JRA Electrical Engineers)	29,900
• Mechanical Engineering	(Oldham Engineering – Berkeley)	47,000
• Kitchen Specialist		18,675
• Miscellaneous		8,000
• Cost Estimator		10,500

DATE: March 1, 2010

TO: City of Alameda Health Care District Board of Directors

FROM: Kerry Easthope, Associate Administrator

SUBJECT: Seismic Fee Proposal Recommendation - Thornton Tomasetti

Recommendation One:

Management is recommending that the City of Alameda Health Care District Board of Directors authorize the Chief Executive Officer to enter into a contract with Thornton Tomasetti (structural engineers), for the Structural (SPC) work required to bring the Stephens and West buildings up to the 2013/2015 seismic standards. This proposal does not include relocation of the kitchen and other essential services from the 1925 building, nor does it include the cost of decommissioning the 1925 building. The estimated value of the proposed work is \$369,265 and is summarized as follows:

Thornton Tomasetti – Structural Design	\$180,000
Ratcliff Architects	\$96,000
Fugro West Geological Engineers	\$13,400
Oldham Mechanical Engineers	\$8,000
JRA Electrical Engineers	\$16,000
Faithful Gould Cost Estimators	\$17,750
Thornton Tomasetti Contract Admin & consulting fee	\$15,115
Thornton Tomasetti – NPC work (balance)	<u>\$23,000</u>
Total	\$369,265

This proposal is to include completion of the detailed plans, submittal to OSHPD for review and approval, a project cost estimate for budgetary purposes, as well as, contract administration.(complete set of proposals attached). In addition to the above proposals, the hospital has already been authorized to engage Fugro West for exploratory / liquefaction mitigation in the amount of \$71,000.

Recommendation Two: Increase spending authority for Seismic Planning:

Furthermore, management is recommending that the City of Alameda Health Care District Board of Directors authorize an increase to the \$200,000 seismic spending authority, granted to management at the October 12, 2009 board meeting, to \$515,265, an increase of \$315,265. This amount would be allocated as follows:

Fugro Liquefaction Study (already authorized)	\$71,000
Ratcliff – Phase I of Kitchen project (already authorized)	\$75,000
Continuation of SPC & NPC plan preparation specified above	<u>\$369,265</u>
Total	\$515,265

We are recommending that the cash for this project come from the Fiscal Year 2010 Capital Budget, of which, approximately \$200,000 of the \$1 million budget has been spent to date. In addition, we proposed at the February Finance Committee meeting that \$306,000 of this years capital equipment items be included and financed through the US Bankcorp loan (together with the Imaging equipment & PACS). This financing will free up additional cash to cover the cost of this seismic proposal.

Background:

Under the direction of the District’s Strategic Planning Committee, management has been working with outside consultants, architects and engineers to better understand the scope of work and options available to comply with the 2013 California seismic retrofit requirements (SB 1953). After considering various master plan options with the Strategic Planning Committee, it was determined that management should proceed with developing the plans required to comply with the most immediate 2013 seismic requirements deadline while simultaneously pursuing legislation that would delay the date of compliance.

Discussion:

The known primary issues that need to be addressed as part of the 2013 seismic standards include:

1. Fortification of the footings and foundation slab below the Stephens building to eliminate the liquefiable soil concern in this area.
2. Metal strapping to support the exterior sheer walls of the Stephens and West buildings.
3. Removal of the bridge that connects the 1925 and Stephens buildings.
4. Relocation of “essential” service from the 1925 building to a seismically compliant building. These services include: relocation of dietary services, the morgue, Administrators office, and medical records.
5. Non-Structural Performance Criteria (NPC), some bracing, anchoring fortification of non structural items throughout all critical service areas of the hospital.
6. Decommission the 1925 building from OSHPD jurisdiction.

Items 1 – 3 will be addressed as part of the scope of work being recommended in this memorandum. Thornton Tomasetti is the “primary” on this project. The hospital will engage Thronton and they, in turn, will sub-contract with the respective engineers and architect. In addition, plans for the NPC work (item #5), have been prepared and are submitted to OSHPD pending review and approval. Cost for this work to date is \$22,000, with an estimated project total of \$45,000.

Relocation of the dietary services and other essential services (item #4), is being directed by Ratcliff Architects as the “primary”. Management has been authorized to engage with Ratcliff on the development of the scope of work and conceptual plans (including cost estimates) for this work. This initial engagement is not to exceed \$75,000. A subsequent, comprehensive proposal for this project has been received in the amount of \$651,000. This proposal will be forthcoming.

SB499:

The hospital will work with Thornton Tomasetti to apply for a two year extension to the January 2013 deadline as provided for under SB499. However, one of the progress steps required under this extension option is to have building plans submitted to OSHPD (ready for review) by June 30, 2010. Therefore, progressive steps need to be made and pushed forward in order to meet this intermittent requirement.

Summary of all Seismic Project Cost:

Thornton Tomasetti – NPC Work

NPC project estimate	\$45,000
Less: amount already invoiced	<u>(\$22,000)</u>
Balance	\$23,000

Thornton Tomasetti – SPC Work

- Strapping, Foundation Work & Bridge removal

SPC Total Cost Proposal	\$417,265
Less: amount already approved Fugro work	<u>(\$71,000)</u>
Balance	\$346,265

Ratcliff – SPC Work

- Kitchen relocation

Kitchen project Cost Proposal	\$651,000
Less: amount already approved for Racliff	<u>(\$75,000)</u>
Balance	\$576,000

Total Seismic Project A&E Cost Proposals

Thornton Tomasetti – NPC	\$45,000
Thornton Tomasetti – SPC	\$417,265
Ratcliff – SPC – Kitchen	<u>\$651,000</u>
Total	\$1,113,265

Thornton Tomasetti

February 4, 2010

Kerry Easthope
ALAMEDA HOSPITAL
2070 Clinton Avenue
Alameda, California 94501

Project: SPC2 Upgrades
West and Stephens Wings
Alameda Hospital
TT Project No. 09B143.00

Subject: Proposal to Provide SPC2 Design Upgrade Services

Dear Kerry,

Thank you for the opportunity to provide design services for the subject project. The SPC 2 upgrade of Stevens Wing will include new concrete walls below first floor on grid lines 1, 5, and A, new steel straps at exterior walls on grid lines 1 and 5, as well as demolition of existing bridge connector between Stevens Wing and Administration Building. Per your request, this proposal is to develop Construction Documents, gain OSHPD approval and provide Construction Administration Services. Your goal is to complete the construction in advance of the December 31, 2012 State of California deadline. We propose the following services:

Contract Document Preparation

Services include preparation of one construction document package including specifications and drawings, and related calculations as required for submission to OSHPD. Thornton Tomasetti will provide consulting services to the hospital in the preparation of contract documents for the seismic upgrade to the hospital. Thornton Tomasetti will retain the following consultants in order to accomplish the required design work:

1. Ratcliff Architects: Linda Mahle, lmahle@ratcliffarch.com, (510) 899-6400
2. Fugro West Geotechnical: Ron Bajuniemi, rbajuniemi@fugro.com, (510)268-0461
3. Oldham Mechanical Engineers: John Oldham, johno@oldhamengineering.com, (510) 649-9400
4. JRA Electrical Engineers: Jennifer Shaw, jshaw@jra-ca.com, (925) 249-0300
5. Faithful Gould Cost Estimators: Zaif Ismail, Zaif.Ismail@fgould.com, 415.781.6677 x 4088

Thornton Tomasetti will complete the testing and inspection form required by OSHPD.

