

2008 SFGH Improvement Bonds

QUARTERLY STATUS REPORT
PRESENTED TO THE

Citizens' General Obligation Bond Oversight Committee

April 2011



PREPARED BY

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EXECUTIVE SUMMARY

Recent & Current Activities

The SFGH Rebuild team is pleased to report much has been accomplished with the Program's Projects and associated Increments in advancing the design/permitting, and construction during the previous quarter.

Design & Permitting

Increment 4 – Build Out

- OSHPD Review comments received Dec. 2010
- Response to OSHPD scheduled for Mid-April 2011
- Core Sub-Contractor Bid Sets distributed
- Remaining Trade Packages scheduled to roll up through May 2011

Increment 6 – Building Enclosure

- OSHPD Review comments for non-structural elements scheduled for 1st week May 2011
- OSHPD Structural Review comments received and in review by design team & manufactures

Design & Permitting challenges remain with maintaining schedule. Albeit not currently on critical path, timely achievement of OSHPD review comments and permits have trended late. OSHPD is subject to state furloughs which have significantly impacted the overall schedule in the past. The team continues to adjust the Program schedule and approach to mitigate these delays as much as practical. OSHPD delays to Increment 4 in the last quarter amounted to about a month delay to expected receipt of permit. Fortunately our incremental approach to the Program has dampened the impact by these delays by advancing critical path items as planned. Strategy to address issue includes fine tuning schedule and scope among Increments as we trend OSHPD review and permitting performance.

Fabrication & Construction

Site Utilities

The Site Utility Project is all but complete with remaining portions no longer on the critical path thus being scheduled to support advancing more critical activities associated with Shoring and excavation. The remaining portions include Domestic Water Tank placement, Medical Gas Tanks & Enclosure, Med Gas and Natural Gas cut-in for future Building 25 Service and PG&E Switchgear Pad.

Increment 1

Project Site Perimeter secant walls are in place. Exposure of surfaces, tie back installation, & grinding operation continued through previous quarter. This activity is scheduled to continue through June 2011. Challenges include encountering sub-surface obstructions under existing structures impairing tie-back installations initially causing a ten day schedule loss. With strategic utilization of extended hour activities and restructuring of work approach the team currently has mitigated the delay down to about four days with the trend towards being able to mitigate all of the obstruction delays. We have benefited

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from very good soil conditions minimizing impacts due to rain as well as allowing us to reduce time and cost forecast associated with upcoming mat foundation work. As anticipated, obstruction occurrence has reduced greatly as we descend further down in the site. We are forecasting the beginning of the mat foundation to meet the schedule of June 2011.

Increment 2

Structural Steel Member fabrication was initiated in January and is proceeding in Stockton, CA. Special Inspections and Reporting systems are fully in place and well be on-going through 2011. Mock-up installation of base isolators on site has been initiated and will establish the best methodologies for setting of isolators prior to delivery of all 115 isolators completed and stored in Vacaville, CA. The mock-up base isolator is situated such that when the constructability evaluation is complete the mock-up will remain on site and on display for benefit of public information. Increment 2 is advancing as planned with very few issues. The Mat Foundation is planned to begin at the end of August 2011. The largest challenge has been timely review of OSHPD Change Orders as design issues or refinements are identified as we advance the fabrication. SFGH Rebuild team continues to refine processes as they relate to OSHPD field personnel requirements and availability.

Service Building Modifications

The Emergency Generator Project is also permitted and began construction in December 2011. Advancement of construction associated with the Emergency Generators has had a difficult start for the Design-Build Contractor. All the completed and certified emergency generators are ready for delivery to the site with all five undergoing performance test runs at the supplier's warehouse in San Leandro this past quarter. The most pressing challenge has been delays in expected start and pace of activities in the existing service building due to required design refinement approvals being hindered by OSHPD availability. The SFGH Rebuild Team has worked closely with the Design-Build Contractor in the past quarter to improve their team's performance and interface with OSHPD field personnel. Currently the Campus required generators are forecasted to be operational early 2012. Lease finance obligations begin in 2012 prior to benefit of the forecasted energy savings for SFGH occurring. OSHPD state mandated furlough days are another major factor in Emergency Generator Project delays.

