County of Santa Clara

Capital Programs

Report Date: April 12, 2002

Major - Santa Clara Valley Health and Hospital System

Effective Date: March 31, 2002

Project #: AC0040

Project Title: Valley Specialty Center (formerly known as the Medical Office Building), Moorpark and Bascom Avenues, San Jose

Project Manager: Ron Johnson

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Client Contact: Mary Lou Kilcline

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Phone: (408) 885-5712

Consultants: HMC Group (Programming)

Architect: Anshen + Allen, Architects

Construction Mgr: Turner Construction Company (In negotiations)

Contractor: To Be Determined

BACKGROUND:

Both the Santa Clara Valley Health and Hospital System's (SCVHHS) "Strategic Facilities Plan" and the Santa Clara Valley Medical Center's (VMC) "Strategic Business Plan" recommended that a new, operationally efficient medical office building be constructed on the VMC Campus to consolidate specialty care from the Outpatient Department building and other scattered locations. This new medical office building, now known as the Valley Specialty Center (VSC), is the first step in the "VMC Short-Term Master Plan". Construction of the VSC will allow SCVHHS to:

- Replace the existing Outpatient Department (OPD) building with expanded and operationally efficient space in a state-of-the-art facility.
- Consolidate specialty care (currently scattered in the VMC campus vicinity).
- Mitigate the seismic risk in Old Main (Building H-1) by relocating physician offices and special procedure labs, allowing the East Wing of Old Main to be vacated and demolished.

In January 2000, the Board of Supervisors approved a $240,000 contract for planning and programming services for the VSC. This programming provided the analysis for the determination of the proposed occupants of this building.

Scope:

Design and construct a new 234,000 gross square foot medical office building to contain consolidated specialty care outpatient services and relocated physician's offices, labs and other support space from Old Main, East Wing. The project also includes the demolition of the building currently located at 2220 Moorpark Avenue, which will be the site of the VSC, and the relocation of the administrative services now housed at 2220 Moorpark.

FINANCING / BUDGET			
PROJECT #: AC0040	**FUND:** 0050	**ESBJ:** 4100	**FABC:** 031

Fiscal Year	Amount	Additional Information
2000	$ 290,000	Programming only ($250,000 allocated from the Board of Supervisors and $40,000 from SCVHHS's Planning and Marketing budget, Fund 060, ESBJ 2938)
2000	$ 20,000	Planning - parking study (allocation from FY2000 Unanticipated Capital Needs)
2000	$ 40,000	Allocation from Unanticipated Capital Needs for extra services for programming the VSC.
2001	$9,400,000	Funding for design, approved by the Board of Supervisors on November 14, 2000.
2001	($ 310,000)	Reimbursement of the original $250,000 (FY00), plus the $20,000 (FY00) for the parking study, and the $40,000 (FY01) for extra services for programming.
Total:	**$9,440,000**	

Budget Status:

Allocations:	$9,440,000
Expenditures/Encumbrances to date:	$ 2,029,844
Balance Available:	$7,410,156

→ Approved on 11/14/00. Part of $22M borrowed from Retirement Fund.

→ Spent so far.

The funding approved to date is intended to cover the programming a

The preliminary budget for this project, included in the SCVHHS Stra ... dated March 2000, was $71,180,000. The first draft of the programmatic level cost estimate, provided by HMC on July 6, 2000, indicated that total project costs could be considerably higher than this preliminary budget. The variance appeared to be with the projected costs of construction and equipment rather than any increase in the size of the building. (The $71.18 million estimate was based on square footage costs more in line with the Administrative Office Building I at 2325 Enborg Lane. However, the VSC is a medical specialties building.) The programmatic level cost estimate was finalized in early September 2000 at $93.8 million.

On October 3, 2000, the Board of Supervisors held a workshop on funding options for all of the projects included in the proposed Capital Budget. The programmatic level cost estimate of $93.8 million for this project was presented in that workshop. The Board did not take action on October 3rd. A second presentation on the Capital Budget was made on November 14, 2000. Funding of $9.4 million for the design of this project was approved at that meeting.