Thornton Tomasetti

Kerry Easthope
February 4, 2010
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OSHPD Review and Approval

Respond to structural OSHPD comments in letter form and, if necessary, by meeting with OSHPD plan checker over the counter, to obtain approval for same.

Construction Support

Services include site visits, shop drawing and test and inspection report review. Site visits will be performed at appropriate intervals as dictated by ongoing construction and as determined to be appropriate by Thornton Tomasetti. Services do not include owner initiated revisions to the documents or preparing and maintaining "record drawings," or services made necessary by the defective work of the contractor.

Our proposed lump sum fees plus an estimate of OSHPD and Construction Support NTE costs are as follows:

Construction Documents:

Thornton Tomasetti Structural Design	\$127,000.00
Ratcliff Architects	\$76,000.00
Fugro West Geotechnical Engineers	\$8,100.00
Oldham Mechanical Engineers	\$8,000.00
JRA Electrical Engineers	\$11,200.00
Faithful Gould Cost Estimators	\$17,750.00
Thornton Tomasetti Contract Administration	
@10% of consultants fee	\$12,105.00

SUBTOTAL **\$260,155.00**

OSHPD Review:

Thornton Tomasetti	\$17,000.00
Ratcliff Architects	Included
Fugro West Geotechnical Engineers	\$5,300.00
Oldham Mechanical Engineers	Included
JRA Electrical Engineers	\$1,600.00
Faithful Gould Cost Estimators	N/A
Thornton Tomasetti Contract Administration	
@10% of consultants fee	\$690.00

SUBTOTAL **\$24,590.00**

Thornton Tomasetti

Kerry Easthope
February 4, 2010
Page 3 of 3

Construction Administration:

Thornton Tomasetti	\$36,000.00
Ratcliff Architects	\$20,000.00
Fugro West Geotechnical Engineers	Not Included
Oldham Mechanical Engineers	Included
JRA Electrical Engineers	\$3,200.00
Faithful Gould Cost Estimators	N/A
Thornton Tomasetti Contract Administration @10% of consultants fee	\$2,320.00

SUBTOTAL **\$61,520.00**

TOTAL **\$346,265.00**

The fees of Fugro West Geotechnical Engineers do not include the previously authorized fee of \$71,000.00 for Geotechnical Study of Liquefaction Potential Report. Reimbursibles will be billed above and beyond the above amounts at 1.0 x cost. Attached are our standard conditions and copies of the fee proposals from our consultants.

Should you have any questions please call us. If the above is acceptable, this letter can serve as our authorization to proceed.

Very truly yours,

THORNTON TOMASETTI, INC.



Peter A. Wrona, SE #3621
Vice President

Attachments

Thornton Tomasetti

CALIFORNIA OFFICES 2010 BILLING RATES

TITLE	HOURLY BILLING RATE
SENIOR VICE PRESIDENT/PRINCIPAL	\$270.00
VICE PRESIDENT	\$225.00
SENIOR ASSOCIATE	\$195.00
ASSOCIATE	\$180.00
SENIOR PROJECT ENGINEER/ARCHITECT/DIRECTOR.....	\$165.00
PROJECT ENGINEER/ARCHITECT/ DIRECTOR	\$145.00
SENIOR BUILDING INFORMATION MODELER	\$160.00
BUILDING INFORMATION MODELER.....	\$145.00
SENIOR FIELD ENGINEER.....	\$140.00
FIELD ENGINEER	\$135.00
SENIOR ENGINEER/ARCHITECT/DESIGNER	\$125.00
ENGINEER/ARCHITECT/DESIGNER.....	\$115.00
SENIOR CAD MODELER	\$115.00
CAD MODELER.....	\$95.00
SENIOR TECHNICIAN.....	\$105.00
TECHNICIAN	\$90.00
ADMINISTRATIVE SUPPORT STAFF.....	\$85.00

Notes: (1) Out-of-pocket expenses including, but not limited to, travel, computer, long-distance telephone calls, printing, courier service, mailings, and special consultants, will be billed at our cost plus 10%.

(2) Rates are effective through December 31, 2010.

**Thornton Tomasetti, Inc. (TT)
Standard Conditions for Investigation and/or Design Services**

- (1) TT will perform its services in accordance with the standards of skill and care generally exercised by other design firms in the same locale acting under similar circumstances and conditions. Client acknowledges that TT's services will be rendered without any warranty, express or implied. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or TT.
- (2) To the fullest extent permitted by law, the Client shall hold harmless, defend and indemnify TT and its consultants, and each of their owners, directors, employees, heirs, successors and assigns from any and all claims, suits, demands, damages, losses, judgments, payments, awards, and expenses arising out of the Client's negligence on this project; Contractor(s)' negligence in performing the work and/or supplying the materials; or the negligence of any other party relative to the project except that, subject to paragraph 8, TT shall be liable for claims, damages, losses, judgments and expenses due to the sole negligence of TT, its owners, directors, employees and consultants.
- (3) TT shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB), bacteria, mold, fungi, or other toxic substances, infectious materials, or contaminants. To the fullest extent permitted by law, Client shall hold harmless, defend and indemnify TT and its consultants, and each of their owners, directors, employees, heirs, successors and assigns from any and all claims, suits, demands, damages, losses, judgments, payments, awards, and expenses which directly or indirectly arise from or relate to any such hazardous materials.
- (4) If TT is called upon by Client, or subpoenaed by any other person, to testify or produce records in an action at law, equity, arbitration, or in a pre-trial hearing or conference, as to any work performed by anyone in connection with this project, TT shall be paid by the Client for all time spent while testifying and preparing therefor and producing such records in accordance with the rates set forth in the attached agreement.
- (5) TT shall not have control or charge of, and shall not be responsible for, construction means, methods, techniques, sequences or procedures, for safety precautions and programs in connection with the work, for the acts or omissions of the Contractor, Subcontractors or any other persons performing any of the work, or for the failure of any of them to carry out the work in accordance with the Contract Documents.
- (6) The Client shall cause any Contractor responsible for construction of work designed or specified by TT or responsible for any other services relating to TT's services to indemnify TT to the fullest extent permitted by law against risks which are not normally borne by the design professions in the form of AIA Document A-201 - General Conditions of the Contract for Construction (1987 Edition), Section 3.18. Client shall also cause such Contractor(s) to name TT as an additional insured on Contractor's Comprehensive General Liability policy.
- (7) Drawings, specifications, reports, and other documents prepared by TT as instruments of service are, and shall remain, the property of TT whether the project for which they are made is executed or not. They are not to be used on other projects, extensions to this project or for completion of this project by others, except by agreement in writing and with appropriate compensation to TT.
- (8) It is expressly understood and agreed that, to the fullest extent permitted by law, TT's liability arising from any claims, suits, demands, damages, losses, judgments, payments, awards, and expenses relating to the project shall be limited to and in no event exceed the lesser of 1) three times the basic fee received by TT for services rendered on the project or 2) TT's available insurance proceeds.
- (9) Evaluation of the Owner's project budget, and/or estimates of construction cost, if included in TT's Scope of Services, represent TT's best judgment as a design professional familiar with the construction industry. It is recognized, however, that TT does not have control over the cost of labor, materials, or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding, market, or negotiating conditions. Accordingly, TT cannot and does not warrant or represent that bids or negotiated prices will not vary from the