Financing Update

No changes to overall Budget or Financing have occurred. The third bond sale timing and amount is still being evaluated by the SFGH Rebuild Team with current anticipation of a sale towards the end of 2011. As we continue through the summer with buying out Trade Package bids we will begin seeing a rise in encumbrances prompting the need for the third bond sale.

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PROGRAM SUMMARY

PROGRAM BACKGROUND

- The San Francisco General Hospital Rebuild Program consists of new facility construction consisting of a 284 bed acute care facility, Service Building modifications, site utilities relocation & site improvements that is in full compliance with Senate Bill (SB) 1953 & OSHPD standards/ requirements. The majority of the beds will be single rooms. The building will be constructed on base isolators to withstand a major seismic event. The new facility will reside within the existing campus. The building gross size is programmed to be 453,495 square feet. The building will be a total of 9 levels with 2 levels below grade. The Project will strive to meet silver LEED certification or better.
- The Project is being executed in an integrated delivery model with design and construction partners involved throughout the design phase into construction in a collaborative approach. Building Information Modeling (BIM) is also being utilized on this project to verify potential conflicts in design & construction. The Project is being funded by Proposition A General Obligation Bonds for \$887.4 million and was approved on November 4, 2008, with 84% approval. The dollar amount reflects the total Project budget.
- The San Francisco General Hospital Rebuild Program is also managing the Emergency Generator Project, which is a leased financed funded project to address the emergency generator replacement of SFGH

Campus obsolete steam turbine power generation plant concurrently with the SFGH Rebuild required Service Building modifications and generator installations.

- Mission Statement: "Working collaboratively, we commit to design and build the San Francisco General Hospital and Trauma Center" within budget, on schedule and to the highest standards of quality and sustainability, for the benefit of the community."

- Budgets

Program Budgets and Funding (in millions):

Construction	
Site Utilities Relocation	42.4
Service Bldg. Modifications	16.6
Increment #1-Shoring and Excavation	35.2
Increment #2 – Steel Framing	81.6
Increment #3 – Mat Foundation	16.3
Increment #4 - New SFGH Hospital	599.3
Increment #5 - Medical Equipment	25.4
Increment #6 - Curtain Wall & Exterior	50.6
Precast Panel	
Project Components	867.5
Program wide Contingency	\$10.7
Finance Costs	\$9.2
GRAND TOTAL	887.4

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- Funding

Based on budget projections, a plan has been developed to break funding into four bond sales. The sale forecast for the SFGH Rebuild Program is as follows:

Sale	Date	Direct Project Costs	Bond Oversight/ Cost of Issuance	Total
1st Sale*	3/2009	131,650,000	869,606	132,519,606
2nd Sale*	3/2010	294,000,137	817,725	294,817,862
3rd Sale	TBD	239,000,000	TBD	239,000,000
4th Sale	TBD	221,062,532	TBD	221,062,532
Total Bond Program				887,400,000

*1st & 2nd Bond Sale figures are based on actuals.

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PROJECT STATUS SUMMARIES

SITE UTILITIES RELOCATION

Project Location: 1001 Potrero Avenue

Project Manager: Joe Chin,

Joe.Chin@sfdpw.org; (415) 695-3862

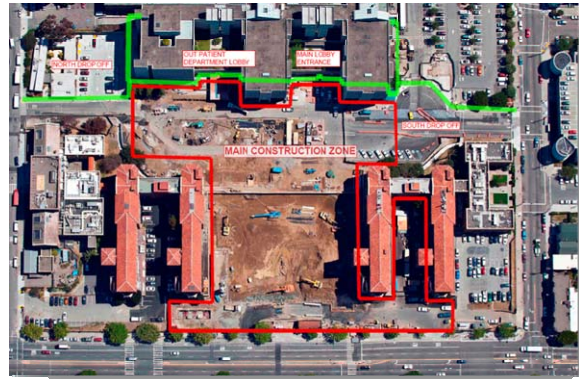
Project Description: Site Utilities Project is the relocation or removal of all campus utilities traversing the project site including an existing utility tunnel between Building 30 & 40 serving the existing hospital and other campus building to remain in operations. Complete reconfiguration of Campus pedestrian and vehicular traffic provisions and flow for continual operations of Medical Center is addressed in this project