On October 30, 2001 the Board of Supervisors held a workshop to discuss the status and funding of the County's overall capital program. The report on the VSC presented at this workshop indicated that the pre-design cost estimate for the project is approximately $10 million over the $93.8 million budget. The Administration presented a preferred option of continuing with the design of the building at its full size (234,000 sf), but include up to 55,000 sf of the interior improvements as additive bid alternates. This option provides the opportunity to

take advantage of potentially favorable bidding conditions when the project goes to bid in 2003, and allows the Board the most flexibility in deciding the best use of its capital funds. Other options discussed at this workshop ranged from reducing the size of the building to increasing the size to provide space for non-county tenants.

On December 12, 2001, the Finance and Government Operations (FGO) committee of the Board of Supervisors decided to recommend that the Board of Supervisors approve proceeding with the VSC according to the preferred option presented by the administration at the October 30, 2001 workshop.

On March 22, 2002, the FGO committee held another discussion on the bond funding for this and other major capital projects. The Committee decided to recommend that the full Board hold a discussion on this issue. This discussion has been scheduled for April 30, 2002.

PROJECT SCHEDULE:

	Original	Revised	Actual
Start Date	January 2000	January 2000	January 4, 2000
Complete Schematic Design	December 2000	April 2002	
Complete CEQA Initial Study	Not detailed	June 2002	
Complete Construction	Spring 2004	Fall 2005	

The construction management firm will develop a detailed project schedule as one of their first tasks once their contract has been executed. The current schedule calls for their contract to be executed on April 16, 2002.

Comments, Reason for Changes:

The preliminary schedule included in the Strategic Facilities Plan shows the project being ready for occupancy in the spring of 2004. During the programming phase the architect recommended that the schedule be increased by six months, to finish in the fall of 2004, allowing for a longer consultant selection process, and to add three months to the design process. Further delays in the programming and consultant selection process have pushed the project completion date in Capital Programs' preliminary schedule to the fall of 2005. However, once the construction management firm is on board the entire schedule will be reexamined in an effort to make up the lost time.

CURRENT STATUS:

Programming:

HMC Architects delivered the final draft of the program document on December 6, 2000.

Construction Management:

Capital Programs is currently in negotiations with Turner Construction Company for construction management services for this project. The current schedule calls for a contract to be ready for approval by the Board of Supervisors on April 16, 2002.

Design:

Anshen + Allen has completed the pre-design phase and has begun schematic design. Schematic design is scheduled to be completed in by mid-May 2002.

California Environmental Quality Act (CEQA):

Capital Programs has hired an environmental consultant to prepare an Initial Study to determine if this project will qualify for a Negative Declaration or if an Environmental Impact Report will be required. This Initial Study is scheduled to be completed in June 2002.

Inter-Relationship with Other SCVHHS Building Projects:

Completion of the VSC is the first step in the "VMC Short Term Master Plan", and is critical to the successful implementation of the:

- "Retrofit Strategy Report", issued in April 2000 for Old Main (Building H-1). This study recommends the retrofit of the West Wing of Old Main and demolition of the East Wing of Old Main. This critical project is contingent on completion of the VSC since a number of the programs currently housed in Old Main will be relocated to the VSC.

- "SCVHHS Strategic Facilities Plan" and the VMC "Strategic Business Plan." These reports outline future facility needs. Construction of the VSC will allow VMC to replace the existing Out Patient Department with expanded and operationally efficient space in a state-of-the-art facility, consolidate specialty care (currently scattered in the VMC campus vicinity), and include other functions now located primarily in Old Main.

If you would like further information on this project, please contact:

- Ron Johnson, the Project Manager, by phone at (408) 441-8650, ext. 118 or by e-mail at ron.johnson@gsa.co.santa-clara.ca.us; or
- Siva Darbhamulla, the Capital Programs Division Acting Manager by phone at (408) 299-2462 or by e-mail at siva.darbhamulla@gsa.co.santa-clara.ca.us

PROJECT NUMBER REQUEST

DATE: 6/4/01 **PROJECT NUMBER:** AC 0040 (To be assigned by Support Staff)

REVISION No: 03

REASON FOR REVISION: **Additional Capital funding of $9.4 million, allocated by the Borad of Supervisors on November 14, 2000.**