Thornton Tomasetti

- project budget proposed, established or approved by the Owner, if any, or from any statement of probable construction cost or other cost estimate or evaluation prepared by TT.
- (10) Review of Contractor submittals (for example, shop drawings), if included in TT's Scope of Services, is not conducted for the purpose of determining the accuracy and completeness of details such as dimensions and quantities or for substantiating instructions for installation or performance of equipment or systems designed by the Contractor, all of which remain the responsibility of the Contractor to the extent required by the Contract Documents. TT's review shall not constitute approval of safety precautions or of construction means, methods, techniques, sequences, or procedures. TT's approval of a specific item shall not indicate approval of an assembly of which the item is a component. When professional certification of performance characteristics of materials, systems or equipment is required by the Contract Documents, TT shall be entitled to rely upon such certification to establish that the materials, systems or equipment will meet the performance criteria required by the Contract Documents.
- (11) Periodic site visits, if included in TT's Scope of Services, shall mean that TT shall visit the site at intervals, appropriate to the stage of construction, or as otherwise agreed with Client in writing. The purpose of periodic site visits is to become generally familiar with the progress and quality of the work designed by TT and to determine in general if such work is proceeding in accordance with the Contract Documents. TT shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work designed by TT. On the basis of such on-site observations as an engineer, TT shall keep Client informed of the progress and quality of the work designed by TT and shall endeavor to guard the Owner against defects and deficiencies in such work of the Contractor.
- (12) Full time project representation services, if included in TT's Scope of Services, shall mean that TT shall endeavor to provide further protection for the Owner against defects in the work designed by TT. The furnishing of such full-time project representation services shall not make TT responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs. TT shall not have control or charge of and shall not be responsible for the acts or omissions of the Contractor, Subcontractors, or any other persons performing any of the work. TT shall not be responsible for the failure of the Contractor, Subcontractors or any other persons performing any work to carry out the work in accordance with the Contract Documents.
- (13) If the project is to be designed, bid and constructed according to a "fast track" schedule, in consideration of the benefits to the Client of employing the fast track process (in which design services overlap the construction work and are out of sequence with the traditional project delivery method), the receipt and sufficiency of which are hereby acknowledged, and in recognition of the inherent risks of fast tracking to TT, the Client hereby agrees to waive all claims against TT, its officers, directors, employees and subconsultants (collectively, Consultant) for design changes and for required modifications by contractor of portions of the Work already constructed due to the Client's decision to employ the fast track process. In addition, the Client hereby agrees, to the fullest extent permitted by law, to indemnify and hold harmless Consultant, against all damages, liabilities or costs, including reasonable attorneys's fees and defense costs, arising out of or in any way connected with the "fast tracking" of this Project, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct by the Consultant. The Client hereby further agrees to compensate the Consultant for all Additional Services required to modify, correct or adjust the Construction Documents and coordinate them in order to meet the Client's program requirements because of the Client's decision to construct the Project in a fast track manner.
- (14) TT and Client waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement.
- (15) If the project is suspended or abandoned in whole or in part for more than three months, TT shall be compensated for all services performed and expenses incurred prior to receipt of written notice from Client of such suspension or abandonment in an amount as determined in accordance with the provisions set forth in this Agreement, together with all reasonable termination costs and expenses.
- (16) The foregoing conditions are incorporated into any agreement under which services are to be performed by TT for the Client. If any of TT's Standard Conditions or portions thereof shall be adjudged null and void, it is agreed that the remaining Standard Conditions or portions thereof shall remain intact and be given full force and effect. These Standard Conditions shall not be construed to indemnify TT for its own negligence if not permitted by law, or to provide for any indemnification which would, as a result thereof, make the provisions of these Standard Conditions void, or to eliminate or reduce any other indemnification or right which TT has by law.



5856 Doyle Street
Emeryville CA 94608

Tel 510 899 6400
Fax 510 899 6404
www.ratcliffarch.com

LETTER OF AGREEMENT FOR ARCHITECTURAL SERVICES

Date of

Agreement: January 19, 2010

Project: Alameda Hospital Seismic Retrofit Project No. 29031.00

Client: Thornton Tomasetti
555 – 12th Street #600
Oakland, CA 94607

Architect: The Ratcliff Architects
a California Corporation
5856 Doyle Street
Emeryville, CA 94608

Description of Project: Structural reinforcements to the Stephens Wing at Alameda Hospital, in order to upgrade the building from an SPC-1 rating to an SPC-2.

The Architect is authorized to perform the following professional services:

I. Scope of Basic Services:

- The connector bridge between the 1925 Administration Building and 1955 Stephens Wing is to be demolished. Ratcliff to design and detail infill patches to the buildings upon removal of the bridge.
- Ratcliff to assess the code implications of installing a covered walkway between the Administration building and the Stephens Wing and provide findings. **COMPLETED**
- Structural strapping will be added to the north, west and south façades. Ratcliff to design and detail a covering solution for the straps on the exterior face. Ratcliff to also design and detail covering and repair of the interior spaces affected by the strapping.
- Ratcliff to study implications of straps installed on exterior of South façade versus interior. Ratcliff to address any potential strap penetrations of the existing seismic joint cover at the ER roof. The ER wall abutting the Stephens building will have to be opened up to allow for strap installation and require patching, as well as replacement of the seismic joint in sections or in its entirety.

- Coordinate ground floor concrete shear wall infill along grid A in Stephens building, and along Clinton St. façade with the Kitchen Relocation Project. Design work will be developed in the kitchen project.
- Site visits and field observation as required to develop the design and documentation.
- Construction administration support consisting of submittal review, RFI responses, and site observations appropriate to the stage of construction. We do not expect to attend a weekly meeting.

II. Additional Services:

Services not specified in this Agreement shall be considered Additional Services. If the Project's scope or Architect's services are modified, then the Architect's fee shall be equitably adjusted. Additional Services may be provided if authorized by the Owner and confirmed in writing by the Architect. Additional Services include, but are not limited to:

- A. Revisions to documents approved by the Owner or any governmental agency, or instructions by the Owner or the Owner's representative which are inconsistent with previous approvals, instructions and data provided.
- B. Any other services not included in this Agreement as part of Basic Services.
- C. Providing services in connection with evaluating substitutions proposed by the Contractor and making subsequent revisions to Drawings, Specifications and other documentation resulting therefrom.
- D. Civil engineering or landscape services.

III. Compensation for Basic Services:

We will bill for actual time expended to a maximum fee of \$96,000 (ninety-six thousand dollars). Maximum fees per phase are as follows:

Design and Construction Documents	\$76,000
Construction Administration	\$20,000

IV. Compensation for Additional Services:

- A. Compensation shall be at the Hourly Rates set out in Exhibit A, or if agreed to by the parties prior to Additional Services being provided, at a stipulated sum.

V. Compensation for Reimbursable Expenses:

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A. Expenses incurred by the Architect in connection with the Project are in addition to compensation for services unless specifically stated in this Agreement and include, but are not limited to, the following: copying and printing; renderings and models; long distance telephone calls; facsimiles; out-of-town travel, meals, and accommodations; fees paid for securing approval of authorities having jurisdiction over the Project. Expenses shall be billed at 115% of actual cost to cover administrative and processing expenses of the Architect.

VI. Professional and General Liability Insurance:

The Architect shall provide to the Owner, certificates of insurance evidencing professional and general liability insurance coverage in force with limits of liability described below.

Commercial General Liability Insurance	\$1,000,000 per occurrence/ \$2,000,000 in the aggregate
Automobile Liability Insurance	\$1,000,000 per accident
Worker's Compensation Insurance	Statutory
Employer's Liability Insurance	\$1,000,000 policy limit
Professional Liability Insurance	\$1,000,000 per claim and in the aggregate

VII. Other Conditions:

A. The Architect shall provide the services specified in this Agreement in accordance with the Attachment A, Standard Terms and Conditions, which are hereby incorporated herein.

B. The Architect shall provide the services specified in this Agreement for the maximum fee indicated, but may include within that fee the services of a waterproofing consultant and a specification writer. Such services would be billed at 100% of actual cost.