Project Schedule

	Start	Finish
Baseline/Original	Jan 2008	Dec 2010
Actual	Jan 2008	TBD

Project Budget

Original Budget	\$42,429,450
Current Budget	\$42,429,450
Current Projected	\$42,429,450
Actual	
Expenditures	\$24,844,238



SERVICE BUILDING MODIFICATION

Project Location: 1001 Potrero Avenue

Project Manager: Christine Tang,

Christine.Tang@sfdpw.org; (415) 695-3865

Project Description: Service Building Modifications for the Rebuild have been incorporated in the Emergency Generator Project which originally included the replacement of the Campus Steam Generator System with two new diesel generators. The addition of the required three emergency generators and associated work for the new acute care hospital has been incorporated in this Project to achieve both needs concurrently and in a coordinated manner.

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Project Schedule

	Start	Finish
Baseline/Original	Jan 2008	Nov 2012
Actual	Jan 2008	TBD

Project Budget

Original Budget	\$16,640,512
Current Budget	\$16,640,512
Current Projected	\$16,640,512
Actual	
Expenditures	\$4,171,142



INCREMENT 1 – SHORING & EXCAVATION

Project Location: 1001 Potrero Avenue

Project Manager: Joe Chin,

Joe.Chin@sfdpw.org; (415) 695-3862

Project Description: Increment 1 - Shoring & Excavation is an approved OSHPD permitted Project which establishes the perimeter of the building including the moat wall for the base isolation system of the new hospital. The excavation will establish the required grades for the two basement levels and crawl space of the base isolation system .

Project Schedule

	Start	Finish
Baseline/Original	Jun 2007	Nov 2010
Actual	Jun 2007	TBD

Project Budget

Original Budget	\$35,243,622
Current Budget	\$35,243,622
Current Projected	\$35,243,622
Actual	
Expenditures	\$13,317,375



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INCREMENT 2 & 3 – STEEL FRAMING & MAT FOUNDATION

Project Location: 1001 Potrero Avenue

Project Manager: Joe Chin,

Joe.Chin@sfdpw.org; (415) 695-3862

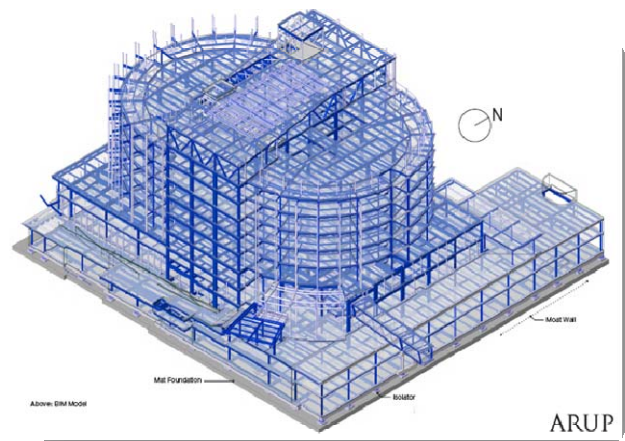
Project Description: Increment 2 & 3 – Steel Framing & Mat Foundation is an approved OSHPD permitted Project which includes creating the mat foundation and base isolator installation for the new hospital as well as fabrication and erection of the structural steel frame.

Project Schedule

	Start	Finish
Baseline/Original	Jun 2007	Aug 2012
Actual	Jun 2007	TBD

Project Budget

Original Budget	\$97,910,286
Current Budget	\$97,910,286
Current Projected	\$97,910,286
Actual	
Expenditures	\$24,395,002



INCREMENT 4 – CORE & BUILDOUT

Project Location: 1001 Potrero Avenue

Project Manager: Ronald Alameida,

Ronald.Alameida@sfdpw.org; (415) 695-3861

Project Description: Increment 4 – Core & Buildout is an OSHPD permitted Project currently in plan review which includes the entire build-out of the new 284 Bed Hospital.