PROJECT TITLE: (Unique title of less than 40 characters) **(PLEASE PRINT)**

VMC Medical Office Building

PROJECT ADDRESS:
Corner of South Bascom Ave. and Moorpark, San Jose

PROJECT LOCATION - (specific location - building, floor, room, etc)
ner of South Bascom Ave. and Moorpark, San Jose

Project Description (2-3 sentences describing the project)
234,000 Sq. Ft., Medical Office Building on the VMC Campus

PROJECT # _____
FILE # _____

AUG 23 11 16 AM '01 CAPITAL PROGRAMS

Labor Budget: $215,000 **Total Project Cost:** $9,440,000* **Facility #:** TBD
(Sum of lines 21, 23, 62)

Index 2515 **Fund** 0050 **FABC** 031

Project Manager: Ron Johnson **Phone No.** 441-6850 x118

Project Manager Signature: Ron John

Manager, Capital Programs Signature: Siva P Darbhamulla 6/8

Attach the spending plan and proposed schedule for this project.

NOTE:
This form must be filled in & given to Shan when requesting a Project Number. Project Numbers will not be given without the above information being provided at the time of request. Project Number requests must be provided prior to charging time or other documents being processed.

c: Gene Shoffner (2)
Karen Hall
Project Manager
Siva Darbhamulla
Fire Marshal
Project Files

Fiscal Action: B&D mod done DATE: _____

* Partial Funding - Total Project Estimate is $93,800,000.

SPENDING PLAN/PROJECT SCHEDULE

Project Name: VMC Medical Office Bldg.

Project No. AC0040

Building: MOB

Project Manager: Ron Johnson

SCHEDULE:

	Date
Start Date	4-Jun-01
50% C.D.'s	
100% C.D.'s	
Board Approval of Plans & Specs	
Bid Opening	
Contract Award	
Notice to Proceed	
Complete Construction	

Estimated Cost

00 General	
04 Special Costs	
06 Special Studies	
Total 00 General	0
10 County Support	
11 Administration	
12 GSA Bldg Ops	
13 GSA Comm.	
14 Fire Marshal	20,000
15 County Counsel	5,000
16 Other Agencies	
19 Reproduction	10,000
Total 10 County Support	35,000
Management	
21 County Project Management	200,000
22 Technical	
23 Mgr/Chief/Mgmt Analyst	15,000
Total 20 Management	215,000
30 Consultants	
31 Programming	280,000
32 Geotechnical	30,000
33 Archeological	5,000
34 Surveying	30,000
35 Engineering	20,000
36 Environmental	150,000
37 Feasibility Study	
38 Program Management	3,500,000
39 Specialty Consultants	
Total 30 Consultants	4,015,000
40 Design	
41 Pre-Design	370,000
42 Schematic	1,060,000
43 Design Development	1,400,000
44 Construction Documents	
45 Bid & Award	1,945,000
46 Construction Administration	
47 Reimbursements	
49 Extra Services	100,000
Total 40 Design	4,875,000

50 Construction	
51 Demolition	
52 Remodel and Repair	
55 Construction - Other	
59 Supplemental Work Allowance	
Total 50 Construction	0
60 Construction Support	
61 County Construction Management	
62 In-House Inspection	
63 Testing and Outside Inspection	
64 Site Office	
65 Permits and Fees	
66 Construction Support. - Other	
67 Temporary Facility	
68 Surveying	
69 Other Miscellaneous	
Total 60 Construction Support	0
70 Furniture & Equipment (F & E)	
71 Furniture & Equipment Design	
72 Furniture	
73 Fixed Assets & Materials	
74 Computer Equipment/ DP	
75 Telecommunications	
76 Moving Consultant	
Total 70 Furniture & Equipment	0
80 Other Project	
81 Quick Survey Response/POE	
82 Quick Survey Response/POE Cnsltnt	
83 State Review	
84 Hazard Waste Disposal Fee	
85 OSHPD Review	
86 Other Consultants	
Total 80 Other Project Costs	0
90 Contingency	
91 Contingency	300,000
Total 90 Contingency	300,000
TOTAL PROJECT	**$9,440,000**

Rev 6/00