This Agreement entered into as of the day and year first written above.

Client
Thornton Tomasetti

Architect
The Ratcliff Architects
a California Corporation



Signature

Christopher P. Ratcliff, FAIA - President



Print name and title

David Dersch - CFO

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ATTACHMENT A
Standard Terms and Conditions

1. Payments are due and payable thirty days from the date of the Architect's invoice. Disputes regarding an invoice shall be brought to the Architect's attention within ten days of receipt of the invoice. A late payment penalty of 1.5% per month (18%APR) shall be added to balances unpaid thirty days after invoice date. The Architect reserves the right to suspend or terminate its services, or withhold its documents without notice, if payment in full is not received within thirty days after invoice date. The Architect shall not be held liable for any damage, delay, claims or losses that may result therefrom.
2. The Owner shall provide full information including but not necessarily limited to requirements and restrictions for the Project site and the Project which sets forth the Owner's objectives, program, schedule and budget, each in terms of the other. The Architect shall be entitled to reasonable rely on information provided by Owner.
3. Drawings, Specifications and other documents ("Documents") prepared by the Architect as instruments of service are the Architect's property whether the Project is executed or not. The Owner shall be permitted to retain copies for information and reference in connection with the Owner's use and occupancy of the completed Project. The documents may not be used on other projects, completion of the Project with others or extensions or additions to this Project except by agreement in writing and with appropriate compensation to the Architect.
4. The Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB) or other toxic substances.
5. The Architect shall not have control over or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's responsibility under the Contract for Construction. The Architect shall not be responsible for the Contractor's schedules or failure to carry out the Work in accordance with the Contract Documents. The Architect shall not have control over or charge of acts or omissions of the Contractors, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.
6. The Architect shall have no responsibility for providing any estimates or opinions of probable construction costs for the Project.
7. Claims, disputes or other matters in question between the Architect and Owner arising out of or relating to this Agreement or breach thereof shall be subject to mediation under the auspices of a recognized, neutral third-party professional mediation service experienced in handling construction disputes, prior to undertaking any other dispute resolution action. The cost of the mediation service shall be borne equally by the parties. A demand for mediation shall be made within a reasonable time after the claim, dispute or other matter in question has arisen.
8. This Agreement may be terminated by either party upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.
9. Should any legal proceeding be commenced between the parties to this Agreement seeking to enforce any of its provisions, including, but not limited to, fee provisions, the prevailing party in such a proceeding shall be

entitled, in addition to such other relief as may be granted, to a reasonable sum for attorneys' fees which shall be determined by the court or forum in such a proceeding or in a separate action brought for that purpose.

10. In the event any of the provisions of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term, or covenant shall not act as a waiver of a subsequent breach of the same.

11. The Architect shall perform its services using the skill and care that a reasonable architect would have used in similar circumstances.

12. The provisions of this Agreement may be waived, altered, amended, or repealed, in whole or in part, only on the written consent of both the Owner and the Architect.

13. This Agreement shall be governed by California law and represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement shall not be assigned without the express written agreement of the Owner and Architect.

14. The Owner acknowledges that the requirements of the Americans with Disabilities Act (ADA) are subject to various and possibly contradictory interpretations. The Architect will use reasonable professional efforts and judgment to interpret applicable ADA requirements as well as existing state and local regulations, codes, and ordinances as they apply to the Project. The Architect, however, cannot and does not guarantee or warrant the Project will comply with all interpretations of the ADA.

15. The Owner understands and acknowledges that the design and construction process for this Project pose certain risks to both the Architect and the Owner. The Owner further understands and acknowledges that the amount of risk that the Architect can accept is tied, in part, to the amount of compensation received for services rendered. The Architect's fee for the services offered is based on the Owner's agreement to limit the Architect's liability as described below. The Owner further acknowledges that were it not for this promise to limit the Architect's liability, the Architect's compensation would need to increase and to address the risks posed by this Project. The Owner, therefore, acknowledging its right to discuss this provision with legal counsel experienced in the design and construction process, as well as other design professionals, voluntarily agrees that, to the fullest extent permitted by law, the Architect's total liability to the Owner for any and all injuries, claims, liabilities, losses, costs, expenses or damages whatsoever arising out of or in any way related to the Project or this Agreement from any cause or causes including, but not limited to, the Architect's negligence, errors, omissions or breach of contract, shall not exceed the total compensation received by the Architect under this Agreement.

16. The Owner agrees to indemnify, defend and hold the Architect harmless from and against any and all claims, liabilities, suits, demands, losses, costs and expenses, including, but not limited to, reasonable attorneys' fees and all legal expenses and fees incurred through appeal, and all interest thereon, accruing or resulting to any and all persons, firms or any other legal entities on account of any damages or losses to property or persons, including death, or economic losses arising out of (1) the Project, (2) the performance or non-performance of obligations under this Agreement, or (3) any unauthorized use of the Architect's Documents, except that the Owner shall have no duty to indemnify the Architect where the Architect is found to be solely liable as between the parties hereto as well as between any other persons, firms or any other legal entities for such damages or losses by a court or forum of competent jurisdiction.

**EXHIBIT A
ARCHITECT'S STANDARD HOURLY RATES**

STANDARD BILLING RATES 2010

Principal	\$236.00
Associate Principal	\$205.00
Director	\$175.00 - \$205.00
Senior Project Architect/Designer/Manager	\$152.00 - \$184.00
Project Architect/Designer/Manager	\$126.00 - \$145.00
Intermediate Architect/Designer	\$110.00 - \$125.00
Designer	\$ 95.00 - \$ 109.00
Project Administration	\$76.00
CAD Drafter	\$76.00

Rates effective through December 31, 2010

RATCLIFF



FUGRO WEST, INC.

1000 Broadway, Suite 440
Oakland, California 94607
Tel: (510) 268-0461
Fax: (510) 268-0545

December 14, 2009
Revised January 28, 2010
Project Number 1414.005

Thornton Thomasetti, Inc.
555 12th Street, Suite 600
Oakland, California 94607

Attention: Mr. Peter Wrona

Subject: Additional Evaluation and Design Scope, Alameda Hospital, Alameda, California

Dear Mr. Dasher:

At your request, we have prepared this proposal to provide additional consultation scope items for the Alameda Hospital Senate Bill 1953 (SB 1953) design improvements. Fugro West, Inc., (Fugro) prepared a Geotechnical Study of Liquefaction Potential report dated December 4, 2009. That report is under review by the California Geological Survey (CGS) as part of the evaluation portion of the SB 1953 effort. The proposed soil improvement techniques in that report are directed at potentially liquefiable soils beneath footings and floor slabs of the Stephens Wing and West Wing of the existing Alameda Hospital complex.

The scope of services described in this proposal is intended to cover

- responses to comments from CGS and the State Office of Health Planning and Development (OSHPD) relating to our December 4, 2009, report;
- geotechnical consultations through submittal of project plans, specifications, and engineer's estimate (PS&E) to OSHPD for a construction and/or alternate method of compliance with SB 1953 application; and,
- one round of response to comments and review by OSHPD and CGS on the PS&E package.

The construction portion of upgrades to the Stephens Wing and West Wing will require additional documentation and review by OSHPD and CGS. To prepare the geotechnical and structural improvement design documents, we understand you require additional recommendations for seismic design parameters, bearing capacity beneath the existing footings, and a design value for the dynamic modulus of elasticity. Further compilation of plans and specifications for ground improvement will be required as part of the construction document preparation.