- **Height:** Nine stories -- with two floors underground and seven above
- **Size:** 448,000 square feet
- **Beds:** 284 beds (32 more than current hospital)
- **Emergency:** The emergency department's size will increase from 27 to 60 beds
- **Surgery:** The number of operating rooms will increase from 10 to 14
- **Future Location of Services:**
 - o **Basement 2:** Dietary, Pharmacy, Cardiology, Pulmonary, Diagnostic Imaging (X-Ray), Sterile Processing
 - o **Basement 1:** Operating Rooms (14), Pre-op and Post-op, Endoscopy, Blood Bank
 - o **First Floor:** Emergency Department and Trauma Center
 - o **Second Floor:** Labor & Delivery, Postpartum, Pediatrics, Neonatal Intensive Care

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- o Third Floor: Intensive Care Units (ICU)
- o Fourth Floor: Step Down Medical/Surgical, Step Down ICU, Dialysis
- o Fifth Floor: Medical/Surgical Unit, Forensic Unit
- o Sixth Floor: Medical/Surgical Unit
- o Seventh Floor: Medical/Surgical Unit - Acute Care for the Elderly, Palliative Care, Department of Public Health Operations Center (for citywide emergencies), Roof Garden

Project Schedule

	Start	Finish
Baseline/Original	Jun 2007	Oct 2014
Actual	Jun 2007	TBD

Project Budget

Original Budget	\$599,321,442
Current Budget	\$599,321,442
Current Projected	\$599,321,442
Actual	
Expenditures	\$90,719,595



INCREMENT 5 - MEDICAL EQUIPMENT

Project Location: 1001 Potrero Avenue

Project Manager: Christine Tang,

Christine.Tang@sfdpw.org; (415) 695-3865

Project Description: Increment 5 – Medical Equipment is an OSHPD permitted Project to be submitted for plan review which includes selected rooms in the new hospital with major medical equipment build-outs requiring the latest responsible design & permitting to support the 2015 opening of the hospital with the most state of the art imaging equipment including MRI, CT, and Radiology rooms.

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Project Schedule

	Start	Finish
Baseline/Original	Jun 2007	Mar 2015
Actual	Jun 2007	TBD

Project Budget

Original Budget	\$25,390,803
Current Budget	\$25,390,803
Current Projected	\$25,390,803
Actual	
Expenditures	\$3,771,546



INCREMENT 6 - CURTAIN WALL & EXTERIOR PRECAST PANELS

Project Location: 1001 Potrero Avenue

Project Manager: Ronald Alameida,

Ronald.Alameida@sfdpw.org; (415) 695-3861

Project Description: Increment 6 – Curtainwall and Exterior Precast Panel is an OSHPD permitted Project currently in plan review which includes the exterior enclosure work required for the completion of the new hospital building.

Project Schedule

	Start	Finish
Baseline/Original	Jun 2007	Jan 2013
Actual	Jun 2007	TBD

Project Budget

Original Budget	\$50,573,884
Current Budget	\$50,573,884
Current Projected	\$50,573,884
Actual	
Expenditures	\$9,692,973