We propose to provide you with a design recommendations letter for submittal to OSHPD as part of a construction application. The letter will contain:



- seismic design parameters according to 2007 CBC and ASCE 7-05 simplified method (appropriate for Site Class D conditions identified by previous reports, and no site-specific or site response calculations will be required);
- bearing capacities for the existing footings of the Stevens Wing and West Wing structures; and,
- recommendations for (a) enlarging the footings to provide sufficient structural support, (b) bearing capacities sufficient to support the structural loads, or (c) soil improvement recommendations to provide the requisite bearing capacities.

Our deliverables to you will be a design recommendations letter as a cover to our December 4, 2009 report for submittal with a construction application to OSHPD, and contribution to the preparation of project plans, specifications and engineer's estimate (PS&E) to include:

- preparation of one plan sheet indicating the interior area of the West Wing and Stephens Wings to be investigated and area of the Stephens Wing to be improved. Our drafting staff will work closely with counterparts at Thornton Tomasetti to provide a plan sheet conforming to those produced for the structural retrofit portions of the project;
- preparation of geotechnical aspects of project specifications for ground improvement; and,
- preparation of an engineer's estimate for geotechnical components of construction such as ground improvement; additional, interior explorations if needed; and quality control testing and observation (if needed for project bidding process).

Depending on the level of comments from OSHPD and CGS on both the December 4, 2009, report and the PS&E package, the response process could be minor or detailed. OSHPD has indicated that the use of ground improvement to mitigate liquefaction will require review and consideration as an "alternate method of compliance". Our fee estimate is based on 30 hours of response compilation time during which we will assist OSHPD in its review of the ground improvement methods proposed for liquefaction mitigation.

FEE ESTIMATE AND SCHEDULE

Fugro was authorized for \$71,000 to perform the liquefaction evaluation study and provide the December 4, 2009, report. At the time of this proposal, our remaining budget is approximately \$2,000. To produce the letter and reports for delivery to OSHPD and CGS, we estimate a fee of approximately \$2,000, which includes \$1,000 for review of the letter and report by a Certified Engineering Geologist in accordance with CGS requirements. The letter could be produced within 5 business days of notice to proceed with the scope expansion described in this proposal.

Preparation of the plan sheet, the project specifications, and the engineer's estimate will require an additional authorization. Additional consulting such as attending project design meetings and interaction with state review agencies Tasks and hours with fee estimates are presented in Table 1.



Task	Estimated Hours	Estimated Cost to Perform
<i>Previous Authorization for Liquefaction Evaluation</i>	–	\$71,000
Preparation of plan sheet for soil improvement	12	\$1,700
Preparation of geotechnical specifications	24	\$3,700
Preparation of engineer's estimate (optional authorization, if required for bid process)	16	\$2,700
Response to OSHPD/CGS comments, December 4, 2009 report and PS&E package	30	\$5,300
<i>Additional Authorization</i>	52	\$13,400
<i>Total, not-to-exceed Fee</i>	–	\$84,500

We consider this proposal a modification of our original liquefaction evaluation scope, and we will perform our services on a time-and-materials basis. Our total fee estimate for our evaluation service and design service is **\$84,500**. Our work will be performed in accordance with the attached Northern California 2010 Fee Schedule for Consulting Services.

Additional scope items such as structural seismic retrofit, ground improvement services, construction observation, and construction testing are beyond the scope of this proposal. Items outside our scope of work will only be conducted per your subsequent authorization on a time-and-expenses basis in accordance with our standard fee schedule (attached).

CLOSING

If you agree with the proposed scope and fee for this work, please sign below and return one copy of the signed authorization to us.

Fugro appreciates the opportunity to continue to provide geotechnical services to Thornton Thomasetti, Inc. and Alameda Hospital. If you have any questions or require additional information, please contact Martin Walker directly at (510) 267-4493.



Sincerely,

FUGRO WEST, INC.

A handwritten signature in blue ink, appearing to read "Martin J. Walker".

Martin J. Walker, P.E., LEED AP
Project Engineer

A handwritten signature in black ink, appearing to read "Ronald L. Bajaniemi".

Ronald L. Bajaniemi, P.E., G.E.
Principal Consultant

Client: Thornton Tomasetti
Name: Peter Wrona

Signature: _____

Date: _____

MJW:RLB

Attachments: Fee Schedule for Consulting Services 2010

Copies Submitted: (1 PDF) Addressee

Peter A. Wrona
Vice President
Thornton Tomasetti, Inc.
555 12th Street, Suite 600
Oakland, CA 94607-4067
T: 510.433.9370
F: 510.433.9378

December 23, 2009

Via email: PWrona@ThorntonTomasetti.com

**Re: Proposal for Engineering Services
SPC 2 UPGRADE
West and Stephen's Wings
Alameda Hospital
Alameda, Ca**

Dear Peter,

We are pleased to submit our revised fee proposal per our meeting of the 14th of October and our conversation today for electrical consultation and engineering services for the subject project as follows:

- 1.0 **SCOPE OF WORK**
 - 1.1 Review existing record drawings and site survey of first floor of West and Stephen's Wings in the area's affected by the new seismic work at new concrete wall infill areas, seismic straps, underground electrical at grid line 1 and 5 new foundation areas. Determine existing electrical services serving Administration Building thru Breezeway Bridge to be removed.
 - 1.2 Attend four meetings for coordination of project.
 - 1.3 Engineer Contract drawings to include electrical plans of demolition and new work at first floor for relocation or replacement of electrical feeders, circuits, and devices at new seismic work locations as required. Electrical Site plan as required. One Line diagrams of affected feeders and panels. Panel Schedules as required.
 - 1.4 Coordination with your office, Architect, and Mechanical Consultant. Coordination PDF sets via email at various design stages.
 - 1.5 Provide electrical specifications including materials and installation requirements.
 - 1.6 Two sets of signed drawings for OSHPD submittal and resubmittals.

- 1.7 Coordination of drawings with your office, mechanical, and structural consultants.
- 1.8 Coordination with OSHPD comments for approval.
- 2.0 **WORK NOT INCLUDED**
 - 2.1 Solicit bids, evaluate and/or purchase any electrical materials or equipment.
 - 2.2 Upgrade existing of hospital Generator Emergency power.
 - 2.3 Preparing shop drawings for equipment installation and field verifying of dimensions required for equipment fabrication.
 - 2.4 Load readings.
- 3.0 **CONSTRUCTION ADMINISTRATION**
 - 3.1 Review electrical submittals for compliance to contract documents.
 - 3.2 Provide services for answering construction questions during construction.
 - 3.3 Electrical installation review and Verified reports.
- 4.0 **AS-BUILT DRAWINGS**
 - 4.1 Preparation of As-Built Cad Files based upon Electrical Contractor's field As-builts.
- 5.0 **INFORMATION REQUIRED FROM THE ARCHITECT**
 - 5.1 Architect shall provide backgrounds in AutoCAD 2009 format.
- 6.0 **PROJECT TEAM**
 - 6.1 J R A will provide Jennifer Shaw, Principal, as key staff in producing the work.
- 7.0 **HOURLY RATES**

Principal	\$140.00 per hour
Staff Engineer	\$140.00 per hour
Designer	100.00 per hour
CAD Drafter	77.00 per hour

8.0 FEES AND TERMS OF PAYMENT

8.1 We propose to furnish the work as outlined above for the stipulated sum of **Seventeen Thousand Dollars (\$17,000.00)**. Invoices will be sent to your office monthly on a percentage completion basis in accordance with the following table:

<i>Schematic Development</i>	\$ 2,500.00	
<i>Design Development</i>	\$ 2,200.00	
<i>50% Construction Documents</i>	\$ 3,000.00	
<i>Construction Documents</i>	\$ 3,500.00	
<i>Permit/Bid</i>	\$ 1,600.00	
<u><i>Construction Administration</i></u>	<u>\$ 3,200.00</u>	
TOTAL	\$ 17,000.00	Actual \$16,000

Expenses such as printing and postage are not included in the fee stated above, and will be billed at our cost not to exceed \$1,000.00.

1. Payment is due upon receipt of invoices.

9.0 TERMS AND PAYMENT

9.1 Regular monthly invoices will be submitted to client by JRA based on a percentage basis per schedule and with a maximum amount as indicated under "Base Fee".

10.0 CONTRACT CANCELLATION

10.1 Should our services be cancelled for any reason whatsoever before completion of work under this contract, the work completed to date will be billed based on the number of hours expended to date, at the rates quoted under "Extra Work", not to exceed the fees quoted herein.

11.0 CONTRACT DELAY

11.1 In the event the design work is started and stopped due to reasons beyond our control, causing a delay of 4 months or greater, the fees quoted herein will be increased at a rate of 10% per year to cover increased operating costs due to inflation and loss of job efficiency caused by lack of continuity.

12.0 INSURANCE

12.1 J R A maintains as minimum coverage the following insurance:
Professional Liability Policy for Design Professionals in the amount of
\$1,000,000.00 per claim, \$3,000,000.00 per year aggregate, Business Liability in
the amount of \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate
and Workers Compensation and Employers Liability in the amount of
\$100,000.00 per accident, \$100,000.00 per disease each employee, \$500,000.00
disease.

8.0 ACCEPTANCE

12.1 Your acceptance of this proposal will constitute an agreement between J R A
and Thornton Tomasetti, Inc., and will be our authorization to proceed with
work on this project as defined under SCOPE OF WORK.

Thank you for your interest in our firm. We look forward to working with you on this project.
Should you have any questions or need clarification of this Proposal, please call us at your
convenience.

Sincerely,
JRA Electrical Engineers, Inc.

Accepted By:
Thornton Tomasetti, Inc.,

Jennifer Shaw

Jennifer Shaw
Principal

Peter A. Wrona
Vice President

January 22, 2009

Mr. Peter Wrona
Thornton Tomasetti
555 12th Street, Suite 600
Oakland, CA 94607
Tel: 510.433.9370
EM: pwrona@thorntomasetti.com

**RE: ALAMEDA HOSPITAL – SEISMIC UPGRADE
ALAMEDA, CALIFORNIA – COST CONSULTING SERVICES (REVISED)**

Dear Peter,

We appreciate this opportunity to submit our revised fee proposal to provide you with construction cost consulting services for the above referenced project.

1. **SCOPE OF THE PROJECT**

The project consists of the following:

- SPC-2 seismic retrofit to Stephen's Wing.
- Soil grouting to West Wing and Stephen's Wing.
- Bridge demolition.
- Architectural, mechanical and electrical work associated with the above work.
- NPC 3 upgrade to South Building, West and Stephens' Wings

2. **PROJECT BUDGET**

The project for construction based on our estimate dated June 20, 2006, is approximately \$3.30M.

3. **SERVICES**

We are pleased to provide cost consulting services required at the Construction Document Stage.

3.1 **Cost Consulting**

The estimates will be based on the measurement of quantities from your drawings and priced in accordance with the outline specifications.

Mr. Peter Wrona
January 22, 2010
Page 2

RE: **ALAMEDA HOSPITAL – SEISMIC UPGRADE
ALAMEDA, CALIFORNIA – COST CONSULTING SERVICES (revised)**

3.2 Format

The estimate will be presented using the CSI Masterformat. The unit prices will be composite rates of labor, material and equipment and will reflect prevailing construction rates in the locality of the project.

3.3 Meetings

We have included two meetings in our fees. If additional meetings are required, they will be based on Faithful+Gould's professional labor rates. A copy is attached for your reference.

3.4 Reconciliation

We have excluded time for any reconciliation of our estimate with a 3rd party estimate. If needed, it will be based on Faithful+Gould's professional labor rates.

3.5 Value Engineering

Excluded.

4. FEES

Fees have been calculated on the basis of the project scope stated above. An increase in the scope will require adjustment to the fee amounts. We propose to provide the services described above for the following revised Lump Sum Fee:

4.1 Construction Document	
- Preparation of Cost Estimate	\$ 16,400
- Meetings (Two)	\$ 1,200
- Value Engineering (excluded)	\$ 0
- Reconciliation (excluded)	\$ 0
- Expenses	\$ 150
TOTAL	\$ 17,750

Mr. Peter Wrona
January 22, 2010
Page 3

**RE: ALAMEDA HOSPITAL – SEISMIC UPGRADE
ALAMEDA, CALIFORNIA – COST CONSULTING SERVICES (revised)**

5. EXPENSES

The fees include expenses incurred in preparation of the estimates and printing three copies or a .PDF copy of the estimate at each submittal. Our fee excludes the following:

- Reprographics associated with printing of drawings, reports, etc. We assume we will get hardcopies of drawings (one full-size and one half-size) and any reports, specifications etc as well as electronic copies of drawings in .pdf format.
- Expenses such as fax, courier services, special mailing services (UPS, Express Mail, etc.), and printing of estimate reports in excess of three copies are not included.

Expenses will be invoiced at cost plus a 10% administration fee.

6. PAYMENT

We will invoice on completion of each phase for payment net thirty (30) days. Late fees at 1½% per month will be charged to balances outstanding after thirty days.

Please refer to the attached Terms and Conditions.

The services proposed herein will be provided by Faithful+Gould's San Francisco office.

This proposal remains open for acceptance for a period of two months after which time the writer should be consulted for verification of scope and fees.

We trust our proposal will meet with your approval and look forward to working with you. If this proposal is acceptable to you, please sign below and return one copy to our office. In the meantime, if you have any questions regarding this proposal or the fee structure, please give me a call.

**ISSUED BY:
FAITHFUL+GOULD, INC.**



Zaif Ismail
Chief Estimator

Zl:ck

**ACCEPTED BY:
THORNTON TOMASETTI**

DATE: _____

1. Definitions

1.1 As used in this Agreement:

(a) "this Agreement" shall mean and include these General Terms, the Faithful+Gould, Inc. (F+G) Proposal provided to Client, and any amendments made in accordance with the provisions herein.

(b) "Proposal" shall mean the written proposal provided to the Client by F+G, including the scope of services and any fee or cost estimate, attached to these General Terms.

(c) "force majeure" shall mean all conditions beyond the reasonable control of F+G which prevent or hinder the carrying out of its obligations hereunder, including but not limited to acts of God or the public enemy, acts of the government of the United States or the individual states, acts of any foreign country, strikes, lock-outs, disturbances, disorders, riots, civil commotion, malicious damage, war conditions, hostilities, blockades, embargoes, boycotts, sabotage, plagues, epidemics, earthquakes, landslides, floods, fires, storms, tempests, torrents or unusually severe weather; and/or conditions caused by the Client or its representatives, including suspension in whole or in part of the Services, failure of the Client to provide necessary information in a timely manner, or acts of other consultants or contractors of Client.

(d) "Services" shall mean the consulting services to be provided as set out in the Proposal and such additional services as may be supplied pursuant to Clause 8.

(e) "in writing" or "written" shall include any communication sent by first class mail, by delivery services, by facsimile transmission with written confirmation, or by electronic mail with written confirmation.

1.2 The headings in this Agreement are for guidance only and shall not affect its construction.

2. Effective Date

This Agreement shall be effective immediately after both of the following conditions have been met:

(a) the Proposal has been accepted in writing by the Client; and

(b) any advance payment or retainer specified in the Proposal has been paid to F+G.