Timeline and Schedule
SFGH Rebuild Program - as of March 31, 2011

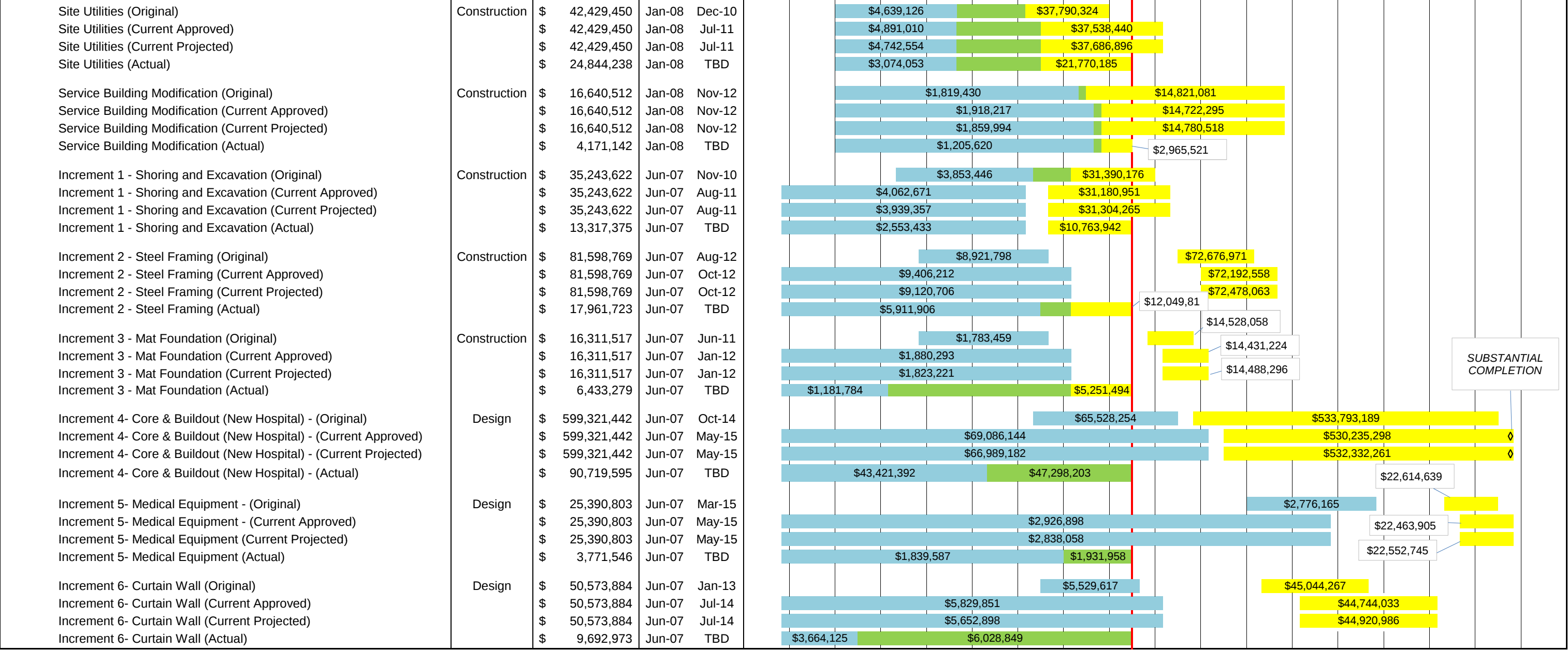
LEGEND:

DESIGN AND OSHPD PERMITTING

OVERLAP OF DESIGN AND CONSTRUCTION

CONSTRUCTION

Program Components



GRAND TOTAL	AMOUNTS
Original/Baseline	867,510,000
Current Approved	867,510,000
Current Projected	867,510,000
Actual Expended	170,911,871

NOTES:

1. This schedule assumes punchlist activity through 2015 and anticipates a six (6) month licensing period beyond completion of construction.

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Program Budget Reports - Revenue as of 3/31/2011

SFGH REBUILD PROGRAM	CURRENT BUDGET	PROP A GENERAL OBLIGATION BONDS	OTHER	TOTAL SOURCES
<u>PROJECT COMPONENTS</u>				
Site Utilities	42,429,450	20,618,612		20,618,612
Service Building Modifications	16,640,512	8,086,465		8,086,465
Increment 1 - Shoring & Excavation	35,243,622	17,126,656		17,126,656
Increment 2 - Steel Framing	81,598,769	39,652,963		39,652,963
Increment 3 - Mat Foundation	16,311,517	7,926,590		7,926,590
Increment 4 - Core & Buildout (New SFGH Hospital)	599,321,442	291,240,557		291,240,557
Increment 5 - Medical Equipment	25,390,803	12,338,674		12,338,674
Increment 6 - Curtain Wall	50,573,884	24,576,405		24,576,405
SUBTOTAL FOR PROJECT COMPONENTS	867,510,000	421,566,921	0	421,566,921
<u>PROGRAM SERVICES</u>				
Controller's Audit & Bond Issuance Cost	9,239,023	1,687,331		1,687,331
Program Contingency	10,650,977	4,083,216		4,083,216
SUBTOTAL FOR PROGRAM SERVICES	19,890,000	5,770,547	0	5,770,547
GRAND TOTAL	887,400,000	427,337,468	0	427,337,468

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Program Budget Reports - Expenditures as of 3/31/2011