3. Performance of Services and Payment

3.1 F+G shall, subject to the provisions of this Agreement and to timely receipt of all data, information, approvals, site access or other information or assistance to be provided by the Client, carry out and complete the Services required under this Agreement. F+G's Services are limited only to the Services described in the Proposal and any amendment under Clause 8.

3.2 In consideration of the carrying out of such Services, F+G shall be compensated and reimbursed in accordance with the terms of the Proposal. The Client agrees to pay each invoice within thirty (30) days of receipt unless the Client notifies F+G within ten (10) days of receipt that any portion is in dispute, and the Client will timely pay the portion not in dispute. The parties will immediately make every effort to settle the disputed portion of the invoice. If the Client fails to make payment within thirty (30) days of invoice receipt, then the Client shall pay a late charge at the rate of one and one-half percent (1.5%) per month from the due date on all such amounts outstanding. The late charge shall not apply to any disputed portion of any invoice resolved in favor of the Client.

4. Liability

4.1 F+G shall perform the Services in a manner consistent with that degree of care and skill ordinarily exercised by members of the profession currently practicing under similar circumstances in the same locale. No other warranty, express or implied, is made or intended related to the Services provided.

4.2 F+G shall have no liability for any failure or delay in the Services or any part thereof resulting from force majeure. If any portion(s) of the Services can continue during the force majeure event, the Client shall continue to pay F+G for the Services provided in accordance with the terms herein.

4.3 The total liability of F+G arising under, in connection with or out of this Agreement, whether in contract, tort or any legal theory of recovery, shall be limited to two times the total amount invoiced to the Client under this Agreement, not to exceed \$150,000.

4.4 Nothing in this Agreement confers or is intended to confer any benefit or right to enforce any term of this Agreement, or any other cause of action, on any third party. Services provided under this Agreement are solely for the benefit of the Client.

5. Dispute Resolution

If a dispute arises out of or relates to this Agreement or its breach, and if the dispute cannot be settled through direct discussions, the parties agree that prior to the filing of any legal action, they will first endeavor to settle the dispute in an amicable manner by non-binding mediation, using a certified mediator or certified mediation service. Failure of the parties to resolve the dispute through mediation shall in no way remove the right of either party to pursue any legal action or recourse.

6. Suspension and Termination

6.1 This Agreement may be terminated by either party giving ten (10) days written notice to the other party. Payment to F+G in the event of termination shall include: (a) payments due for any and all Services carried out up to and including the date of termination; (b) payments due for periods during which, because of force majeure caused by the Client, its consultants or contractors, F+G is unable either in whole or in part to provide the Services but is willing and available to provide the same; and (c) the costs of any non-cancelable commitments and a reasonable termination charge, including demobilization costs and other expenses incurred by F+G in terminating the Services.

6.2 The Client may, by written notice to F+G, temporarily suspend all or any portion of the Services for a reasonable period of time. The Client shall notify F+G in writing when the Services should be recommenced, and F+G shall have a reasonable time thereafter to recommence the Services. The Client will be responsible for any reasonable costs and expenses incurred by F+G due to suspension or commencement of the work, in addition to the amount authorized in the Proposal.

7. Intellectual Property

All documents produced by F+G in any form, including the electronic versions thereof, are instruments of service of F+G. The copyright and other intellectual property rights in all documents (including any cost data and computer programs) prepared or compiled by F+G hereunder shall remain vested in F+G; however, the Client shall have a free license to use such of those documents as are supplied hereunder for those purposes for which the same were prepared or compiled. Any liability arising out of use by the Client or any third party of said documents for purposes not wholly connected with and intended for the Project shall be the responsibility of the Client.

8. Amendments

No amendments to the terms of this Agreement shall be made except by agreement in writing between the parties. Any amendment to the Services to be provided by F+G shall include a comparable adjustment in F+G's compensation.

9. Law

The construction, validity and performance of this Agreement shall be governed by and construed under the laws of the state of New Jersey, and for all matters arising under, out of or in connection with this Agreement, the parties shall submit to the exclusive jurisdiction of the courts of the state of New Jersey.

10. Severability

The various provisions herein shall be deemed to be separate and severable, and the invalidity of any of them shall in no manner affect or impair the validity or enforcement of the remaining provisions. Any provision held to be void or unenforceable shall be reformed to replace the provision with a valid and enforceable provision which expresses the original intention of the parties as closely as possible.

11. Entire Agreement and Priority of Documents

The terms of the agreement between the Client and F+G are contained solely in this Agreement and all previous understandings and agreements, written or otherwise, between the parties relating to the subject matter herein are hereby superseded. In the event of any ambiguities, discrepancies or contradictions between the several documents forming this Agreement, the terms of this document shall take precedence. If the Client issues a purchase order or similar document relative to the Services, the provisions of this Agreement shall take precedence over any terms and conditions contained within or attached to the purchase order or other Client documentation.

12. Non-Solicitation

Neither party shall, without the express written consent of the other party, solicit the services of any person who is employed by the other party or retained by the other party as a consultant to provide services under this Agreement, or make any offer of employment or hire any such employee or consultant, whether by direct employment or independent consulting agreement. This provision shall be effective throughout the term of this Agreement and for a period of twelve (12) months from its expiration or termination. In the event of breach of this Clause, the parties agree that the reasonable damages to the other party shall be assessed as the equivalent of four month's salary or compensation for such employee or consultant, and the party in breach agrees to pay to the other party that amount as damages for such breach.

13. Notices

All notices given to F+G under this Agreement shall be made in writing and directed to Faithful+Gould, Inc., 3020 Old Ranch Parkway, Suite 180, Seal Beach, CA 90740 for the attention of the Chief Executive Officer.

OLDHAM
ENGINEERING
Mechanical Engineers

Project No. 2348
January 26, 2010

Mr. Peter Wrona
Thornton Tomasetti
555 12th Street, Suite 600
Oakland, CA 94607

Subject: Alameda Hospital
SPC-2
Proposal for Engineering Services

Dear Mr. Wrona:

Oldham Engineering, Inc.(OE) is pleased to submit this proposal for mechanical work to allow structural upgrades to attain OSHPD SPC-2 level.

SCOPE OF WORK

1. Relocate condensing units outside east wall of Stevens Wing, to allow infill of exterior walls.
2. Relocate pipe in bridge structure between old hospital and Stevens Wing to a new trench, to allow the bridge to be demolished.

ASSUMPTIONS

1. Relocation of pipe and duct inside Stevens Wing building is excluded. Relocations are not expected to be needed.
2. Relocation of pipe and duct inside Stevens Wing building to install new straps is excluded. Relocations are not expected to be needed.
3. OE will research and determine sizes and purpose of existing pipes in bridge.
4. Thornton Tomasetti (TT) will provide trenching details.
5. We assume that none of the equipment in the existing building that serves the Stevens Wing is critical to the Stevens Wing OSHPD building, and that OSHPD will allow the piping in the bridge to be relocated. Relocation of existing mechanical systems in the old hospital to the new building is excluded.

64 Shattuck Square
Suite 210
Berkeley, CA 94704

Tel 510-649-9400
Fax 510-649-9401

6. Installation or upgrade of central plant equipment is excluded, including boilers, chillers, vacuum pumps, medical air compressors, and all other central plant equipment. We assume that all equipment is adequately sized and complies with OSHPD requirements.
7. Installation of new piping mains (domestic water, heating hot water, chilled water, vents, wastes, steam, condensate, fire sprinkler) to serve the area is excluded. We assume existing branch piping entering the project area is adequately sized for the new equipment.
8. Construction documents, bid assistance, OSHPD backcheck review, and construction administration are included
9. TT will retain architectural, civil, and electrical consulting services.
10. Pre-purchase of equipment, multiple document sets, asbestos abatement, cost estimating, and value engineering are excluded.

FEE

Professional fee, excluding reimbursable expenses, is proposed to be time and materials not to exceed \$8,000.

Reimbursable expenses will be separately billed monthly at cost and include parking, travel outside the Bay Area, overnight mail, messenger services, and reprographics for other than in-house use. Plotting will be charged at \$.40 per square foot.

Billing rates are:

Principal	\$140.00 per hour
Senior Engineer	\$120.00 per hour
Mechanical Engineer	\$110.00 per hour
Designer	\$100.00 per hour
Drafter	\$ 85.00 per hour

The TT is to pay all invoices within ten (10) days of receipt of payment by Hospital.

If for any reason our services are canceled before completion of work under this contract, the work completed to date will be billed based on the number of hour expended to date, at the rates listed above.

Oldham Engineering, Inc. is pleased to be considered for this project. We are prepared to begin work upon execution of our Agreement and authorization to proceed.

Page 3
January 28, 2010
Alameda SPC-2, Proposal

Should you have any questions regarding the foregoing, please call.

Very truly yours,

OLDHAM ENGINEERING, INC.

A handwritten signature in black ink, appearing to read 'JAC', with a long horizontal flourish extending to the right.

John A. Oldham, P.E., M17512
Principal

Thornton Tomasetti

May 11, 2009

Kerry Easthope
ALAMEDA HOSPITAL
2070 Clinton Avenue
Alameda, CA 94501

RE: NPC 3 UPGRADE
ALAMEDA HOSPITAL (03B217)
PROPSAL TO PROVIDE STRUCTUAL ENGINEERING SERVICES
TT Project No. 09B146.00

Dear Kerry,

Thank you for the opportunity to provide structural engineering services for the subject project. This project was taken through OSHPD in 2003 and 2004 and permitted. Unfortunately the project was never constructed and the permit has lapsed. Because of code changes, Thornton Tomasetti will need to recalculate all anchorage per the new 2007 CBC and modify drawings accordingly, we are assuming that construction will occur in 2010. Our fee for these services are as follows:

Construction Documents	\$22,000.00
OSHPD Approvals	\$ 8,000.00
<u>Construction Administration</u>	<u>\$15,000.00</u>
Total	\$45,000.00

Should you have questions please call.

Very truly yours,

THORNTON TOMASETTI, INC.



William P. Dasher, S.E. #2363
Senior Vice President

WPD/jrm

Additional Retrofit Planning:

• Structural Design	(Thorton Tomasetti - Oakland)	\$ 78,400
• Geological Engineering	(Fugro West Geological Engineers – Oakland)	13,400
• Mechanical Engineering	(Oldham Engineering – Berkeley)	8,000
• Electrical Engineering	(JRA Electrical Engineers)	16,000
• Contract Administration	(Thorton Tomasetti - Oakland)	15,115
• Non-Structural Design		23,000
• Cost Estimator	(Faithful Gould - San Francisco)	<u>17,750</u>

TOTAL **\$ 527,065**

Alameda Hospital will implement the outlined planning between April, 2010 and March, 2011. The projected submission of plans to OSPHD (Office of Statewide Planning Health and Development) will take place in March, 2011. We hope to obtain OSHPD approval and building permits no later than January, 2012 with construction commencing immediately thereafter in order to meet the 2013 deadlines.

Date: March 1, 2010

To: City of Alameda Health Care District Board of Directors

From: Rob Bonta, Chair - Community Relations Committee
Deborah Stebbins, CEO

Subject: Recommendation to Accept the Community Relations Committee Structure and Purpose

Recommendation:

The Community Relations Committee is recommending that the City of Alameda Health Care District Board of Directors approve the Standing Committee structure as outlined below.

1. Community Relations Committee:
 - a. Primary Purpose: The primary purpose of the Community Relations Committee is to develop a community engagement and outreach plan that supports the hospital's strategic plan and annual goals. The Committee advises the board on strategies and programs to enhance health care services to the community, increase the district's (hospital's) market share, effectively position the hospital for success based on information flow with the community and elected officials and support the fund-raising objectives of the Alameda Hospital Foundation.
 - b. Committee Composition and Voting Rights: The committee shall be comprised of the following members:
 - i. At least two members of the City of Alameda Health Care District Board of Directors all of whom shall be voting members of the committee. One of these members also shall be appointed to serve as the committee co-chair. The other co-chair will be an at large member from the community.
 - ii. Up to three members of the Alameda Hospital Medical Staff all of whom shall be voting members of the committee.
 - iii. Up to *eleven* at large members chosen for expertise needed by the district all of whom shall be voting members of the

committee. At least one member at large shall also be a member of the Alameda Hospital Foundation Board.

- iv. The City of Alameda Health Care District Chief Executive Officer, *and other hospital management as delegated*, who shall not be voting members of the committee.
 - v. The Executive Director of the Alameda Hospital Foundation and the Director of Community Relations shall serve as staff to the Committee and collaborate with the Committee co-chairs on the preparation of agenda.
- c. Terms: The committee shall be appointed annually.
 - d. Meeting Frequency: The committee shall meet at least quarterly.

Background:

As follow-up from the February 3, 2010 District Board Meeting, the Standing Committees of the Board were asked to discuss the primary purpose, committee composition, voting membership, and meeting frequency and bring back a recommendation to the Board for approval. The committee, which is comprised of members of the Board and community along with key personnel from the Hospital, met on February 23, 2010. The Committee discussed the direction and purpose of the Community Relations Committee going forward.

Date: March 1, 2010

To: City of Alameda Health Care District Board of Directors

From: Jordan Battani, Chair – Finance and Management Committee
Deborah Stebbins, CEO

Subject: Recommendation to Accept the Finance and Management Committee Structure and Purpose

Recommendation:

The Finance and Management Committee is recommending that the City of Alameda Health Care District Board of Directors approve the Standing Committee structure as outlined below.

1. Finance and Management Committee:
 - a. Primary Purpose: The primary purpose of the Finance and Management Committee is to review and recommend the annual budget, review performance relative to budget, and review other aspects of the district's financial performance. The Committee shall also serve the function of reviewing the annual report from the Hospital's external auditor, including the annual presentation of audit findings. The committee may also review and advise regarding operational issues, management systems issues, management information systems, and other aspects of the district's overall operational management.
 - b. Committee Composition and Voting Rights: The committee shall be comprised of the following members:
 - i. Two members of the City of Alameda Health Care District Board of Directors both of whom shall be voting members of the committee. The President of the City of Alameda Health Care District Board of Directors shall be an ex-officio, non-voting member of the committee.
 - ii. Two members of the Alameda Hospital Medical Staff both of whom shall be voting members of the committee.
 - iii. Up to *three* at large members chosen for expertise needed by the district each of whom shall be voting members of the committee.

- iv. The City of Alameda Health Care District Chief Executive Officer, Chief Financial Officer, *and other hospital management as delegated*, who shall not be voting members of the committee.
- c. Terms: The committee shall be appointed annually.
- d. Meeting Frequency: *Committee shall meet monthly.*

Background:

As follow-up from the February 3, 2010 District Board Meeting, the Standing Committees of the Board were asked to discuss the primary purpose, committee composition, voting membership, and meeting frequency and bring back a recommendation to the Board for approval. The committee, which is comprised of members of the Board and community along with key personnel from the Hospital, met on February 24, 2010. The Committee reviewed the structure as presented above and had neither recommendations nor additions to the format.