			BASED ON PROJECT COST REPORT									
Project	Phase	Category	Baseline Budget		Budget (Appropriated)		Reserve	Expended		Encumbered		Balance
			All Sources	2008 G.O. Bonds	All Sources	2008 G.O. Bonds		All Sources	2008 G.O. Bonds	All Sources	2008 G.O. Bonds	2008 G.O. Bonds
PROJECT COMPONENTS												
Site Utilities	CONSTRUCTION	Soft Costs	6,810,643	6,810,643								
		Construction Costs	34,624,967	34,624,967								
		Project Contingency	993,840	993,840								
		SUBTOTAL	42,429,450	42,429,450				24,844,238	24,844,238			
Service Building Modifications	CONSTRUCTION	Soft Costs	2,671,083	2,671,083								
		Construction Costs	13,579,652	13,579,652								
		Project Contingency	389,777	389,777								
		SUBTOTAL	16,640,512	16,640,512				4,171,142	4,171,142			
Increment 1 - Shoring & Excavation	CONSTRUCTION	Soft Costs	5,657,196	5,657,196								
		Construction Costs	28,760,902	28,760,902								
		Project Contingency	825,524	825,524								
		SUBTOTAL	35,243,622	35,243,622				13,317,375	13,317,375			
Increment 2 - Steel Framing	CONSTRUCTION	Soft Costs	13,097,980	13,097,980								
		Construction Costs	66,589,472	66,589,472								
		Project Contingency	1,911,317	1,911,317								
		SUBTOTAL	81,598,769	81,598,769				17,961,723	17,961,723			
Increment 3 - Mat Foundation	CONSTRUCTION	Soft Costs	2,618,274	2,618,274								
		Construction Costs	13,311,173	13,311,173								
		Project Contingency	382,070	382,070								
		SUBTOTAL	16,311,517	16,311,517				6,433,279	6,433,279			
Increment 4 - Core & Buildout (New SFGH Hospital)	DESIGN	Soft Costs	96,201,209	96,201,209								
		Construction Costs	489,082,115	489,082,115								
		Project Contingency	14,038,118	14,038,118								
		SUBTOTAL	599,321,442	599,321,442				90,719,595	90,719,595			
Increment 5 - Medical Equipment	DESIGN	Soft Costs	4,075,653	4,075,653								
		Construction Costs	20,720,413	20,720,413								
		Project Contingency	594,738	594,738								
		SUBTOTAL	25,390,803	25,390,803				3,771,546	3,771,546			
Increment 6 - Curtain Wall	DESIGN	Soft Costs	8,117,962	8,117,962								
		Construction Costs	41,271,312	41,271,312								
		Project Contingency	1,184,610	1,184,610								
		SUBTOTAL	50,573,884	50,573,884				9,692,973	9,692,973			

ProjectPhaseCategory			FAMIS									
			Baseline Budget		Budget (Appropriated)		Reserve	Expended		Encumbered		Balance
			All Sources	2008 G.O. Bonds	All Sources	2008 G.O. Bonds		All Sources	2008 G.O. Bonds	All Sources	2008 G.O. Bonds	2008 G.O. Bonds
All Phases and Increments	-	Soft Costs	139,250,000	139,250,000	114,089,181	114,089,181		95,466,116	95,466,116	6,356,923	6,356,923	12,266,142
		Construction Costs	707,940,006	707,940,006	116,872,094	116,872,094		75,445,755	75,445,755	24,458,977	24,458,977	16,967,363
		Project Contingency	20,319,994	20,319,994	15,219,684	15,219,684		-	-	-	-	15,219,684
		SUBTOTAL	867,510,000	867,510,000	246,180,959	246,180,959	0	170,911,871	170,911,871	30,815,899	30,815,899	44,453,189
SUBTOTAL FOR PROJECT COMPONENTS			867,510,000	867,510,000	246,180,959	246,180,959	0	170,911,871	170,911,871	30,815,899	30,815,899	44,453,189
PROGRAM SERVICES												-
Controller's Audit & Bond Issuance Cost			9,239,023	9,239,023	1,687,266	1,687,266		1,006,064	1,006,064		-	681,202
Program Contingency			10,650,977	10,650,977	2,678,583	2,678,583		165,312	165,312		-	2,513,271
Unallocated as of March 31, 2011					172,849,995	172,849,995		0	0			172,849,995
SUBTOTAL FOR PROGRAM SERVICES			19,890,000	19,890,000	177,215,844	177,215,844	0	1,171,376	1,171,376	-	-	176,044,468
GRAND TOTAL			887,400,000	887,400,000	423,396,804	423,396,804	0	172,083,247	172,083,247	30,815,899	30,815,899	220,497,658